



Agenda Date: 10/6/21  
Agenda Item: 8B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</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 CLEAN ENERGY ORDER ) ORDER  
FOR FISCAL YEAR 2022 - 1<sup>st</sup> BUDGET REVISION )  
 ) DOCKET NO. QO21040720

**Parties of Record:**

**Brian O. Lipman, Esq., Acting Director**, New Jersey Division of Rate Counsel  
**Deborah M. Franco, Esq.**, Elizabethtown Gas Company and South Jersey Gas Company  
**Joshua R. Eckert, Esq.**, Jersey Central Power & Light Company  
**Andrew K. Dembia, Esq.**, New Jersey Natural Gas Company  
**Matthew M. Weissman, Esq.**, Public Service Electric and Gas Company  
**Margaret Comes, Esq.**, Rockland Electric Company  
**Michael Ambrosio**, TRC Energy Services

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities (“Board” or “BPU”) at its October 6, 2021 public meeting, where the Board considered the first proposed revision to the Fiscal Year 2022 budget (“FY22 Budget”) for New Jersey’s Clean Energy Program (“NJCEP”).

**BACKGROUND AND PROCEDURAL HISTORY**

On June 24, 2021, the Board originally established the FY22 Budget through a Board Order.<sup>1</sup> Due to a higher than expected number of applications in the Residential Existing Homes (“Existing Homes”) Program, on August 27, 2021, a request for comments was released on a proposed revision to the FY22 Budget. The request for comments was distributed to the BPU listserv and posted on the NJCEP website with a due date of September 17, 2021.<sup>2</sup>

<sup>1</sup> I/M/O the Clean Energy Programs and Budget for Fiscal Year 2022, BPU Docket No. QO21040720 (June 24, 2021).

<sup>2</sup> The NJCEP Proposed Budget Reallocation, issued August 27, 2021, is available at <https://njcleanenergy.com/main/njcep-policy-updates-request-comments/policy-updates-and-request-comments>.

The Existing Homes Program consists of two sub-programs: Home Performance with ENERGY STAR® (“HPwES”) and HVAC. At the end of Fiscal Year 2021 (“FY21”), the HPwES Program received an increased number of applications that are projected to exceed the original HPwES forecast by approximately \$3,400,000, as the applications are processed into commitments and/or payments during FY22. In addition, during late FY21 and early FY22, the HVAC Program received a large volume of applications that are projected to exceed the original HVAC forecast by approximately \$2,000,000. Conversely, during the early part of FY22, demand for some of the Commercial and Industrial (“C&I”) Buildings subprograms has been less than expected resulting in available funds to meet the \$5,400,000 needed for the Existing Homes Program. The C&I Buildings Program Manager will monitor program activity and update forecasts to determine if, as part of the annual true-up budget process, additional funds may be required to replace some or all of the funds proposed for transfer to the Existing Homes Program at this time. The unusual application volumes and amounts appear to be related, at least in part, to the then impending closure of some of the NJCEP programs on June 30, 2021 and the transition of those programs to the utilities, which began late in FY21 and will continue through FY22.

**BUDGET TABLES:**

The following tables show the relevant portions of the current Board-approved budget, the proposed revisions to that budget, and the resultant budget:

Current Board Approved FY22 Budget by Cost Category							
Cost Category Budgets							
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
TRC Total	\$148,133,472.00	\$7,386,808.00	\$348,056.00	\$37,500.00	\$137,520,072.00	\$2,841,036.00	\$0.00
Res EE Programs	\$12,498,503.00	\$1,715,086.00	\$87,014.00	\$0.00	\$9,535,636.00	\$1,160,767.00	\$0.00
Existing Homes	\$12,498,503.00	\$1,715,086	\$87,014	\$0	\$9,535,636	\$1,160,767	\$0.00
C&I EE Programs	\$135,634,969.00	\$5,671,722.00	\$261,042.00	\$37,500.00	\$127,984,436.00	\$1,680,269.00	\$0.00
C&I Buildings	\$135,634,969.00	\$5,671,722	\$261,042	\$37,500	\$127,984,436	\$1,680,269	\$0.00
Proposed Revisions							
Cost Category Budgets							
Program/Budget Line	Total Revised Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
TRC Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Res EE Programs	\$5,400,000.00	\$0.00	\$0.00	\$0.00	\$5,400,000.00	\$0.00	\$0.00
Existing Homes	\$5,400,000.00				\$5,400,000.00		
C&I EE Programs	(\$5,400,000.00)	\$0.00	\$0.00	\$0.00	(\$5,400,000.00)	\$0.00	\$0.00
C&I Buildings	(\$5,400,000.00)				(\$5,400,000.00)		
Resultant Revised FY22 Budget by Cost Category							
Cost Category Budgets							
Program/Budget Line	Total Revised Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
TRC Total	\$148,133,472.00	\$7,386,808.00	\$348,056.00	\$37,500.00	\$137,520,072.00	\$2,841,036.00	\$0.00
Res EE Programs	\$17,898,503.00	\$1,715,086.00	\$87,014.00	\$0.00	\$14,935,636.00	\$1,160,767.00	\$0.00
Existing Homes	\$17,898,503.00	\$1,715,086.00	\$87,014.00	\$0.00	\$14,935,636.00	\$1,160,767.00	\$0.00
C&I EE Programs	\$130,234,969.00	\$5,671,722.00	\$261,042.00	\$37,500.00	\$122,584,436.00	\$1,680,269.00	\$0.00
C&I Buildings	\$130,234,969.00	\$5,671,722.00	\$261,042.00	\$37,500.00	\$122,584,436.00	\$1,680,269.00	\$0.00

## **SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS**

On August 27, 2021, Staff posted on the NJCEP website and distributed to the listserv a request for comments regarding the proposed FY22 first budget revision. Staff accepted comments through September 17, 2021. Written comments submitted by Don van Rhyn, Energy Efficiency Alliance of New Jersey (“EEA-NJ”), New Jersey Division of Rate Counsel (“Rate Counsel”), and Russel F. Alteritz are summarized below, along with Staff’s responses.

