



Agenda Date: 11/09/11  
Agenda Item: 8A

STATE OF NEW JERSEY  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08635  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF THE 2009 STATE ENERGY	)	
EFFICIENCY APPLIANCE REBATE PROGRAM -	)	ORDER
AMERICAN RECOVERY AND REINVESTMENT	)	
ACT – FINAL REALLOCATION PLAN	)	DOCKET NO. EG09080611

Parties of Record:

Stefanie A. Brand, Director, Division of Rate Counsel

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities (“Board”) at its November 9, 2011 Agenda meeting to approve the reallocation of funds within the State Energy Efficiency Appliance Rebate Program funding under the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (“Recovery Act” or “ARRA”).

BACKGROUND

The Recovery Act provides \$296 million to implement section 124 of the Energy Policy Act of 2005, which established Department of Energy (“USDOE”) support for state rebate programs for residential ENERGY STAR appliance products (those products that represent improvements in efficiency compared to the majority of products in the market). The State Energy Efficiency Appliance Rebate Program (“SEEARP”) is intended to save energy by encouraging appliance replacement through consumer rebates; to make rebates available to consumers; to enhance existing rebate programs; to keep administrative costs low while adhering to monitoring and evaluation requirements; to promote State and national tracking and accountability; and to use existing ENERGY STAR consumer education and outreach materials. States received formula-based funding to establish or supplement established ENERGY STAR appliance rebate programs to achieve these objectives.

Using the designated USDOE formula, New Jersey’s allocation was calculated as \$8,330,740. New Jersey was ultimately awarded by USDOE \$8,331,000<sup>1</sup>, since it was determined the allocations calculated by the formula would be rounded. Federal funds awarded from the

<sup>1</sup> The Board Orders in this same docket dated September 16, 2010 and March 30, 2011 incorrectly stated New Jersey’s total allocation. The correct USDOE award amount is \$8,331,000.

USDOE may be used to pay up to 50% of the administrative costs to carry out the State's rebate program. New Jersey intends to use its full allocation to pay for product rebates.

The USDOE, through the Idaho Operations Office, has made funds available to states to implement the SEEARP. The USDOE created a two-step application process for SEEARP funding. As a first step in applying for SEEARP funds, an Initial Application was submitted by August 15, 2009 on behalf of the State. The Initial Application consisted of an Application for Federal Assistance SF-424. By submitting the SF-424, the State provided a written assurance that it will comply with all of the requirements set forth in the Recovery Act. The second step of the application process required the submittal of a comprehensive application package by October 15, 2009. The comprehensive application package included, among other things, the detailed descriptions of the planned program activities and budget justification information.

Under the federal ARRA program NJ was awarded \$8,331,000 to supplement the Clean Energy appliance rebate program for Products (Clothes Washers, Refrigerators and Dish Washers) including HVAC equipment (Cool and Warm Advantage). New Jersey's plan ("Plan") included:

Expanding the HVAC equipment rebates to Non-Investor Owned Utility and oil/propane customers. The New Jersey Clean Energy Program currently limited to natural gas and Investor Owned Utility electric customers that pay into the societal benefits charge.

## 2. Providing additional product rebates

The Plan included announcing the product rebates to key events such as Earth Day and Energy Awareness Month. The New Jersey consumers responded overwhelmingly to the Product Rebates during these key events. The number of rebates for the Products and the HVAC equipment included in the October 15, 2009 Comprehensive Application Plan was targeted numbers given that consumer spending is unpredictable.

By Order dated September 16, 2010, Docket No. EG09080611 the Board approved the reallocation of \$3.325 million from the HVAC equipment (Cool and Warm Advantage budget to the Products (Clothes Washers, Refrigerators and Dish Washers) budget. This reallocation enabled the NJ Clean Energy Program to extend the current ARRA Products promotion beyond August 31, 2010 and offer NJ consumers SEEARP Product rebates through December 2010.

By Order dated March 30, 2011, Docket No. EG09080611 the Board approved the reallocation of \$1,305,900 from the HVAC equipment (Cool and Warm Advantage budget) to the Products (Clothes Washers, Refrigerators and Dish Washers) budget which was oversubscribed.

The Office of Clean Energy ("OCE") Staff is seeking the Board's approval to reallocate an additional \$81,875.00 from the HVAC equipment budget to the Products budget. All outstanding HVAC rebates have now been paid and the program is closed to new applicants. If approved, the reallocation would budget a total of \$7,912,875 for Products and allow Honeywell, the Market Manager, to ensure that payment is made for the remaining product rebates. Product invoices were held back to ensure that the program would be able to invoice for 100% of the SEEARP budget. The ARRA HVAC promotion has expended \$418,125 of the HVAC budget of \$500,000. Whereas demand for the Products (Clothes Washers, Refrigerators and Dish Washers) program requires that additional funding be reallocated to cover outstanding invoices and fully utilize this ARRA funding.


Since the proposed reallocation of \$81,875.00 is less than 25% of the total SEEARP award, the USDOE has informed Board Staff that OCE is authorized to reallocate the dollars without further

approval from USDOE. However, consistent with past practice in this matter, Staff recommends the Board approve the reallocation of \$81,875.00 of the SEEARP funds from HVAC equipment (Cool and Warm Advantage) to Products (Clothes Washers, Refrigerators and Dish Washers).

The Board has reviewed Staff's recommendation and **HEREBY FINDS** it to be reasonable. Accordingly, the Board **HEREBY APPROVES** the reallocation of \$81,875.00 of the SEEARP funds from HVAC equipment (Cool and Warm advantage) to Products (Clothes Washers, Refrigerators and Dish Washers) making the revised HVAC budget \$418,125 and the revised Products budget \$7,912,875.

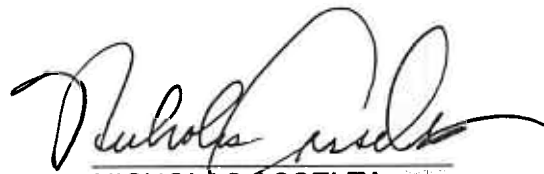
DATED: 11/9/11

BOARD OF PUBLIC UTILITIES  
BY:

  
LEE A. SOLOMON  
PRESIDENT

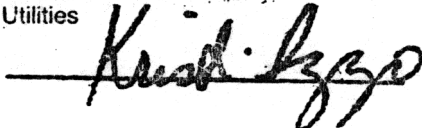
  
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COMMISSIONER

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 THE 2009 STATE ENERGY EFFICIENCY APPLIANCE REBATE  
PROGRAM - AMERICAN RECOVERY AND REINVESTMENT ACT - FINAL REALLOCATION  
PLAN  
DOCKET NO. EG09080611

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