



Agenda Date: 4/12/23
Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY)
PROGRAMS AND BUDGET FOR FISCAL YEAR 2023)
)
)
)
) DOCKET NO. QO22020113

Parties of Record:

- Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel
- Phillip J. Passanante, Esq.**, Atlantic City Electric Company
- 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 New Jersey Board of Public Utilities (“Board” or “BPU”) at its March 22, 2023 public meeting, where the Board considered revisions to the Fiscal Year 2023 (“FY23”) budget for New Jersey’s Clean Energy Program (“NJCEP”) and revisions to the FY23 Programs.¹

BACKGROUND AND PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act (“EDECA” or “Act”), N.J.S.A. 48:3-49 et seq., was signed into law, creating the Societal Benefits Charge (“SBC”) to fund programs for the advancement of energy efficiency (“EE”) and renewable energy (“RE”) in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a Comprehensive Resource Analysis (“CRA”) of EE and RE programs in New Jersey every four (4) years. The CRA would then be used to determine the appropriate level of funding over the next four (4) years for the EE and Class I RE programs, which are part of what is now known as the

¹ The budgets approved in this Order are subject to State appropriations law.

NJCEP. Accordingly, in 1999, the Board initiated its first CRA proceeding, and in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for those programs, for years 2001 through 2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – FY23.²

The Board established FY23 programs and budgets through a Board Order dated June 29, 2022.³ On February 17, 2023, Board Staff (“Staff”) released a proposal for the draft true-up budget, revised budgets, and program changes. Staff provided a summary of the proposed true-up budget process, budget reallocations, and changes to associated documents via a webinar on March 3, 2023. Public comments were accepted through March 10, 2023. The comments are summarized below.

STAFF REPORT ON REVISIONS TO THE FY22 COMFORT PARTNERS’ BUDGET

By Order dated February 4, 2014, the Board delegated limited authority to Staff to modify the NJCEP budgets in accordance with the conditions set out in the Delegation Order.⁴ In relevant part, the Delegation Order authorized Staff to revise the NJCEP budgets within a given Funding Category (such as EE or RE) so long as such revision would not reduce a program's budget by more than 10% and so long as the Commissioners and the public were provided with at least seven (7) days’ notice and an opportunity to comment.

On October 14, 2022, in accordance with the Delegation Order, Staff provided notice of the below described revisions to the FY22 Comfort Partners’ budget. The FY22 Comfort Partners’ budget was developed based on historical estimates; however, when the actual projects were installed or committed, it resulted in the surplus in the Public Service Electric and Gas Company (“PSE&G”) electric budget line and a deficit in the gas budget line. Therefore, a budget modification was proposed to shift funds from the electric budget line to the gas budget line. In addition to the gas and electric budget shift, PSE&G issued two (2) Request for Proposals (“RFPs”), one for a new Program database and the other for Program implementation contractors. Issuance of the RFPs required more support than was initially expected, which resulted in an increase in administration costs. PSE&G proposed shifting funds from the Sales and Marketing cost category to the Administration cost category. According to PSE&G, this would ensure that adequate funding remained available across all EE Programs for the remainder of the fiscal year, as described in the notice.⁵

² In the early years, the budgets and programs were based on calendar years, but in 2012, the Board determined to begin basing the budgets and programs on fiscal years in order to align with the overall State budget cycle.

³ In re the Clean Energy Programs and Budget for FY23, BPU Docket No. QO22020113, Order dated June 29, 2022 and reissued July 18, 2022.

⁴ In re the Clean Energy Programs and Budget for Fiscal Year 2014 - Revised Fiscal Year 2014 Budget and Delegation of Limited Budget Authority, BPU Docket No. EO13050376V, Order dated February 4, 2014 (“Delegation Order”).

⁵ FY22 Comfort Partners: True-Up, Revised Budgets and Program Changes, issued October 14, 2022, is available at <https://www.njcleanenergy.com/main/njcep-policy-updates-request-comments/policy-updates-and-request-comments>.

Staff received several comments prior to the close of the comment period on October 21, 2022. A summary of comments and responses are provided below. Thereafter, on October 28, 2022, Staff approved the below-described revisions to the FY22 Comfort Partners' budget:

<i>Current Board Approved FY22 Budget by Cost Category</i>							
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
P SE&G- Elec	\$10,344,235	\$519,373	\$276,271	\$245,250	\$8,936,461	\$366,880	\$0
P SE&G-Gas	\$15,516,355	\$779,060	\$414,407	\$367,875	\$13,404,692	\$550,321	\$0
<i>Proposed Revisions</i>							
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
P SE&G- Elec	(\$2,400,000)	\$36,000	(\$36,000)		(\$2,400,000)		
P SE&G-Gas	\$2,400,000	\$54,000	(\$54,000)		\$2,400,000		
<i>Resultant Revised FY22 Budget by Cost Category</i>							
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
P SE&G- Elec	\$7,944,235	\$555,373	\$240,271	\$245,250	\$6,536,461	\$366,880	\$0
P SE&G-Gas	\$17,916,355	\$833,060	\$360,407	\$367,875	\$15,804,692	\$550,321	\$0

FY23 BUDGET TRUE-UP AND REALLOCATIONS

1. True-Up

The FY23 NJCEP budget was established, in part, based upon an estimate of expenses expected to be incurred during Fiscal Year ("FY22"). Once actual expenses become available, the Board typically approves what is known as a "True-Up Budget" which calculates the difference between estimated expenses for budgetary purposes and expenses actually incurred. Consistent with that practice, and now that all expenses actually incurred during FY22 are final, a budget true-up of the differences between estimated and actual expenses ("True-Up") has been prepared. The True-Up results in an additional \$46,396,198 being available for the NJCEP, as shown in the tables below:

(In \$)

<i>FY22 Programs/Budget Line</i>	<i>FY22 Final Budget</i>	<i>FY22 Actual Expenses</i>	<i>FY22 Actual Year End Commitments</i>	<i>FY22 Actual Expenses Plus Year End Commitments</i>	<i>FY22 Budget Less Actual Expenses and Commitments</i>
Total NJCEP + State Initiatives	586,706,276	266,668,480	272,861,048	539,529,528	47,176,748
State Energy Initiatives	87,100,000	85,474,614	-	85,474,614	1,625,386
Total NJCEP	499,606,276	181,193,867	272,861,048	454,054,914	45,551,362
Energy Efficiency Programs	308,825,053	123,104,341	154,474,773	277,579,114	31,245,939
Distributed Energy Resources	24,635,545	4,782,125	15,139,839	19,921,964	4,713,581
RE Programs	29,284,270	4,191,028	20,256,317	24,447,345	4,836,925
EDA Programs	15,359,085	7,263,776	8,065,906	15,329,682	29,403
Planning and Administration	48,610,266	20,331,273	24,193,479	44,524,752	4,085,514
BPU Initiatives	72,892,057	21,521,322	50,730,735	72,252,057	640,000

<i>FY22 Estimated Uncommitted Carryforward</i>	<i>FY22 Budget Less Actual Expenses and Commitments</i>	<i>Difference Between FY22 Estimated Uncommitted Carryforward and Actuals</i>	<i>Other Revenues (Interest Payments, Application Fees, etc.)</i>	<i>Additional FY22 Carryforward and Other Revenues</i>
1,617,818	47,176,748	45,558,930	837,268	46,396,198

In addition to the above True-Up, a reallocation of funds among the programs is described in more detail below.

