State of New Jersey
DIVISION OF RATE COUNSEL
31 CLINTON STREET, 11TH FL
P. O. BOX 46005
NEWARK, NEW JERSEY 07101

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

STEFANIE A. BRAND
Director

August 17, 2010

VIA Hand Delivery
Hon. Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Re: Request for Comments Regarding Comfort Partners Program Budget

Dear Secretary Izzo:

Pursuant to the request circulated by the Office of Clean Energy ("OCE") on August 12, 2010, the Division of Rate Counsel ("Rate Counsel") submits the within comments.

Comfort Partners ("CP") is the New Jersey Clean Energy Program ("CEP") energy-efficiency program for lower-income owners of existing houses. Although the CP program is managed by utilities, it is delivered Statewide on the basis of demand, rather than on a service area by service area basis. Rate Counsel has been supportive of this program in past years.

On August 12, the Office of Clean Energy ("OCE") circulated a proposal to increase the 2010 budget for the Comfort Partners program in response to an increase in program expenses that was described as "unprecedented" and having occurred over a "very short time period." The OCE noted that the utilities, in turn, did not have sufficient time to modify their programs in response to the increased level of expenses and remain within their budgets without closing the program to new applicants. The OCE further notes that the utilities request $3 million in additional funding in order to fund their Comfort Partner programs through the end of the year.

In response to the request for additional funding, OCE proposes to transfer funds to Comfort Partner programs from three sources:

-- interest on the CEP Trust Fund ($1.38 million);
-- CORE program funds freed-up by project cancellations ($0.93 million); and
-- the OCE Oversight budget ($0.70 million).

OCE's funding proposal does not change any of the other Energy Efficiency 2010 program budgets from the revised budget levels that were adopted by the Board of Public Utilities in its Order dated June 21, 2010 in Docket No. EO07030203.

Rate Counsel generally supports OCE's proposal, in order to maintain ongoing program activity in the Comfort Partners program. It is reasonable to transfer funds from the sources indicated.

In the case of the CORE program, the availability of funds provides evidence that the Renewable Energy budget for 2010 is more than adequate.

The Oversight budget reductions would come from: the financial audits budget ($100,000); the Green Jobs/Building Code training project ($300,000); and the program evaluation budget ($300,000). OCE's request for comments represents that the $700,000 remaining in the financial audits budgets is sufficient to pay anticipated 2010 expenses. As for funds transferred from the Green Jobs/Building Code training project, that has not started yet, it is not unreasonable to transfer 2010 funding to Comfort Partners and attempt to accommodate the Green Jobs/Building Code training effort within the 2011 CEP budget, if possible.

Ordinarily, Rate Counsel would object to trimming the evaluation portion of the Oversight budget, since ongoing evaluation is important to measuring program performance. Information from evaluation studies also forms a basis of individual program and portfolio designs going forward. Thorough program evaluation and regular reporting on CEP programs also helps to facilitate informed public consideration of policy issues that arise, such as how best to deliver clean energy programs in the future. Rate Counsel notes the importance of providing funding in the upcoming 2011 CEP budget for program evaluation, in order to provide information that is essential for ensuring that ratepayers' dollars are spent cost-effectively and with maximum impact toward achieving the state's energy goals.

In light of the emergent nature of the request, the availability of otherwise unused CEP funds, and the benefits that the Comfort Partners program provides for both program participants and other ratepayers, in the form of lower overall energy demand and decreases in uncollectible accounts, Rate Counsel does not object to the proposed transfer of funds.

Respectfully submitted,

STEFANIE A. BRAND
Director, Division of Rate Counsel

By: Felicia Thomas-Friel, Esq.
Felicia Thomas-Friel, Esq.
Deputy Rate Counsel

FTF/be
c: Michael Winka –BPU (electronic mail)
OCE list serve (electronic mail)

From: chelsea albucher [mailto:calbucher@gmail.com]
Sent: Thursday, August 12, 2010 7:26 PM
To: OCE; Winka, Michael
Cc: rocasio@lacasanwk.org
Subject: Re: Comfort Partners line item Transfer - request for comments

I am writing in regard to the Comfort Partners Notice. Thank you for the opportunity to provide comment.

