



Agenda Date: 6/18/14
Agenda Item: 8C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF MICHAEL MANIS AND MANIS)	IMPOSITION OF LEVEL
LIGHTING, LLC – NEW JERSEY CLEAN ENERGY)	FOUR SUSPENSION
PROGRAM RENEWABLE ENERGY INCENTIVE)	
PROGRAM)	DOCKET NO. QS14040316

Parties of Record:

Michael Manis, Manis Lighting, LLC
Michael Ambrosio, Senior Vice President, Applied Energy Group
Carl Teter, Associate Vice President, TRC Solutions, Market Manager

BY THE BOARD:

This matter involves the Board's imposition of a Level Four Suspension against Mr. Michael Manis and Manis Lighting, LLC, (collectively, "Manis") from participation in all New Jersey Clean Energy Programs ("NJCEP Programs") for one year with no reinstatement absent Board approval, for the reasons set forth below.

BACKGROUND

The Board administers the NJCEP Programs pursuant to its authority under the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 to 109. N.J.S.A. 48:3-60(a)(3) allows the Board to fund NJCEP Programs with monies collected from electric and gas ratepayers through the Societal Benefits Charge. ("SBC"). "SBC" means a charge imposed by an electric public utility, at a level determined by the Board, pursuant to, and in accordance with, EDECA. N.J.S.A. 48:3-51.

NJCEP includes several programs that offer incentives to both residential and commercial and industrial ("C&I") customers of electric and natural gas utilities to invest in energy efficiency ("EE") and renewable energy ("RE") measures. Residential EE and RE programs are administered by Honeywell, Inc., and C&I EE programs are administered by TRC Energy Solutions ("TRC"). Honeywell and TRC are the Market Managers for the residential and C&I programs, respectively. Applied Energy Group ("AEG") serves as the NJCEP Program Coordinator.

All contractors who participate in the NJCEP Programs are subject to the Board's Contractor Remediation Procedures outlined in the Board's October 5, 2010 Order titled I/M/O Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Years 2009-2012: Contractor Remediation Procedures, Docket No: EO07030203 (October 5, 2010) (Contractor Remediation Procedures). If a contractor violates NJCEP program procedures, it may be subject to the penalties set forth in the Contractor Remediation Procedures.

The NJCEP Program involved in this matter is the C&I Retrofit Program ("Program"). The Program offers prescriptive rebates to commercial customers who install various measures such as high efficiency lighting, motors, or heating or cooling equipment. The Program's prescriptive lighting component offers lighting rebates for the installation of certain high efficiency lamps and fixtures, including LED lighting. A business customer may contract with a lighting professional to install incentive qualified lighting at their place of business or choose to self-install incentive qualified lighting. By way of process, an application is submitted to TRC specifying, among other things, the type of incentive-qualified light bulbs to be installed, the total amount of incentive per bulb and the total expected incentive based on the units to be installed. After review of the initial application to ensure all program requirements have been met, TRC issues a letter either rejecting or approving the application. Approved applications are given a date by which the project must be completed in order to receive the rebate.

A C&I customer may assign his approved rebate to the contractor by submitting a signed form to TRC designating the lighting contractor as the recipient of the rebate. In those cases, the rebate check is addressed and sent directly to the lighting contractor by TRC. In most circumstances, and in all instances relevant to this matter, a rebate will not be issued unless the C&I customer first obtains and submits to TRC a Tax Clearance Certificate ("TCC") from the New Jersey Department of Treasury, Division of Taxation ("Taxation"), indicating that Taxation has reviewed the records of the C & I customer seeking an incentive or rebate and Taxation has no objection to the issuance of the incentive. The TCC is valid for a set time period upon its issuance, as noted on each TCC. The TCC is applied for and, if approved, received by the C&I customer.

Manis is the owner of Manis Lighting, LLC, located in Hasbrouck Heights, New Jersey. Manis participates in the Program as a lighting contractor. For each application relevant to this proceeding, Manis acted as the entity submitting all application paperwork to the Program on behalf of his C&I customers, including the TCC. In each of these cases, Manis was assigned the right to receive the rebate by his C&I customers.

In January 2014, TRC reviewed two TCCs Manis submitted to the Program related to two pending applications. TRC noticed that both TCCs were printed on an outdated Taxation form that had been replaced by Taxation a few months prior. That same month, TRC contacted Taxation about the two TCCs and was informed that both were invalid TCCs that Taxation had not issued. Later in January, Manis submitted a third TCC to the Program concerning another application. TRC again contacted Taxation, in light of the two other invalid TCCs, and was informed that it, too, was an invalid TCC that Taxation had not issued.

By letter dated February 21, 2014, TRC notified Manis of its findings with the three TCCs and of the Market Manager's intention to recommend a Level Four Suspension pursuant to the Board's Contractor Remediation Procedures, for alleged "intentional misconduct intended to be outside the established program guidelines and procedures" in the submission of invalid TCCs.

The letter also informed Manis that all pending applications including "Michael Manis" as the contractor or payee would immediately be placed on hold without payment pending Board review of the Market Manager's recommendation; no additional New Jersey C&I incentive applications would be accepted from Manis; and all pending Manis projects would be inspected at a 100% rate by the Market Manager. Manis was offered the option to request a meeting with the Market Manager's Team after filing his response to the allegations.