2. Reallocations and Rationale for Programs Administered by the Division of Clean Energy (“DCE”)⁶

- a. Comfort Partners - Increasing the budget by \$2,478,000 to provide additional support to ensure all service areas can maximize the number of EE projects.
- b. State Facilities Initiative - The additional increase of \$3,000,000 is to support heating, ventilation, and air conditioning (“HVAC”) replacement at the Department of Education’s Katzenbach School for the Deaf.
- c. Light-emitting diode (“LED”) Streetlights Replacement - The increased budget adjustment of \$5,986,898 is to reflect additional need from municipalities to assist with offsetting the costs of conversion.
- d. Offshore Wind (“OSW”) - Increasing the budget by \$3,126,300 will support additional contractual work being undertaken by the transmission consultant to assist Staff with the ongoing State Agreement Approach. Also, funding has been allocated to support

⁶ More information about the programs administered by the Division of Clean Energy is included in NJCEP’s FY23 revised compliance filing (“DCE Compliance Filing”).

the Board's commitment to become a public sponsor of the National OSW Research and Development Consortium.

- e. Clean Energy Manufacturing Fund - Additional funding of \$30,000 is needed to cover the remaining FY23 Economic Development Authority ("EDA") administrative costs associated with this program.
- f. Program Evaluation/Analysis - Increasing the budget of \$50,000 to support a memorandum of understanding between BPU and the Department of Environmental Protection for a multi-agency light detection and ranging data collection project of six counties in northeast region of New Jersey.
- g. Memberships - Additional funding of \$50,000 is needed to support existing membership dues.
- h. Multi-Unit Dwellings (Chargers) - The additional budget of \$2,000,000 reflects updated forecast of participation levels.
- i. EV Tourism - The increased budget amount of \$1,000,000 reflects updated forecast of participation levels.
- j. State Vehicle Fleet - The decreased budget amount of \$2,000,000 reflects updated forecast of participation levels.
- k. Local Clean Fleet - The decreased budget amount of \$1,000,000 reflects updated forecast of participation levels.

3. *Reallocations and Rationale for Programs Administered by TRC*⁷

- a. Commercial and Industrial Buildings - The budget increase of \$15,000,000 is to support a potential pilot program related to the Large Energy Users Program ("LEUP").
- b. Local Government Energy Audits - The budget increase of \$1,500,000 is to cover additional costs associated with auditing State buildings.
- c. Direct Install - The budget has been increased by \$500,000 to reflect an updated forecast of the existing commitments.
- d. New Construction - The budget increase of \$14,000,000 reflects an updated forecast of participation levels and will support a potential pilot program.
- e. Solar Registration - The budget increase of \$375,000 is to ensure sufficient funding is available to cover additional Administratively Determined Incentive/Competitive Solar Incentive ("CSI") Programs training and to establish the new CSI portal.
- f. Outreach, Website, Other - Increasing the budget by \$300,000 will provide additional support to BPU program focused events.

⁷ More detail about the programs administered by TRC is included in TRC's FY23 revised compliance filing.

4. Reallocations and Rationale for the Comfort Partners Program⁸

Staff is recommending the Comfort Partners' program budget increase by \$2.48 million. This will ensure the steady continuation of program services. This increase is primarily due to ongoing contributing factors, such as the increase in materials/equipment pricing due to inflationary pressures and supply chain issues, along with a continued focus on greater health and safety needs. This additional funding will ensure the steady continuation of services through the remainder of this fiscal year. Funding between cost categories has also been shifted to best align with expected need in these service areas.

FY23 Approved Comfort Partners Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$2,448,494.00	\$262,597.00	\$42,875.00	\$40,925.00	\$2,009,979.00	\$92,118.00	\$0.00	\$0.00
JCP&L	\$5,511,412.00	\$685,459.00	\$114,909.00	\$93,309.00	\$4,415,455.00	\$202,280.00	\$0.00	\$0.00
PSE&G-Elec	\$9,927,625.00	\$2,049,149.00	\$216,823.00	\$193,557.00	\$7,183,316.00	\$284,780.00	\$0.00	\$0.00
RECO	\$311,200.00	\$68,800.00	\$13,800.00	\$13,800.00	\$190,000.00	\$24,800.00	\$0.00	\$0.00
NJNG	\$6,082,198.00	\$346,693.00	\$121,994.00	\$115,327.00	\$5,299,690.00	\$198,494.00	\$0.00	\$0.00
ETG	\$3,434,353.00	\$244,716.00	\$69,697.00	\$62,082.00	\$2,911,776.00	\$146,082.00	\$0.00	\$0.00
PSE&G-Gas	\$23,164,457.00	\$4,781,348.00	\$505,920.00	\$451,633.00	\$16,761,070.00	\$664,486.00	\$0.00	\$0.00
SJG	\$3,620,261.00	\$339,647.00	\$68,034.00	\$65,297.00	\$3,015,786.00	\$131,497.00	\$0.00	\$0.00
TOTAL	\$54,500,000.00	\$8,778,409.00	\$1,154,052.00	\$1,035,930.00	\$41,787,072.00	\$1,744,537.00	\$0.00	\$0.00
PSE&G - Combined	\$33,092,082.00	\$6,830,497.00	\$722,743.00	\$645,190.00	\$23,944,386.00	\$949,266.00	\$0.00	\$0.00

⁸ More detail about the Comfort Partners Program is included in the Comfort Partners Program FY23 revised compliance filing.

FY23 Proposed Comfort Partners Reallocations								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$2,842,694.00	\$269,897.00	\$50,175.00	\$48,225.00	\$2,374,979.00	\$99,418.00	\$0.00	\$0.00
JCP&L	\$6,170,212.00	\$697,659.00	\$127,109.00	\$105,509.00	\$5,025,455.00	\$214,480.00	\$0.00	\$0.00
PSE&G-Elec	\$9,927,625.00	\$1,238,410.00	\$230,988.00	\$267,722.00	\$7,891,560.00	\$298,945.00	\$0.00	\$0.00
RECO	\$311,200.00	\$68,800.00	\$13,800.00	\$13,800.00	\$190,000.00	\$24,800.00	\$0.00	\$0.00
NJNG	\$6,481,319.00	\$319,046.00	\$130,046.00	\$123,379.00	\$5,702,302.00	\$206,546.00	\$0.00	\$0.00
ETG	\$3,790,632.00	\$251,195.00	\$66,297.00	\$68,682.00	\$3,241,776.00	\$162,682.00	\$0.00	\$0.00
PSE&G-Gas	\$23,164,457.00	\$2,889,624.00	\$538,971.00	\$624,684.00	\$18,413,640.00	\$697,538.00	\$0.00	\$0.00
SJG	\$4,289,861.00	\$352,047.00	\$80,434.00	\$77,697.00	\$3,635,786.00	\$143,897.00	\$0.00	\$0.00
TOTAL	\$56,978,000.00	\$6,086,678.00	\$1,237,820.00	\$1,329,698.00	\$46,475,498.00	\$1,848,306.00	\$0.00	\$0.00
PSE&G - Combined	\$33,092,082.00	\$4,128,034.00	\$769,959.00	\$892,406.00	\$26,305,200.00	\$996,483.00	\$0.00	\$0.00

Revised Budget Table:

The True-Up Budget, with the previously described reallocations, are shown in the table below:

FY23 True-Up Budget (In \$)