**Comment:** Don van Rhyn expressed his concern over the reallocation and how it would negatively impact the Successor Solar Incentive (“SuSI”) Program.

**Response:** This comment appears to stem from a misunderstanding of the NJCEP budget. Staff notes that the SuSI incentives are not related to the Existing Homes or C&I Programs. The SuSI incentives are delivered through renewable energy certificates, the value of which is recovered from ratepayers through a separate process. As noted by the commenter, the SuSI Program opened recently (on August 28, 2021); the Board will be closely monitoring the SuSI Program and has committed to conducting a one-year check-in at the end of the first year to assess whether the program goals are being achieved.

**Comment:** EEA-NJ supports the proposed budget revisions.

**Response:** Staff appreciates the support.

**Comment:** Rate Counsel does not oppose the requested reallocation of the NJCEP funds, but it did express concern that the market may not have fully understood how the transition of some energy efficiency programs from NJCEP to the utilities would work, and that more outreach and marketing should be conducted, particularly with respect to the transitioned C&I programs.

**Response:** Staff has devoted and will continue to devote substantial resources to ensure that the market understands the transition, including the transitioned C&I Programs. The devoted resources include outreach to contractors, website and email notifications, and presentations at public stakeholder meetings.

**Comment:** Russell F. Alteritz commented that the Request for Comments seemed to suggest there is an equivalent amount of money that has been allocated but not requested by C&I to cover the amount of money that has been requested but not allocated to Existing Homes. He states that this is a one-time issue that will satisfy fulfilling a requested amount without requiring additional funding to be allocated. Further, the allocations for the next fiscal year can be adjusted to account for the additional Existing Homes funding and leave the C&I allocation at the current level, in order that the C&I Program can be reviewed and modified to help ensure that the current allocation is requested by the C&I participants.

**Response:** As indicated in the Request for Comments, the C&I Buildings Program Manager will monitor program activity and update forecasts to determine if, as part of the annual true-up budget process, additional funds may be required to maintain that program’s ability to meet the market demand for it. Staff believes that there will be adequate funds to meet the market demand for C&I incentives, and will ask the Board to reallocate funds to C&I Buildings if it appears that the then-existing funding will not be adequate.

### **STAFF RECOMMENDATIONS**

Consistent with the Board's contracts with its program administrators, Staff has coordinated with TRC regarding the proposed budget revisions. The FY22 first budget revision includes the reallocation and detailed budgets presented here.

Having reviewed and considered the comments, Staff recommends that the Board adopt and approve the proposed FY22 first budget revision.

### **DISCUSSION AND FINDINGS**

Staff distributed the proposed FY22 first budget revision to the listserv, posted it on the NJCEP website, and solicited written comments from stakeholders and the public. Staff and the Board considered those comments. Accordingly, the Board **FINDS** that the processes utilized in developing this proposed revision were appropriate and provided stakeholders and interested members of the public with adequate notice and opportunity to comment.

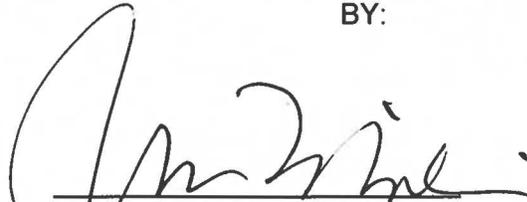
The Board has reviewed Staff's recommendations on the FY22 first budget revision and written comments submitted by stakeholders. The Board **FINDS** that the budget revision will benefit customers and is consistent with the goals of reducing energy usage and associated emissions. Therefore, the Board **HEREBY APPROVES** the FY22 first budget revision.

The Board **HEREBY DIRECTS** Staff, with assistance from TRC, to update relevant program documents (i.e., applications, program manuals, etc.) and take the necessary steps to implement the changes ordered herein, including, without limitation, the provision of adequate notice of such changes.

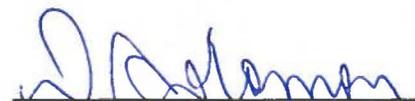
This Order shall be effective on October 6, 2021.

DATED: 10/6/21

BOARD OF PUBLIC UTILITIES  
BY:

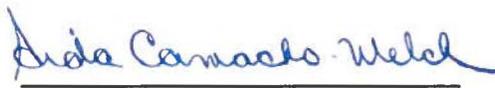
  
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AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE CLEAN ENERGY ORDER FOR FISCAL YEAR 2022 – 1<sup>st</sup> BUDGET  
REVISION - DOCKET NO. QO21040720

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