First let me say that I fully support adequate funding of low income weatherization programs and consistency in scope of services between the federally supported weatherization assistance program (WAP) and Comfort Partners. That said, there does seem to be a need for more coordination between efficiency programs, more streamlined one-stop shopping for outreach, and there is a need for innovative approaches.

- What is the reason for budget shortfall? Has their been an uptick in demand for Comfort Partners? From what I understand, outreach for utility sponsored Whole House directed at UEZ areas with higher concentrations of Comfort Partner eligible households also served to drive up Comfort Partner applications, and did not necessarily reference the WAP alternative.
- Are similar increased WAP allocations being requested?
- Given that some of our state's most needy households reside in multi-family apartment buildings, where the greatest efficiencies can be realized through whole building approaches, does Comfort Partners offer a Whole Building approach? WAP can be applied to a whole building if at least 50% of residents are eligible.
- Program evaluation is critical toward ensuring effectiveness, further detail on the proposed program evaluation transfer, in regard to what activities will be reduced is needed. In general, I do not support reducing program evaluation.

Again, thank you for the opportunity to comment.

Sincerely,

Chelsea Albucher, AICP
1180 Raymond Blvd, #33B
Newark, NJ 07102

New Jersey
Natural Gas

August 16, 2010

VIA ELECTRONIC MAIL AND USPS
Ms. Kristi Izzo, Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

RE: Request for Comments regarding Comfort Partners Program Budget

Dear Ms. Izzo:

This letter is being submitted on behalf of the following New Jersey energy companies: Atlantic City Electric Company ("ACE"), Elizabethtown Gas ("ETG"), Jersey Central Power & Light Company ("JCP&L"), New Jersey Natural Gas ("NJNG"), Public Service Electric & Gas ("PSE&G") and South Jersey Gas Company ("SJG") (collectively "The Energy Companies"). The Energy Companies have reviewed the August 12 Request for Comments regarding the Comfort Partners Program (the "Program") Budget and are submitting these joint comments to express strong support for the proposed transfer of approximately $3 million to the Program budget. Comfort Partners is a nationally recognized and award-winning program that helps reduce the energy burden for our citizens who are most in need. It also offers long-term savings opportunities for New Jersey residents as a whole, since it reduces the future energy burden that may need to be subsidized by the Universal Service Fund ("USF") program.

Recent changes have only served to improve the availability and effectiveness of the Program. Contractors qualified to conduct the work have been trained on Program procedures as well as the statewide, Internet-based database (the "CP System") in order to reach more customers. Over the past few years, the Program team has worked diligently to improve the sophistication of the screening tools for measures to be implemented and created many upgrades to the CP System to improve invoice/data entry integrity and program reporting. The Program recently celebrated the delivery of services to over 50,000 customers and a celebratory event highlighting this milestone is showcased on New Jersey's Clean Energy Program ("NJCEP") website as an informational and marketing piece. Further, the Program increased spending guidelines to achieve greater energy savings for low-income customers with the highest energy burdens. The focus on USF customers with the highest energy burden helps to make utility bills more affordable and also reduces long-term subsidies paid by other customers through the Societal Benefits Charge. Any attempt now to scale back or shut down the Program would be seriously detrimental and would specifically undermine the progress made with these recent advancements.

1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719 Phone: 1-800-221-0051 www.njliving.com

Providing additional funding through the proposed transfer ensures that the Program, essential to meeting the energy needs of New Jersey's most vulnerable citizens, can remain open to continue assisting eligible customers and ensuring continued employment for many auditors, educators and installation crews. The transfer would also result in lower costs to other New Jersey residents in the long run as the Program directly reduces energy burdens for the segment of customers most likely to be qualified for USF benefits on an annual basis. Through participation in the Program, such customers have their energy burden significantly reduced, thereby lowering the total USF energy benefit provided by society. In fact, participation in the Program may potentially eliminate a customer's need for energy assistance through the USF benefits if the improvements bring the energy burden into the range deemed affordable for that customer's income level.

The Energy Companies represented in this letter appreciate the opportunity to provide comments on this Proposal and are available should you have any questions or need additional information.

Respectfully submitted,

Tracey Thayer

Tracey Thayer
Director, Regulatory Affairs Counsel

Cc: Michael Winka, BPU
Michael Ambrosio, AEG
Mona Mosser, BPU
(Electronically only)