<i>FY23 Program/Budget Line</i>	<i>Initial FY23 Budget</i>	<i>Additional FY22 Carryforward and Other Revenue*</i>	<i>Line Item Transfers</i>	<i>Revised FY23 Budget</i>
Total NJCEP + State Initiatives	610,751,520	46,396,198	-	657,147,718
State Energy Initiatives	92,674,000	-	-	92,674,000
Total NJCEP	518,077,520	46,396,198	-	564,473,718
Energy Efficiency Programs	256,373,502	42,464,898	-	298,838,400
Res Low Income (Comfort Partners)	54,500,000	2,478,000	-	56,978,000
C&I EE Programs	78,264,244	17,000,000	-	95,264,244
C&I Buildings	67,187,357	15,000,000	-	82,187,357
LGEA	3,981,302	1,500,000	-	5,481,302
DI	7,095,585	500,000	-	7,595,585
New Construction Programs	30,316,692	14,000,000	-	44,316,692
New Construction	30,316,692	14,000,000	-	44,316,692
Energy Efficiency Transition	23,340,494	-	-	23,340,494
State Facilities Initiative	56,670,192	3,000,000	-	59,670,192
Acoustical Testing Pilot	3,281,880	-	-	3,281,880
LED Streetlights Replacement	10,000,000	5,986,898	-	15,986,898
Distributed Energy Resources	23,771,608	-	-	23,771,608
CHP - FC	22,084,108	-	-	22,084,108

<i>FY23 Program/Budget Line</i>	<i>Initial FY23 Budget</i>	<i>Additional FY22 Carryforward and Other Revenue*</i>	<i>Line Item Transfers</i>	<i>Revised FY23 Budget</i>
Microgrids	1,687,500	-	-	1,687,500
RE Programs	31,962,396	3,501,300	-	35,463,696
Offshore Wind	28,928,500	3,126,300	-	32,054,800
Solar Registration	3,033,896	375,000	-	3,408,896
EDA Programs	28,910,000	30,000	-	28,940,000
Clean Energy Manufacturing Fund	60,000	30,000	-	90,000
NJ Wind	21,500,000	-	-	21,500,000
R&D Energy Tech Hub	7,350,000	-	-	7,350,000
Planning and Administration	56,289,084	400,000	-	56,689,084
BPU Program Administration	5,585,000	-	-	5,585,000
Marketing	10,500,000	-	-	10,500,000
CEP Website	500,000	-	-	500,000
Program Evaluation/Analysis	34,246,810	50,000	-	34,296,810
Outreach and Education	5,357,274	300,000	-	5,657,274
Sustainable Jersey	791,231	-	-	791,231
NJIT Learning Center	822,598	-	-	822,598
Conference	700,000	-	-	700,000
Outreach, Website, Other	3,043,445	300,000	-	3,343,445
Memberships	100,000	50,000	-	150,000
BPU Initiatives	120,770,931	-	-	120,770,931
Community Energy Grants	2,939,034	-	-	2,939,034
Storage	22,000,000	-	-	22,000,000
Heat Island Pilot	2,500,000	-	-	2,500,000
Electric Vehicle Program	67,000,000	-	-	67,000,000
Plug In EV Incentive Fund	35,000,000	-	-	35,000,000
CUNJ Administrative Fund	3,500,000	-	-	3,500,000
CUNJ Residential Charger Incentive	5,500,000	-	-	5,500,000
EV Studies and Administrative Support	3,000,000	-	-	3,000,000
State Vehicle Fleet	6,000,000	-	(2,000,000)	4,000,000
Local Clean Fleet	4,000,000	-	(1,000,000)	3,000,000
Multi-Unit Dwellings (Chargers)	4,000,000	-	2,000,000	6,000,000
EV Tourism	6,000,000	-	1,000,000	7,000,000
Energy Bill Assistance	21,831,897	-	-	21,831,897
Workforce Development	4,500,000	-	-	4,500,000

*Other revenue includes interest earnings from the Clean Energy Fund and EDA Programs.

5. Detailed Budgets

The detailed budgets shown in the table below allocate the budget revisions among the appropriate cost categories for each of the programs managed by the DCE that were identified above:

FY23 Detailed Budget - Cost Category Budgets (\$)							
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	339,028,334	27,201,591	11,624,335	27,598,370	220,977,428	-	51,626,610
Energy Efficiency Programs	102,229,464	13,974,296	-	-	88,255,168	-	-
<i>Energy Efficiency Transition</i>	23,290,494	13,974,296	-	-	9,316,198	-	-
<i>State Facilities Initiatives</i>	59,670,192	-	-	-	59,670,192	-	-
<i>Acoustical Testing Pilot</i>	3,281,880	-	-	-	3,281,880	-	-
<i>LED Streetlights Replacement</i>	15,986,898	-	-	-	15,986,898	-	-
Distributed Energy Resources	1,687,500	-	-	-	1,187,500	-	500,000
<i>Microgrids</i>	1,687,500	-	-	-	1,187,500	-	500,000
RE Programs	32,054,800	1,025,000	-	-	20,000,000	-	11,029,800
<i>Offshore Wind</i>	32,054,800	1,025,000	-	-	20,000,000	-	11,029,800
EDA Programs	28,940,000	541,630	-	24,098,370	-	-	4,300,000
<i>Clean Energy Manufacturing Fund</i>	90,000	90,000	-	-	-	-	-
<i>NJ Wind</i>	21,500,000	84,130	-	17,115,870	-	-	4,300,000
<i>R&D Energy Tech Hub</i>	7,350,000	367,500	-	6,982,500	-	-	-

Planning and Administration	53,345,639	7,160,665	10,124,335	-	1,763,829	-	34,296,810
<i>BPU Program Administration</i>	5,585,000	5,585,000	-	-	-	-	-
<i>Marketing</i>	10,500,000	1,575,665	8,924,335	-	-	-	-
<i>CEP Website</i>	500,000	-	500,000	-	-	-	-
<i>Program Evaluation/ Analysis</i>	34,296,810	-	-	-	-	-	34,296,810
<i>Outreach and Education</i>	2,313,829	-	700,000	-	1,613,829	-	-
Sustainable Jersey	791,231	-	-	-	791,231	-	-
NJIT Learning Center	822,598	-	-	-	822,598	-	-
Conference	700,000	-	700,000	-	-	-	-
<i>Memberships</i>	150,000	-	-	-	150,000	-	-
BPU Initiatives	120,770,931	4,500,000	1,500,000	3,500,000	109,770,931	-	1,500,000
<i>Community Energy Plan Grants</i>	2,939,034	-	-	-	2,939,034	-	-
<i>Energy Storage</i>	22,000,000	-	-	-	22,000,000	-	-
<i>Heat Island Pilot</i>	2,500,000	-	-	-	2,500,000	-	-
<i>Electric Vehicle Programs</i>	67,000,000	3,500,000	1,500,000	-	60,500,000	-	1,500,000
Plug In EV Incentive Fund	35,000,000	-	-	-	35,000,000	-	-
CUNJ Administrative Fund	3,500,000	3,500,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,500,000	-	-	-	5,500,000	-	-
EV Studies and Administrative Support	3,000,000	-	1,500,000	-	-	-	1,500,000
State Vehicle Fleet	4,000,000	-	-	-	4,000,000	-	-
Local Clean Fleet	3,000,000	-	-	-	3,000,000	-	-
Multi-Unit Dwellings (Chargers)	6,000,000	-	-	-	6,000,000	-	-
EV Tourism	7,000,000	-	-	-	7,000,000	-	-
<i>Energy Bill Assistance</i>	21,831,897	-	-	-	21,831,897	-	-
<i>Workforce Development</i>	4,500,000	1,000,000	-	3,500,000	-	-	-

6. **Program Changes**

The following are program changes and updates to the DCE, TRC, Comfort Partners, Charge Up Compliance Filings and the Division of Property Management and Construction and BPU Designated Project List (“DPMC/BPU DPL”).

Charge Up Program Compliance Filing

The Charge Up Compliance Filing has been updated to reflect a change in criteria for eligible chargers, which need to be “Energy Star Certified”.

