



Agenda Date: 10/15/15  
Agenda Item: 8B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 9<sup>th</sup> Floor**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF THE COMPREHENSIVE ENERGY )	ORDER
EFFICIENCY AND RENEWABLE ENERGY )	
RESOURCE ANALYSIS FOR FISCAL YEAR 2016; )	
)	
IN THE MATTER OF THE CLEAN ENERGY )	
PROGRAMS AND BUDGET FOR FISCAL YEAR 2016: )	
LOCAL GOVERNMENT ENERGY AUDIT PROGRAM )	DOCKET NOS. QO15040476
REVISIONS )	QO15040477

**Parties of Record:**

- Maurice Kaiser**, Honeywell Utility Solutions
- Diane Zukas**, TRC Energy Services
- Michael Ambrosio**, Applied Energy Group
- Mark Mader**, Jersey Central Power & Light
- Timothy White**, Atlantic City Electric
- Barbara DeVito**, Orange & Rockland Utilities
- Bruce Grossman**, South Jersey Gas Company
- Susan Ringhof**, Public Service Electric & Gas Company
- Andrew Dembia, Esq.**, New Jersey Natural Gas
- Mary Patricia Keefe, Esq.**, Elizabethtown Gas Company
- Stefanie A. Brand, Esq.**, Director, Rate Counsel

BY THE BOARD:

Pursuant to this Order, the Board of Public Utilities (“Board or BPU”) considers expansion of the target markets eligible to participate in the Local Government Energy Audit (“LGEA”) program which is part of New Jersey’s Clean Energy Program (“NJCEP”).

**BACKGROUND AND PROCEDURAL HISTORY**

In June of 2011, Governor Christie created the State Energy Office (“SEO”) within the BPU. The SEO is charged with developing energy efficiency (“EE”) and renewable energy (“RE”) projects in State facilities. SEO Staff identified several facilities where the greatest opportunities exist for

the State to save energy and money, and created a prioritized list of EE and RE projects that may be implemented within qualified State facilities. These projects may be procured through the Energy Savings Improvement Program (ESIP), a financing mechanism that allows certain public and government entities to pursue EE and RE projects without up-front costs. Instead, project costs are paid out of energy savings, and have the long-term impact of reducing energy usage and energy costs for government entities.

The ESIP first requires the performance of an energy audit to identify potential energy conservation measures and the costs and savings associated with them. ESIP participants that apply and qualify for the LGEA program may use the results of the LGEA for the purpose of the ESIP energy audit.

Over the past several years, the NJCEP coordinated closely with SEO Staff to align NJCEP incentives and program requirements with ESIP requirements. Consistent with these efforts, Staff is proposing that LGEA program eligibility be expanded to allow certain State and public entities to apply and qualify for the LGEA program. Allowing these additional State and public entities to participate in the LGEA program will enable them to meet the ESIP audit requirements, and take the first step toward realizing real and persistent energy and cost savings.

The LGEA program provides incentives per fiscal year for qualifying entities to subsidize the cost of the energy audit. By Order dated June 25, 2015, the Board approved Fiscal Year 2016 programs and budgets for the NJCEP, including the Compliance Filing submitted by TRC Solutions ("TRC"), the Market Manager contracted by the Office of Clean Energy to oversee commercial and industrial energy efficiency programs. TRC's Compliance Filing contains descriptions of the programs it delivers, including the LGEA program.

### **Expansion of the Target Markets Eligible to Participate in the LGEA Program**

The LGEA program, as provided in TRC's Compliance Filing, currently limits the target markets eligible for participation in the LGEA program to qualifying municipalities and other government agencies, including New Jersey State Colleges and Universities, and select non-profits.

Staff is proposing that eligibility to participate in the LGEA program be expanded to also include "State contracting agencies" as defined by N.J.S.A. 52:34-25, and "public agencies" as defined by N.J.S.A. 52:35A-1. By expanding the LGEA program eligibility, these additional entities will save money, and subsequently may pursue an ESIP to save energy through EE and RE projects.

### **Summary of Comments**

Staff posted the proposed modifications on the NJCEP web site and circulated them to the EE and RE listservs for comment. Specifically, the proposed changes to the LGEA program were posted on the NJCEP web site and circulated to the EE and RE listservs for comment on or about September 14, 2015, and remained available for comment until 5:00 p.m. on September 28, 2015. No comments were received.

### **STAFF RECOMMENDATIONS**

Staff consulted with the Market Managers and the Program Coordinator in developing the proposed program modifications provided above. Staff reviewed the proposed changes to the

LGEA program and discussed the estimated impact on the budget with TRC. TRC indicated that, based upon current program activity level, there are sufficient funds in the LGEA program budget to accommodate the proposed changes. Based upon the comments of the Market Managers and Program Coordinator, Staff believes the modifications will deliver significant benefits to the State. Therefore, Staff supports the proposed changes to the LGEA program, and recommends Board approval to expand LGEA program eligibility.

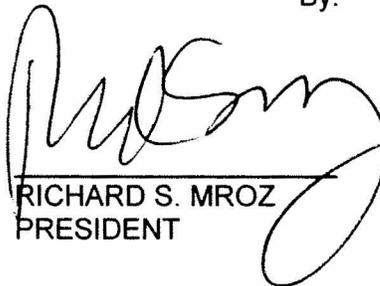
**FINDINGS**

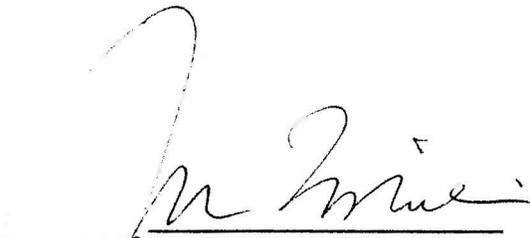
Accordingly, the Board **HEREBY FINDS** that the process utilized in developing the proposed modifications is appropriate and provided stakeholders and interested members of the public the opportunity to comment. The Board reviewed Staff's recommendations regarding the proposed modifications to the LGEA program, and **HEREBY FINDS** Staff's recommendations to be reasonable. Therefore, the Board **HEREBY APPROVES** Staff's recommendation to expand the LGEA program to include "State contracting agencies" as defined by N.J.S.A. 52:34-25, and "public agencies" as defined by N.J.S.A. 52:35A-1.

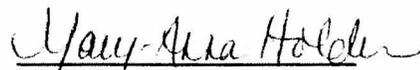
This order shall be effective on October 25, 2015.

DATED: *October 15, 2015*

BOARD OF PUBLIC UTILITIES  
By:

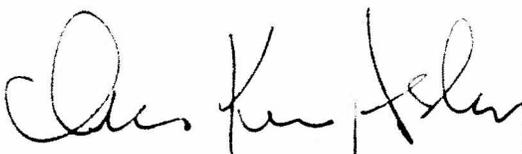
  
RICHARD S. MROZ  
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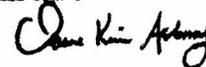
  
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ATTEST:   
IRENE KIM ASBURY  
SECRETARY

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 THE COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE  
ENERGY RESOURCE ANALYSIS FOR FISCAL YEAR 2016;

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR  
2016: LOCAL GOVERNMENT ENERGY AUDIT PROGRAM REVISIONS  
DOCKET NOS. QO15040476 and QO15040477

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