



JOINT CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO.: 10-04-OES/OMB	ORIGINATING AGENCIES: OFFICE ENERGY SAVINGS OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 5
EFFECTIVE DATE: 07-01-09	EXPIRATION DATE: INDEFINITE	SUPERSEDES: N/A
SUBJECT: NEW STATE ENERGY TRACKING SYSTEM AND POLICY FOR PAYMENT OF ENERGY INVOICES		
ATTENTION: DIRECTORS OF ADMINISTRATION AND CHIEF FISCAL OFFICERS		
FOR INFORMATION CONTACT: JOHN RHODES		PHONE: (609) 633-0080

I. PURPOSE

In order for State agencies to effectively manage their energy use, cost, and environmental impact, a new program is being implemented to centralize the receipt, auditing, and processing of energy invoices for all State departments. This new program will convert this energy invoice data into useful summary information and reports, enabling each State department to access this information online and take the steps necessary to improve their energy and environmental performance, while reducing the operating cost of State government. This new program will also permit centralized oversight by Treasury's Office of Energy Savings, to assess facility energy and cost performance across all departments and direct technical and financial resources toward the facilities with the greatest potential and need for improvement.

Therefore, the State, through the Purchase Bureau, has contracted with an Energy Tracking System contractor to receive, audit, and process energy invoices for all State agencies. In addition, the Energy Tracking System contractor will provide key reporting and analysis services including Energy Star benchmarking for eligible State facilities and online access to the Energy Tracking System, for authorized State personnel. The Director of Energy Savings is the State Contract Manager.

II. AUTHORITY

This policy is established pursuant to: 1) Executive Order 11 (Corzine 4/22/06), which authorizes the Director of Energy Savings to implement a program to increase energy efficiency, reduce energy usage and cost, and improve the procurement of energy for all State facilities, 2) New Jersey's Energy Master Plan (2008), which calls for a centralized Energy Tracking System for State Departments, and 3) the fiscal policies of the Office of Management and Budget.

III. BACKGROUND

The State of New Jersey functions as a business concern as well as government entity. The State conducts business with regulated utility companies and competitive suppliers for the supply and delivery of various types of energy. The procurement of this energy is through a combination of a statewide utilities waiver for sole source service (regulated monopolies) and term contracts, publicly advertised and competitively bid by the Purchase Bureau for energy commodities and services that can be competitively sourced.

IV. DEFINITIONS

Energy Bills - Energy types and bills affected by this circular are:

- Electricity supply and delivery
- Natural gas supply and delivery
- Propane supply and delivery
- Fuel oil supply/delivery (for buildings)
- Hot water supply/delivery from vendor
- Steam supply/delivery from vendor
- Chilled water supply/delivery from vendor
- Landfill gas supply and delivery

* Motor vehicle fuels are NOT included in the Energy Tracking System program and will be tracked by the Central Motor Pool, through a separate fuel monitoring system that is not part of this Circular.

Energy Tracking System - An Internet-based system, and related contract services, which compiles monthly energy bill data, on an ongoing basis, and converts that data into useful information and reports that can be accessed online by the appropriate, authorized State personnel. The use of this system will enable all State agencies to better understand and continually improve their energy and environmental performance, and reduce energy costs across all State facilities.

State Department - For the purposes of this program, including the designation of Department Energy Managers, the following entities are considered State Departments:

- Agriculture
- Law & Public Safety
- Banking & Insurance
- Children and Families
- Community Affairs
- Corrections
- Education
- Environmental Protection
- Health & Senior Services
- Human Services
- Labor & Workforce Development
- Military & Veterans Affairs
- Public Advocate
- State
- Transportation
- Treasury

Service Period - The period of time over which energy services were rendered, usually one month. For example, for accounting purposes, a June electricity bill will have 16 or more days of service within the month of June. In the case of heating oil or propane deliveries, any delivery, which occurs on or after July 1, would be considered a July expense, to be accounted for in the new fiscal year.

V. REQUIRED PROCEDURES

A. Designating a Department Energy Manager

Each State Department shall designate a Department Energy Manager from existing staff, if they have not done so already. The Department Energy Manager will be responsible for utilizing the Energy Tracking System to monitor and manage energy use and costs across their facilities, including all divisions or agencies that fall under their Department's responsibility. It is expected

that the Department Energy Manager will also designate and supervise a network of division, agency, or facility-level personnel who can also access the online Energy Tracking System; as deemed appropriate for managing energy use and expenses for their area of responsibility. The designated Department Energy Manager will preferably have some facility or energy knowledge and/or have access to a broader network of facility-level personnel who possess such knowledge.

The Department Energy Manager will interface with the Office of Energy Savings to develop and manage their department's energy savings plan going forward. This will be achieved through a combination of energy supply, conservation, and facility upgrade initiatives to increase energy efficiency; as deemed appropriate for each Department. Each State Department shall report the name and contact information for their designated Department Energy Manager (one person per State department) to the Director of Energy Savings by July 31, 2009 at the latest.