DCE, TRC, and Comfort Partners Compliance Filings

The DCE, TRC, and Comfort Partners Compliance Filings have been updated to reflect previously approved developments and Board actions. Additionally, the detailed budgets in the respective compliance filings have been revised so as to be consistent with the aforementioned reallocations. The criteria change for eligible chargers has also been updated for all applicable EV programs. Lastly, the TRC Compliance Filing has been revised to provide greater flexibility for Staff to raise the cap on State entities for the Local Government Energy Audit Program.

DPMC/BPU DPL

Due to updated timelines and cost projections, \$200,000 has been reallocated in the DPMC/BPU DPL. In addition, a budget increase of \$3,000,000 was made to support HVAC work for the Department of Education’s Katzenbach School for the Deaf.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

On February 17, 2023, Staff posted on the NJCEP website and distributed to the listservs a Notice regarding the proposed FY23 True-Up, budget revisions, and program changes. Comments were accepted through March 10, 2023. Written comments submitted by ChargeVC, Dandelion Energy, Environment New Jersey, Jersey Renews, MnM Consulting, Natural Resources Defense Council (“NRDC”), Newark Science and Sustainability, New Jersey Coalition of Automotive Retailers (“NJCAR”), New Jersey Division of Rate Counsel (“Rate Counsel”), New Jersey League of Conservation Voters (“NJLCV”), New Jersey Progressive Energy Equity Coalition (“NJPEEC”), PSE&G, Sierra Club New Jersey Chapter (“Sierra Club”), and Vote Solar are summarized below, along with Staff’s responses.

General

Comment: Noting that total additional funding of \$46.3 million has become available for FY23 programs, Rate Counsel stated that it is unclear whether any funds will be transferred within programs or why any transfer would be needed given the additional funds now available. Rate Counsel suggested that the Board use the funds to reduce the rate burden on ratepayers moving into the next fiscal year rather than spend them on new pilots that are not yet fully developed.

Rate Counsel also criticized the budget process for not providing sufficient time to review the Clean Energy budget, commenting that this may be part of the reason for the large surplus. In Rate Counsel’s opinion, the Board should issue a draft budget for FY24 with at least 30 days to allow for comment before the Board acts.

Response: Staff thanks the commenter for their remarks and notes that the budget needs are closely tracked throughout each fiscal year. The primary reason for the additional carryforward from FY22 is due to supply chain delays and a conservative approach being taken to developing the Clean Energy budget to ensure sufficient funding is available. Staff proposed funds to be reallocated within the EV programs to better align with updated forecasts for the remainder of FY23. Staff also appreciates the commenter's concern regarding having sufficient time to review budget proposals and Staff will continue to look for opportunities to improve this process.

Clean Energy Equity and Comfort Partners Program

Comment: PSE&G commented regarding their support for the proposed reallocation of funds in the Comfort Partners Revised Budget for FY22, specifically shifting funds from the electric sub-budget to the gas sub-budget as well as funds from the electric and gas sub-budgets to the administrative cost category. PSE&G stated their belief that the proposed revisions would better reflect the work performed in FY22.

Response: Staff thanks PSE&G for their support of the budget reallocation.

Comment: Rate Counsel provided comments stating they do not oppose PSE&G's proposed budget reallocation; however, they reiterated their right to review proposed budget transfers and costs in future budgets.

Response: Staff thanks Rate Counsel for their comments and acknowledges their right to review proposed transfers and costs in future budgets.

Comment: Environment New Jersey, Jersey Renews, MnM Consulting, NRDC, Newark Science and Sustainability, NJLCV, NJPEEC, and Vote Solar stated their belief that the BPU should expand eligibility and plan to offer better incentives for the Comfort Partners' program electric measures, and that BPU should explore opportunities to replace aging oil, propane, and gas appliances with electric appliances. They also offered recommendations that the budget public comment period be longer and for a stakeholder engagement process prior to redesigning the Comfort Partners program to ensure it is in alignment with New Jersey's clean energy goals.

Response: Staff thanks the commenters for all of their comments. As noted in the FY23 Comfort Partners Compliance Filing, the BPU is working to design a heat pump pilot program. Staff values the comments submitted and will keep them in mind for future planning.

Comment: Rate Counsel stated that, as long as additional funds are available, those funds should be used to help the program meet its original goals for numbers of customers served, particularly in light of increased spending on health and safety measures, rather than on pilot programs.

Response: Staff appreciates the support for additional funding for Comfort Partners when available and notes that the Comfort Partners budget has increased from the previous fiscal year to meet the various and evolving needs of the program and its customers, as detailed in the compliance filing.

Comment: NJLCV expressed support for the Board to stop incentivizing the use of fossil fuels and for Comfort Partners to provide customers with information and tools about how to convert their homes to electric, especially those who experience gas leaks.

Response: Staff has been, and will continue, working closely with the utilities to ensure reductions in consumer energy burdens through the Comfort Partners Program. While the utilities can track customer energy costs, they require consent from the customer. Furthermore, this collected data constitutes a small subset of participants and would not be representative of program performance as a whole. The data is likely to be discarded once a customer's program eligibility is confirmed. Staff also thanks NJLCV for their comments on electrification and looks forward to continuing to engage with stakeholders on the plans for Comfort Partners' decarbonization pilot.

Energy Efficiency

Comment: PSE&G commented that the \$15,000,000 budgeted for a planned new pilot program related to the LEUP could duplicate and undermine the existing Engineered Solutions Program ("ESP") currently being administered by the state's utilities, particularly as to the university sector.

Response: The design of the pilot program related to LEUP remains under development. Staff will take PSE&G's comments into account as it finalizes the potential design of the pilot program and looks forward to engaging with PSE&G, including through public comment, on any proposed pilot program before it is presented to the Board for review and consideration.

Comment: Dandelion Energy commented that the \$14,000,000 proposed to be re-allocated to New Construction should be used in large part to support the purchase and installation of ground source heat pumps ("GSHPs") because GSHPs are very energy efficient. In particular, the Dandelion Energy argued that support should, in part, consist of a "per-ton" rebate as an Advance Measure Bonus.

Response: Staff generally agrees that GSHPs can be energy efficient and help to reduce greenhouse gas ("GHG") emissions and that the GSHPs can play a role in New Construction programs. That said, Staff does not currently anticipate designing the potential New Construction pilot program or potential changes to the New Construction Program in such a way that all or most of the \$14,000,000 would be earmarked for GSHPs. Instead, Staff anticipates that they would be open to a much wider range of technologies that would encourage broader and deeper energy savings and GHG reductions. Staff also notes that Dandelion Energy and the public will have an opportunity to comment on any proposed pilot program and any potential changes to the New Construction Program before they are presented to the Board for review and consideration.

Comment: Rate Counsel believed it is premature to commit \$15,000,000 in ratepayer funds to a planned LEUP pilot program without significantly more detail and opportunity for stakeholder comment.

Response: Based on Staff's current timeline for bringing the LEUP planned pilot program to the Board for review and consideration, this change during true-up ensures that the funding will be available when it is needed. Staff also notes that there will be an opportunity for Rate Counsel to provide public comment before the pilot is presented to the Board.

Comment: Rate Counsel commented that it was not clear whether the planned New Construction pilot would be in addition to versus in lieu of the broader potential changes to the New Construction Program. It also commented that the current proposal lacks sufficient detail for adequate review and feedback regarding the current proposal.

Response: The proposed New Construction pilot would be part of the broader proposed changes to the New Construction Program. If, and when, Staff determines to move forward with the planned pilot, the design and details of that pilot would be released for public comment before the pilot is presented to the Board for review and consideration.

Comment: NJLCV expressed their support for the LED Streetlights Replacement Program while also requesting more transparency regarding the necessity of the funding for this program, noting the doubled size of the program compared to the original FY23 budget.