Manis responded to TRC in a signed letter on February 26, 2014. In his letter, Manis admitted to altering the three TCCs identified in TRC's February 21, 2014 letter, and further admitted to altering nine others. Manis listed the names and project numbers for all twelve altered TCCs. Manis admitted to changing expired dates on Taxation issued TCCs to reflect that the documents were still valid. Manis acknowledged that his actions were the result of bad judgment and explained that financial crisis, frustration with the slow pace of the TCC application process, and lack of assistance from his customers led him to commit these acts. Manis was clear that his customers had no knowledge of or involvement in these fraudulent acts. Manis ended his letter requesting a meeting with the Market Manager's Team.

Manis met with the Market Manager's team on March 21, 2014 without legal counsel and confirmed that he had chosen to appear on his own. Manis explained his alterations to each of the twelve TCCs and additionally admitted to altering a utility bill on one of the twelve applications in order to expedite payment of the rebate. The alterations of the TCCs fall into three categories:

- Changing the official date on the TCC so that it would appear that an expired document was still valid;
- Creating a TCC in his customer's name when either a valid TCC had not arrived or Manis had not received it from the C&I customer; and
- Creating a TCC in his customer's name after Manis learned that the C&I customer was ineligible to receive a TCC.

At its April 23, 2014 Agenda Meeting, the Board issued an Order to Show Cause against Manis outlining the allegations detailed above and seeking from Manis an answer within fifteen days of the Order's service upon him stating why a Level Four Suspension should not be imposed that would prohibit Manis from participating in any NJCEP Program for one year with no reinstatement absent Board approval. The Board's Order directed Manis to also provide all exhibits upon which Manis would rely in response to the allegations.¹

On April 30, 2014, Manis filed an answer admitting to the allegations and relying on the same explanations and circumstances outlined in his February 24, 2014 letter and his statements at the March 21, 2014 meeting with the Market Manager's team. Manis requested an additional opportunity to explain to the Board the circumstances that led to his actions.

¹ The Order also allowed for any interested party to file a brief within ten days after service of the answer. No briefs were filed.

On May 19, 2014, the Board Secretary sent Manis a letter acknowledging the absence of a material dispute as to the allegations and granting Manis an additional ten days to submit to the Board all evidence he sought to have the Board review prior to issuing a decision.

On May 22, 2014, Manis responded in writing, again admitting to the allegations and relying on the same explanations and circumstances outlined in his April 30, 2014 answer, February 24, 2014 letter and his statements at the March 21, 2014 meeting. In addition, Manis reported his recent discovery that some of the applications for which he falsified TCCs, had since received valid TCCs.

DISCUSSION AND FINDINGS

The Board's authority to use ratepayer dollars in administering NJCEP programs pursuant to N.J.S.A. 48:3-60(a)(3) comes with the responsibility to ensure that the funds are used judiciously and for their intended purposes. The Board takes these responsibilities quite seriously and has no tolerance for the misuse of NJCEP funds by any party.

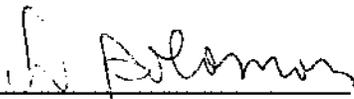
The allegations against Manis, which he does not dispute, are troubling and quite serious. Manis' admission of falsifying several State documents and a utility bill in order to effectuate his receipt of Program incentives cannot be countenanced or overlooked. By his acts, Manis represented that the Division of Taxation had authorized the issuance of State incentives when it had not. Manis further compromised his customers' reputations by falsifying documents that misrepresent their tax status, not his own. While Manis admitted that none of the affected customers had involvement in or notice of Manis' transgressions, his actions ultimately impact them.

While we have reviewed the explanations and circumstances surrounding Manis' transgressions, there is no basis to justify the actions he has committed. Accordingly, the Board **HEREBY ORDERS** that a Level Four Suspension issue against Manis in accordance with the Board's Contractor Remediation Procedures. Manis and Manis Lighting, LLC are prohibited from participation in all NJCEP Programs for one year, either as a direct contractor or subcontractor. Manis may reapply for reinstatement after one year subject to the approval of the Board, which may reasonably be withheld.

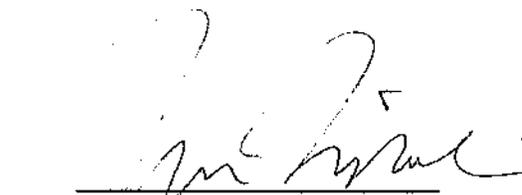
This suspension shall begin upon the effective date of this Order, which shall be June 28, 2014. Effective immediately, Board Staff is **HEREBY ORDERED** to remove the name of Manis and Manis Lighting, LLC, from any and all listings indicating that Manis is a participant with the Program. Manis is also ordered to remove his name from any listing where it is represented that he is a participating contractor, subcontractor or associated in any way with any and all NJCEP Programs. Staff is further **ORDERED** to provide a copy of this Order to Taxation for its investigation and/or review.

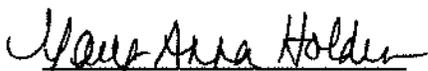
DATED: 6/18/14

BOARD OF PUBLIC UTILITIES
BY:

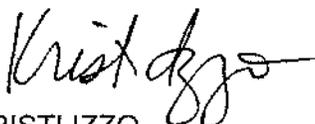

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COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF MICHAEL MANIS AND MANIS LIGHTING, LLC – NEW JERSEY CLEAN
ENERGY PROGRAM RENEWABLE ENERGY INCENTIVE PROGRAM
DOCKET NO. QS14040316

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