B. Establishing a Central State Energy Account

The Office of Management and Budget shall establish a central account for energy, comprised of NJCFS account-level appropriations, starting with FY 2010. At the beginning of FY 2010, agency budgeted funds will be reallocated to the new central account by the Office of Management and Budget. This initial reallocation will not include funds that are historically transferred from another department account or from the centrally-budgeted energy account in the Interdepartmental section of the State Budget. The agency-designated NJCFS account number through the Energy Tracking System will track all energy account activity. Agencies are responsible for ensuring that sufficient funds are made available in the central account to pay all energy bills when due. If additional funds are required during the fiscal year, the agency must make payment to the central account within 30 days. This can be accomplished using an intra-governmental payment voucher or, if a trust fund account is charged, by sending a check to the Department of the Treasury, Office of Energy Savings, PO Box 211, Trenton, NJ 08625; made payable to "Treasurer State of New Jersey".

C. Establishing Purchase Orders

The Office of Energy Savings will aggregate purchase requests and provide for consolidated procurement contracts through the Division of Purchase and Property, where advantageous and appropriate. State Departments will no longer be required to issue separate energy purchase orders for energy services rendered after July 1, 2009, paid for out of FY 2010 funds or beyond. Any questions relating to purchase requests for energy should be directed to the Office of Energy Savings.

D. New Energy Bill Processing and Payment Procedures

Energy Bill processing and payment will be the responsibility of the new Energy Tracking System contractor, starting with FY 2010 energy expenses. To accomplish this transition, the following procedures shall be followed by all State Departments that are responsible for receiving, certifying, and approving energy bills for payment:

All FY 2009 energy bill payments must be completed by each responsible agency, using the traditional bill certification and payment approach. This will also require complete payment of any outstanding account balances due, which will need to be paid with existing FY 2009 funds.

All FY 2010 energy expenses must be processed through the State's new Energy Tracking System contractor. To accomplish this, all existing State energy vendors/utilities are being instructed to send future energy bills directly to the Energy Tracking System contractor for processing. While this is expected to capture most FY 2010 energy bills, some will continue to arrive at their current State billing address until the transition to the new system is complete.

Therefore, any energy bills received by State agencies for FY 2010 energy expenses (all or most of the Service Period in FY 2010) should NOT be processed or paid by the State Department. Instead, all FY 2010 energy bills received by State Departments are to be sent immediately to the Energy Tracking System contractor for auditing, processing, and payment, using one of the methods described below.

All pages of FY 2010 energy bills (front and back), including any delivery receipts for oil or propane, are to be sent to the Energy Tracking System contractor by one of these methods:

Mail: EnergySolve UBAR 0937
NJ State Utility Processing
PO Box 6260
Somerset, NJ 08875-6260

Scan: Scan and email to NJState@energysolve.com

Fax: Fax to "NJ State Utility Processing" at (732) 748-9640

All FY 2010 energy bills received by the Energy Tracking System contractor will be audited for accuracy, consolidated, and presented to the Office of Energy Savings for payment from the central account. However, each Department shall have Internet access to the vendor invoice detail including State facility, vendor name, account number, energy type, and amount due, and NJCFS account number. In addition, actual bill images will be available to view or download.

E. Department Fiscal Responsibility

While the Energy Tracking System will allow the Office of Energy Savings to centrally manage ongoing vendor payments after the contractor has audited and validated each bill presented for payment, it will not eliminate each State Department's fiscal responsibility to monitor ongoing energy use and expenses for their department and to notify the Office of Energy Savings should an invoice be considered questionable and unauthorized for payment. This ongoing monitoring and certification can be accomplished through using the online Energy Tracking System.

F. Online Access to the Energy Tracking System

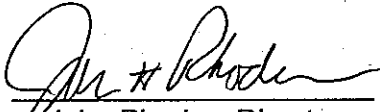
The Office of Energy Savings will work with each Department Energy Manager to review their Department's facility and energy profile; and to establish a list of designated Department personnel who will be accessing the online Energy Tracking System. An information access level will also be established for each individual, as deemed appropriate. This will determine the amount of Department energy and cost information each designated individual will be able to access, ranging from a single facility to full information access across the entire Department. User IDs and passwords will then be assigned after each individual signs the required security and confidentiality form, in accordance with State policy. Training on using the online Energy Tracking System will then be arranged by the Office of Energy Savings and the contractor.

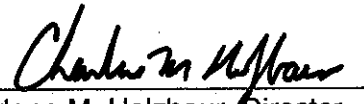
G. Opening and Closing Energy Accounts

The Office of Energy Savings shall be notified immediately of any Department request to open or close an energy account, such as requesting a new electric service or shutting off utility service to a building that is being closed. The Office of Energy Savings will then coordinate the account opening or closing with the Energy Tracking System vendor.

H. Contact Information and Protocol

Department Energy Managers shall serve as point of contact within their Department, regarding compliance with this circular and program. Department Energy Managers should contact the Office of Energy Savings at OES@treas.state.nj.us with any questions regarding this circular or program, especially during the transition period, so any problems can be resolved quickly. In time, each Department will then be provided with additional contact information, to work directly with the State's Energy Tracking System contractor for routine billing and online access issues.



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