Response: Staff thanks the commenter for their support. In regard to the LED Streetlights Replacement Program, Staff has proposed nearly doubling the funding for this program based on more recent information about the costs of streetlight conversions and the intention to support more municipalities throughout the state in converting streetlights. After reviewing responses to the request for stakeholder comments on this topic issued in early March, Staff will prepare a straw proposal on the design and implementation of an LED Streetlights Replacement Program and looks forward to continued engagement with stakeholders on their comments and feedback on the proposal.

Electric Vehicles

Comment: NJCAR provided comments requesting that the Center for Sustainable Energy (“CSE”) create a more robust Dealer Dashboard indicating where payments are in the process and suggested that payments should be made to dealers more quickly.

Response: Staff notes that they have worked closely with the CSE to take many steps over the last year to reduce the time between application approval and reimbursement. Those steps have reduced the average payment time to just over 30 days, as noted in the comments. Both Staff and CSE continue to work to adhere to quick turnaround times that conform with New Jersey’s robust procurement and fiscal oversight processes.

Comment: The Sierra Club suggested that \$15 million of the Clean Energy Fund should be used to fund NJDEP’s School Bus Program. The comments further suggested that \$29 million of funds were to be used for C&I and New Construction Pilot Programs that have not yet begun and at least part of those funds could be better used for School Bus programs that would have an immediate impact.

Response: Staff thanks the commenter for their remarks. However, Staff has been working closely in FY23 with TRC to develop these potential pilot programs and looks forward to continuing to engage with stakeholders in the future prior to presenting the details to the Board later this year.

Comment: ChargeVC submitted comments requesting information on the uptake in the EV Tourism and the MUD Programs and how Staff arrived at the decision to move funding from the Clean Fleet program to those programs.

Response: The budget reallocations reflect the expected level of interest and application for each of the EV programs for the remainder of FY23. To date, none of the programs have exceeded their current allocation.

Comment: NJLCV expressed their support for the increased funding for the Multi-Unit Dwellings (Chargers) Program.

Response: Staff thanks the commenter for their support.

Offshore Wind

Comment: Rate Counsel commented that it would like to know more details regarding the increase to the OSW Program and raised concerns about the use of ratepayer funds to support research and development. Specifically, Rate Counsel expressed their interest in learning more about how the funds used to support the Board to become a public sponsor of the National Offshore Wind Research and Development Consortium (“NOWRDC”) would benefit ratepayers.

Response: In 2021, the Board, on behalf of the State of New Jersey, executed a Memorandum of Agreement (“MOA”) with the National Offshore Wind Research and Development Consortium (NOWRDC) for New Jersey to become a member of this consortium. The NOWRDC was established in 2018 as a not-for-profit corporation to facilitate and enhance the development and implementation of OSW power technology through scientific research in the public interest for the purpose of increasing the performance and capability of the electric power supply and delivery system. New York, Virginia, Massachusetts, Maryland, Maine, and California are also members of the NOWRDC. Membership requires each state to commit to provide \$1 million over 4 years to fund research projects selected by the NOWRDC through a competitive procurement process. Under the MOA, New Jersey will only provide funding for research activities that are undertaken in New Jersey by New Jersey-based institutions or benefit New Jersey, as determined by the Board and other State agencies. Lastly, New Jersey has a seat on the NOWRDC Board and on the NOWRDC Research and Development Committee.

The remaining portion of this increase to the OSW budget line has been allocated for consulting services for the State Agreement Approach (“SAA”) proposal evaluation and on-going services related to the SAA. The original estimate for the effort to evaluate proposals was based on receiving 10 project proposals. Staff received 80 project proposals resulting in significant additional evaluation. Also, on-going consulting services are needed for a variety of tasks, including integrating the SAA decision into the third OSW solicitation, evaluating technical design details, and coordination with PJM Interconnection LLC.

STAFF RECOMMENDATIONS

Consistent with the Board’s contract with its Program Administrator, Staff coordinated with TRC and the Comfort Partners Program Team regarding the proposed budget revisions and program revisions. The Proposed FY23 Budget Revisions include the true-up, reallocations, and detailed budgets.

Staff recommends that the Board adopt and approve the Proposed FY23 Budget Revisions and the revised DCE, TRC, Comfort Partners, and Charge Up Compliance Filings, and the DPMC/BPU DPL attached hereto.

DISCUSSION AND FINDINGS

Having reviewed and considered the revised compliance filings, the Board **FINDS** that budget revisions will benefit customers and are consistent with the goals of reducing energy usage and associated emissions. Therefore, the Board **HEREBY APPROVES** the revised DCE, TRC, Comfort Partners, and Charge Up Compliance Filings, and the DPMC/BPU DPL.

Staff distributed the Proposed FY23 Budget Revisions to the EE and RE listservs, posted them

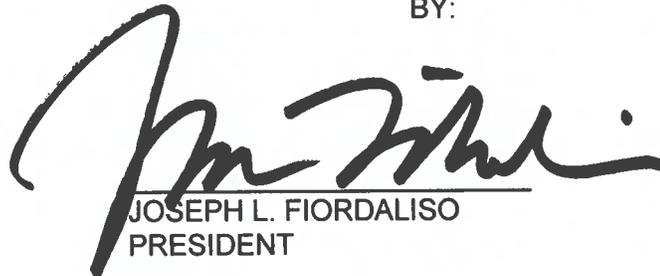
on the NJCEP website, and solicited written comments about them from stakeholders and the public. Staff and the Board considered and responded to those comments. Accordingly, the Board **FINDS** that the processes utilized in developing these proposed budget revisions and programs were appropriate and provided stakeholders and interested members of the public with adequate notice and opportunity to comment.

The Board has reviewed the FY23 Budget Revisions. The Board **FINDS** that these budget revisions and new programs will benefit customers and are consistent with the goals of reducing energy usage and associated emissions and **HEREBY APPROVES** the Proposed FY23 Budget Revisions and programs recommended by Staff.

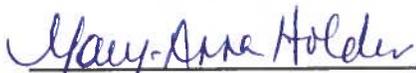
This Order shall be effective on April 12, 2023.

DATED: April 12, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

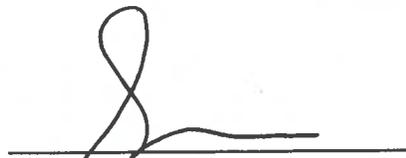


DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



SHERRI L. GOLDEN
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 CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2023

DOCKET NO. QO22020113

SERVICE LIST

<p><u>New Jersey Division of Rate Counsel</u></p> <p>Brian O. Lipman, Esq., Director 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625-0003 blipman@rpa.nj.gov</p> <p><u>TRC Energy Solutions</u></p> <p>317 George Street, Suite 520 New Brunswick, NJ 08901</p> <p>Michael Ambrosio mambrosio@trccompanies.com</p> <p>Thomas A. Kowalczyk tkowalczyk@trccompanies.com</p> <p><u>New Jersey Division of Law</u></p> <p>Department of Law & Public Safety Division of Law 25 Market Street P.O. Box 112 Trenton, NJ 08625-0112</p> <p>David Apy, Assistant Attorney General david.apy@law.njoag.gov</p> <p>Daren Eppley, Section Chief, DAG daren.eppley@law.njoag.gov</p> <p>Pamela Owen, Assistant Section Chief, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p><u>Atlantic City Electric Company</u></p> <p>500 N. Wakefield Drive Newark, DE 19714</p> <p>Philip J. Passanante, Esq. philip.passanante@pepcoholdings.com</p> <p>Marisa Slaten, Esq. marisa.slaten@exeloncorp.com</p> <p>Heather Hall heather.hall@pepcoholdings.com</p>	<p><u>New Jersey Board of Public Utilities</u></p> <p>44 South Clinton Avenue, 1st Floor P.O. Box 350 Trenton, NJ 08625-0350</p> <p>Sherri L. Golden, Secretary board.secretary@bpu.nj.gov</p> <p>Robert Brabston, Esq., Executive Director robert.brabston@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p>Taryn Boland, Chief of Staff taryn.boland@bpu.nj.gov</p> <p>Curtis Elvin, Chief Fiscal Officer curtis.elvin@bpu.nj.gov</p> <p><u>Division of Clean Energy</u></p> <p>Kelly Mooij, Director kelly.mooij@bpu.nj.gov</p> <p>Stacy Ho Richardson, Deputy Director stacy.richardson@bpu.nj.gov</p> <p>Matthew Rossi, Clean Energy Budget Policy Manager matthew.rossi@bpu.nj.gov</p> <p>Judith Augustin, Budget Analyst judith.augustin@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Michael Beck, General Counsel michael.beck@law.njoag.gov</p> <p>Rachel Boylan, Senior Legal Specialist rachel.boylan@bpu.nj.gov</p>
---	--

