

EE-06: Reallocation of Budgets and Targets Within Customer Sectors	
New York State Department of Public Service Office of Energy Efficiency & the Environment Energy Efficiency Guidance	
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I. Purpose:

This Energy Efficiency Guidance document is developed to provide guidance to the Office of Energy Efficiency and the Environment (OEEE) Staff and to the Program Administrators (PAs) regarding notification required for program budget and target reallocations within a customer sector (or customer market segment).

Energy Efficiency Guidance documents are developed to clarify energy efficiency program issues and to provide guidance for PAs and OEEE Staff in consistently interpreting and uniformly applying Public Service Commission Orders.

All Energy Efficiency Guidance documents are in effect until revised, rescinded or superseded.

II. Background

By Order issued June 24, 2010, the Commission authorized the Director of OEEE to approve reallocations of up to 10% of a utility PA's total annual approved program budgets within their respective gas and electric portfolios.¹ By Order issued December 26, 2013, the Commission eliminated this approval requirement and the 10% cap for program budget and target reallocations *within a customer sector*, and allowed all PAs to reallocate program budget and targets within a customer sector upon notification of such reallocations.² Per the December Order, *reallocations between customer sectors*, capped at 10% of total annual approved program budgets, are authorized with the approval of the Director of OEEE.³

¹ Case 07-M-0548 et al, Order Approving Three New Energy Efficiency Portfolio Standard (EEPS) Programs and Enhancing Funding and Making Other Modifications for Other EEPS Programs, issued June 24, 2010, page 43-44.

² Case 07-M-0548 et al, Proceeding on Motion of the Commission Regarding and Energy Efficiency Portfolio Standard, Order Approving EEPS Program Changes, issued December 26, 2013, pages 37-38.

³ Guidance Document EE-07, outlines the Process for the Reallocation of Program Budgets and Targets Between Customer Sectors.

III. Guidance

PAs shall submit notification of budget and target reallocations within a customer sector in a filing to the Secretary in Case 07-M-0548. The calculation of savings targets resulting from the reallocation should be consistent with the following principle:

- The reduction in the source program savings target should be calculated using the cost/MWh or cost/Dth based on that program's total approved⁴ budget and target. The increase in the target program savings target should be calculated using the cost/MWh or cost/Dth based on the lower cost program's total approved budget and target.

The filing must include the following:

- A. The EEPS case number;
- B. The customer sector affected by the reallocation (Low Income, Residential, Multifamily or Commercial/Industrial);
- C. The names of programs which are affected by the reallocations;
- D. The total amount of dollars and energy savings to be reallocated. Electric-to-gas or gas-to-electric budget reallocations are prohibited;
- E. Tables showing the current and revised budgets and targets for each program involved in the reallocation submitted in the attached format ;
- F. The rationale for the reallocation;
- G. An affirmation that the reallocation (a) does not result in net reductions in aggregate energy savings;⁵ and (b) does not appear to be detrimental in any other manner to the EEPS program; and
- H. Any additional relevant information or analysis supporting the reallocation.

The budgets and targets should be revised such that historic years remain as ordered and the reallocation is spread across the current and future program years.

The revised budgets and targets, and any other material changes to the program operations should be submitted in a revised implementation plan in accordance with EE-03, Process for Amending Implementation Plan Guidance.

⁴ The approved budget and target reflect any prior reallocations.

⁵ A net reduction in aggregate energy savings is interpreted here to mean that the aggregate energy savings estimated to be achieved by making the change are lower than the estimated aggregate energy savings estimated to be achieved absent the change.

EE-06

Reallocation of Budgets and Targets
Within Customer Sectors

2015-XX-XX

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Example - Budget and Target Reallocation Table

Program Administrator

Source Program for Reallocation:
Approved "Name 1" Program Budgets and Targets

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Total <u>2012-2015</u>
Net Savings (Dth or MWh)					
Program & Admin Costs					
EM&V Costs					
Total Costs					

Target Program for Reallocation:
Approved "Name 2" Program Budgets and Targets

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Total <u>2012-2015</u>
Net Savings (Dth or MWh)					
Program & Admin Costs					
EM&V Costs					
Total Costs					

Source Program for Reallocation:
As Revised "Name 1" Program Budgets and Targets

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Total <u>2012-2015</u>
Net Savings (Dth or MWh)					
Program & Admin Costs					
EM&V Costs					
Total Costs					

Target Program for Reallocation:
As Revised "Name 2" Program Budgets and Targets

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Total <u>2012-2015</u>
Net Savings (Dth or MWh)					
Program & Admin Costs					
EM&V Costs					
Total Costs					