<p><u>Elizabethtown Gas Company</u></p> <p>520 Green Lane Union, NJ 07083</p> <p>Thomas Kaufmann tkaufmann@sjindustries.com</p> <p>Susan Potanovich spotanovich@sjindustries.com</p> <p>Gina O'Donnell vodonnell@sjindustries.com</p> <p>Deborah M. Franco, Esq., Regulatory Affairs Counsel dfranco@sjindustries.com</p> <p><u>South Jersey Gas Company</u></p> <p>1 South Jersey Place Atlantic City, NJ 08401</p> <p>Steven R. Cocchi, Esq. scocchi@sjindustries.com</p> <p>Karen J. Crispin, Senior Rate Analyst kcrispin@sjindustries.com</p> <p>Carolyn A. Jacobs, Regulatory Compliance Specialist cjacobs@sjindustries.com</p> <p><u>Rockland Electric Company</u></p> <p>4 Irving Place Room 1815-S New York, New York 10003</p> <p>Margaret Comes, Esq., Associate Counsel comesm@coned.com</p> <p>John Carley, Esq., Associate General Counsel carleyj@coned.com</p> <p>Orange & Rockland Utilities, Inc. 390 West Route 59 Spring Valley, NY 10977</p> <p>Charmaine Cigiliano, Section Manager Customer Energy Services ciglianoc@oru.com</p> <p>Donald Kennedy, Director Customer Energy Services kennedyd@oru.com</p>	<p><u>Jersey Central Power & Light Company</u></p> <p>300 Madison Avenue Morristown, NJ 07962</p> <p>Joshua R. Eckert, Esq. jeckert@firstenergycorp.com</p> <p>Mark Mader Director, Rates & Regulatory Affairs – NJ mamader@firstenergycorp.com</p> <p>Tom Donadio tdonadio@firstenergycorp.com</p> <p>James O'Toole jotoole@firstenergycorp.com</p> <p>Kurt Turosky kturosky@firstenergycorp.com</p> <p>Kent Hatt khatt@firstenergycorp.com</p> <p>Lori Brightbill lbrightbill@firstenergycorp.com</p> <p>Lauren Lepkoski, Esq. llepkoski@firstenergycorp.com</p> <p><u>New Jersey Natural Gas Company</u></p> <p>1415 Wyckoff Road PO Box 1464 Wall, NJ 07719</p> <p>Andrew Dembia, Esq. Regulatory Affairs Counsel adembia@njng.com</p> <p>Anne-Marie Peracchio Director, Conservation and Clean Energy Policy aperacchio@njng.com</p>
---	--

<p><u>Public Service Electric and Gas Company</u></p> <p>PSEG Services Corporation 80 Park Plaza, T5 PO Box 570 Newark, NJ 07102</p> <p>Matthew M. Weissman, Esq. General State Regulatory Counsel matthew.weissman@pseg.com</p> <p>Joseph F. Accardo, Jr., Esq. Vice President – Regulatory & Deputy General Counsel joseph.accardo@pseg.com</p> <p>Danielle Lopez, Esq. danielle.lopez@pseg.com</p> <p>Tim Fagan, Manager, Planning and Evaluation PSE&G – Renewables & Energy Solutions tim.fagan@pseg.com</p> <p>Karen Reif karen.reif@pseg.com</p> <p>Todd Van Aken todd.vanaken@pseg.com</p> <p>Caitlyn White, Regulatory Case Coordinator caitlyn.white@pseg.com</p>	
---	--

New Jersey's Clean Energy Program™

FISCAL YEAR 2023 PROGRAM DESCRIPTIONS AND BUDGETS



DIVISION OF CLEAN ENERGY

**Renewable Energy Programs,
Energy Efficiency Programs,
Distributed Energy Resources,
and NJCEP Administration
Activities**

April 12, 2023

Table of Contents

Introduction.....	4
EMP Strategy 1: Reduce Energy Consumption and Emissions from the Transportation Sector	4
Electric Vehicles	5
EV Studies and Administrative Support.....	5
Clean Fleet Electric Vehicle Incentive Program	5
State Vehicle Clean Fleet Program.....	5
Local Clean Fleet Program.....	5
Multi-Unit Dwellings (Chargers)	6
EV Tourism.....	7
EMP Strategy 2: Accelerate Deployment of Renewable Energy and Distributed Energy Resources	7
Renewable Energy Program	8
Offshore Wind Program	8
Solar	12
Community Solar	14
Energy Storage	15
Grid Modernization.....	15
EMP Strategy 3: Maximize Energy Efficiency and Conservation and Reduce Peak Demand.....	16
Energy Efficiency Program Transition.....	16
Acoustical Testing Pilot.....	17
LED Streetlights Replacement.....	17
Sustainable Jersey	18
New Jersey Institute of Technology	18
Rutgers Center for Green Building.....	18
Benchmarking	18
EMP Strategy 4: Reduce Energy Consumption and Emissions from the Building Sector	19
State Facilities Initiative.....	20
EMP Strategy 5: Decarbonize and Modernize New Jersey's Energy System.....	21
Microgrids.....	21
EMP Strategy 6: Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low- and Moderate-Income and Environmental Justice Communities.....	22
Whole House Pilot Program.....	23
Community Energy Plan Grant	23
EMP Strategy 7: Expand the Clean Energy Innovation Economy.....	24
Economic Development Authority.....	24

Clean Energy Manufacturing Fund	24
R&D Energy Tech Hub.....	24
Multiple EMP Strategies and All Other Programs.....	25
Planning and Administration.....	25
BPU Program Administration	25
Marketing	26
Clean Energy Program Website	27
Program Evaluation/Analysis	27
Energy Efficiency	27
Energy Master Plan Ratepayer Impact Study	28
Dual Use Pilot	28
2023 Northeast New Jersey LiDAR Data Recollection Project	29
Outreach and Education.....	29
Clean Energy Conference.....	29
Memberships.....	29
BPU Initiatives.....	30
Heat Island Pilot	30
Energy Bill Assistance	30
Workforce Development.....	31
Fiscal Year 2023 Program Budgets.....	32

Introduction

On January 27, 2020, the 2019 Energy Master Plan (“EMP”)¹ was unveiled following months of research, review, and stakeholder input. The EMP outlines seven key strategies to achieve 100% clean energy by 2050: reduce energy consumption and emissions from the transportation sector; accelerate deployment of renewable energy and distributed energy resources; maximize energy efficiency and conservation and reduce peak demand; reduce energy consumption and emissions from the building sector; decarbonize and modernize New Jersey’s energy system; support community energy planning and action in underserved communities; and expand the clean energy innovation economy.

As the lead State agency tasked with the development and implementation of the 2019 EMP, the New Jersey Board of Public Utilities (“BPU” or the “Board”) and its Division of Clean Energy (“DCE”), through the New Jersey Clean Energy Program (“NJCEP”) budget, provides funding to many of the core programs that address the seven key EMP strategies. The Fiscal Year 2023 (“FY23”) Compliance Filing provides program descriptions and budgets for the NJCEP.

The NJCEP is a signature initiative of the BPU that promotes increased energy efficiency (“EE”); the use of clean, renewable sources of energy, including solar and wind (“RE”); and distributed energy resources (“DER”). The results for New Jersey are a stronger economy, less pollution, lower costs, and reduced demand for electricity and natural gas. The NJCEP offers financial incentives, programs, and services for residential, commercial, and governmental customers.

Additionally, in fiscal year 2021 (“FY21”), the Office of Clean Energy Equity (“OCEE”) was added to the DCE. The OCEE oversees the development and implementation of clean energy policies, technologies, and programs, including workforce development and EE programs, to better serve New Jersey’s overburdened communities (“OBCs”) and to ensure equitable participation in clean energy programs and distribution of related benefits. Working with other BPU teams, the OCEE is ensuring that programs are developed and implemented through an equity lens, while leveraging the many existing DCE programs that aim to serve OBCs.

EMP Strategy 1: Reduce Energy Consumption and Emissions from the Transportation Sector

This strategy centers its attention on decarbonizing the transportation sector through vehicle electrification, reducing vehicle miles traveled, and lowering port and airport emissions. To support electric vehicle (“EV”) adoption, several key NJCEP programs have been created through Board action and State appropriation to provide incentives to

¹ New Jersey Board of Public Utilities, *2019 New Jersey Energy Master Plan: Pathway to 2050*, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

individuals and local and State government agencies to offset a portion of the upfront costs of purchasing EVs. In addition to the \$30 million annual appropriation, described in detail in the Charge Up New Jersey Compliance Filing, the below programs will receive funding to support the BPU's continuing efforts to electrify transportation.

Electric Vehicles

EV Studies and Administrative Support

The transition to electrified transportation will take considerable effort and will require new skill sets and studies in order to ensure we are creating an equitable, accessible EV ecosystem. This funding will allow for support for the BPU's EV EcoSystem plans. Included in this funding is the FY22 proposal to undergo an EV Grid Assessment to better understand the impacts that EV charging will have on the grid and the necessary investments that must be made to build out a comprehensive EV EcoSystem. In addition, Staff proposes to use these funds to address the need to aggregate the data from charging stations funded by State and utility incentive programs and to create an EV incentive portal for the State of New Jersey.

Clean Fleet Electric Vehicle Incentive Program

In FY20 and FY21, the BPU utilized U.S. Department of Energy ("USDOE") funds for a pilot program to incentivize EV adoption in local and State government fleets, referred to as the Clean Fleet Electric Vehicle Incentive Program ("Clean Fleet Program"). In FY22, the program was funded by both Societal Benefits Charge ("SBC") and State General Fund appropriations. The primary goal of the Clean Fleet Program is to improve New Jersey's air quality and assist local and State government authorities' transition to electrically-fueled fleets.

State Vehicle Clean Fleet Program

The EV Act (L. 2019, c. 362) established goals to encourage the electrification of the State's non-emergency light-duty fleet vehicles. The EV Act calls for at least 25 percent of the fleet to be plug-in EVs by 2025 and 100 percent by 2035. Additionally, EMP Goal 1.1.5 seeks to convert the State's light-duty fleet to EVs. To achieve these goals, the BPU will continue the program in FY23 to assist in funding the increased up-front costs associated with the adoption of light-duty EVs for the State's fleets. By making the switch to EVs, fleets can realize the benefits of decreased fueling and maintenance costs while also decreasing their emissions and acting as a role model for local residents.

Local Clean Fleet Program

The original iteration of the local clean fleet program launched on December 1, 2019, and has, to date, assisted more than 30 government entities to purchase a battery vehicle and/or charging equipment.

As this program directly impacts the goals set forth in the EV Act, specifically promoting EV adoption in State and local government fleets, the Clean Fleet Program will continue in FY23 under the NJCEP. Eligible entities for this incentive will be municipalities, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, and county authorities.

Through a rolling application process, applicants may apply for a \$4,000 incentive for up to 10 light-duty battery EVs, as well as incentives for EV chargers for local and county entities. State entities will be eligible for up to 20 light-duty battery EVs and up to 10 EV chargers. Applicants may receive \$5,000 per public charger (up to the cost of the charger), \$4,000 per fleet chargers (up to the cost of the charger), and \$50,000 (up to the cost of the charger) for a Direct Current Fast Charger (“DCFC”). In addition, fleet chargers are eligible for an incentive of up to 50% of the cost of the Make-ready, up to \$5,000 for level 2 chargers, and up to \$50,000 for DCFCs. The number of vehicles and chargers that an entity is eligible for will be determined by population size of the government the entity serves. Grants will be reviewed by Staff, assessed, and awarded on a rolling basis contingent upon program funding, with priority given to applicants who would be adding their first EV to their fleet. Eligible applicants who are in an overburdened municipality, as defined by the OCEE, are eligible for a 50 percent bonus, to be provided as either an additional incentive amount or eligibility for additional chargers and vehicles.

Awards shall be in the form of a reimbursement, based on proof of purchase of a new eligible battery EV and/or charging equipment. All applicants will be required to complete a Grant Reimbursement Form in order to receive their grant award. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to award. The vehicle listed on the application is required to be the same year, make, and model listed on the Grant Reimbursement Form. Eligible vehicle(s) must be purchased and received in order to submit the Grant Reimbursement Form.

All charger incentives require that the charger be Energy Star certified and a networked dual-port charger that is on a network pre-approved by the State. The Clean Fleet incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility’s stipulation of settlement. The Clean Fleet charger incentive may not be stacked with DEP’s It Pay\$ to Plug In Program for the same charger.

Multi-Unit Dwellings

Recognizing that one of the major obstacles to EV adoption is the inability to charge at residences and acknowledging that residents of low-income and overburdened communities are more often impacted by this obstacle, the Board created the Multi-Unit Dwelling (“MUD”) EV Charger Incentive Program in 2021. The EV Act calls for at least 15 percent of all MUDs to have EV chargers by December 2025. Also, EMP Goal 1.1.2 calls for the State to focus on the best ways to deploy charging infrastructure throughout the state. Utilizing legislatively appropriated funds in FY22, the program was originally budgeted at \$1 million and by May 2022 had received over \$2.5 million in applications.

The incentive provides \$4,000 for the cost of a Level 2 charger (up to the cost of the charger) for up to six chargers per site. All charger incentives require that the charger be a Energy Star certified and networked dual-port charger that is on a network pre-approved by the State. The MUD incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The MUD incentive may not be stacked with DEP's It Pay\$ to Plug In Program for the same charger.

Eligible entities include apartments, condominiums, and mixed residential locations that feature a minimum of five units and have dedicated off-street parking.

Grants will be reviewed by Staff, assessed, and awarded on a rolling basis contingent upon program funding, with priority given to applicants who would be adding their first EV to their fleet. Eligible applicants who are in an overburdened municipality, as defined by the OCEE, are eligible for a 50 percent bonus.

EV Tourism

Range anxiety continues to be an obstacle to EV adoption, as many people are concerned that an EV will hinder their ability to take longer trips. In furtherance of EMP Goal 1.1.2, which examines ways to deploy charging infrastructure throughout the state, the Board's EV Tourism Program was designed to encourage the building of more corridor and community chargers throughout New Jersey, reducing range anxiety for our residents and encouraging EV-driving tourists to choose New Jersey as their tourism destination. In addition, the EV Act calls for at least 20 percent of franchised locations to have EV chargers by December 2025.

The program provides \$5,000 for the cost of a Level 2 charger (up to the cost of the charger) for up to six chargers per site or \$50,000 for the cost of a fast charger (up to the cost of the charger) for up to two chargers per site. All charger incentives require that the charger be Energy Star certified and a networked dual-port charger that it is on a network pre-approved by the State. The EV Tourism incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The EV Tourism incentive may not be stacked with DEP's It Pay\$ to Plug In Program for the same charger.

Grants will be reviewed by Staff, assessed, and awarded on a rolling basis contingent upon program funding, with priority given to applicants who would be adding their first EV to their fleet. Eligible applicants who are in an overburdened municipality, as defined by the OCEE, are eligible for a 50 percent bonus.

EMP Strategy 2: Accelerate Deployment of Renewable Energy and Distributed Energy Resources

This strategy seeks to address the State's efforts to accelerate the deployment of renewable energy ("RE") and distributed energy resources ("DERs"). Two key components of this strategy are to maximize the development of offshore wind ("OSW") and solar energy. As

part of the NJCEP, the BPU is tasked with overseeing the OSW and solar programs that will help the State achieve Governor’s Murphy’s clean energy goals in the most equitable, cost-effective, and efficient ways.

Renewable Energy Programs

Offshore Wind Program

Executive Order 8² called upon all State agencies with responsibility under the Offshore Wind Economic Development Act (“OWEDA”) (statute amending L. 2007, c. 340 and L. 1999, c. 23) to work collaboratively towards achieving the goal of 3,500 MW of OSW by 2030 and to establish a vibrant offshore wind market in New Jersey and in the region. Executive Order 92, maintaining the goal of establishing a vibrant offshore wind market, increased the goal to 7,500 MW by 2035, which is consistent with EMP Goal 2.2. In September 2022, Executive Order 307 further increased the OSW goal to 11,000 MW by 2040. In November 2022, a solicitation schedule was announced laying out how New Jersey expects to meet the new goal.

In September 2018, the Board announced the opening of a competitive solicitation for 1,100 MW, at the time the largest single state solicitation in the nation and a framework for future solicitations. A Request for Quotation (“RFQ”) was also issued in FY19 for an OSW economic consultant to assist in the review and evaluation of the applications received in response to the first solicitation, consistent with OWEDA. The consultant’s scope was to evaluate the technical feasibility of proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and the public subsidy requested. The Board awarded a contract in FY19, with costs to be recovered through the OSW applicants’ application fees, as allowed under OWEDA.

The first OSW competitive solicitation resulted in applications from three experienced OSW developers that represent multi-billion-dollar investments and hundreds of clean energy jobs for New Jersey. On June 21, 2019, the Board unanimously approved the 1,100 MW Ocean Wind Project to be developed 15 miles off the coast of Atlantic City before 2024 and projected to power an estimated 500,000 homes.

In FY19, the Board retained a consultant for the Offshore Wind Strategic Plan for a two-year term. The Offshore Wind Strategic Plan was started in August 2018 and includes establishing the framework for moving forward in consultation with stakeholders and strategic partners. The draft strategic plan was issued for public comment in the 5th Quarter (“Q5”) of FY20³ and was adopted by the Board and released to the public in September 2020.

On February 28, 2020, the Governor announced a planned solicitation schedule for the full

² Executive Order No. 8.

³ On April 14, 2020, New Jersey Governor Phil Murphy signed into law a bill that extended the State’s FY20 to September 30, 2020. In order to align with the State’s fiscal year, the Board extended the NJCEP FY20 budget.

7,500 MW goal for 2035 to provide transparency to the industry and to show commitment to the development of wind in New Jersey. The solicitation schedule also allows for flexibility to make adjustments to the schedule to capture the best benefits for citizens of the State on issues of cost, development of transmission, supply chain establishment, federal tax credits, and more.

An RFQ for an OSW economic consultant was issued in FY20 for the development of the second OSW solicitation and the review and evaluation of OSW project proposals consistent with OWEDA. The review and evaluation again included evaluating the technical feasibility of proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and the public subsidy requested. The Board awarded a contract in FY20, with a significant portion of the costs to be recovered through the OSW applicants' application fees, as allowed under OWEDA.

In September 2020, a second solicitation was issued for 1,200 to 2,400 MW of OSW ("Solicitation Two"). Evaluation of applications received from two developers in December 2020 resulted in the Board awarding two projects totaling 2,658 MW in June 2021.

Also, in 2020, the Board requested that PJM Interconnection LLC ("PJM") include the State's OSW goal in its regional transmission expansion planning under a PJM process known as the State Agreement Approach ("SAA"). The Board also issued an RFQ for a consultant to assist Staff with the SAA process, and a contract was awarded to a qualified consultant.

PJM issued a solicitation for OSW transmission solutions on behalf of the Board in April 2021, with proposals received in September 2021. Proposals were received for eighty (80) projects from thirteen OSW transmission developers. After a review and evaluation period of more than one year by Staff, a consultant, and PJM, in October 2022, the Board awarded a suite of coordinated transmission projects to enable the OSW goal of 7,500 MW to be efficiently, reliably, and cost effectively connected to the electric grid in New Jersey. The suite of projects awarded saved ratepayers approximately \$900 million compared to the business as usual baseline. In its award Order, the Board directed Staff to begin to consider a second SAA to help achieve the new 11,000 MW goal.

In 2022, Staff began to develop the State's third OSW solicitation. A draft Solicitation Guidance Document was issued in November 2022 for public comment. The third solicitation will target 1,200 to 4,000 MW. The final guidance document is expected to be issued in the 1st Quarter ("Q1") 2023, with Applications due in the 2nd Quarter ("Q2") 2023, and the Board's decision is expected in the 4th Quarter ("Q4") 2023.

In FY21, the Board and the South Jersey Port Corporation ("SJPC") entered into a Memorandum of Understanding ("MOU") to support the development of critical, first-of-their-kind manufacturing facilities to support New Jersey's growing offshore wind industry ("SJPC MOU"). This is in furtherance of EMP Goals 2.2.2-2.2.4, which seek to develop the OSW supply chain, infrastructure, and workforce. The SJPC MOU will enable the transfer of \$1.8 million in SBC funding to the SJPC, which will directly aid in the development of the

Paulsboro Marine Terminal.

FY22 funding also supported the Board's multi-year membership in the National Offshore Wind Research and Development Consortium.

Also in FY21, the Board entered into an MOU with the New Jersey Economic Development Authority ("EDA") to support a portion of the development and related expenses of the New Jersey Wind Port ("Wind Port") ("EDA MOU"). The EDA MOU enabled the transfer of \$13.2 million in SBC funding, which will directly support the development of the Wind Port. The Wind Port is intended to be the first purpose-built location for marshalling and manufacturing and is expected to play a critical role in advancing the OSW industry in New Jersey, as well as being an economic engine for the State.

On August 16, 2019, Governor Phil Murphy signed Executive Order No. 79 and established a Council for the Wind Innovation and New Development ("WIND") Institute, charged with developing and implementing a plan to create a regional hub for New Jersey's burgeoning offshore wind industry and with building upon the Murphy Administration's commitment to making New Jersey a national leader in offshore wind. The WIND Council includes representatives from the Office of the Secretary of Higher Education, the EDA, the BPU, the Department of Education, the DEP, and the Department of Labor and Workforce Development.

On April 22, 2020, the WIND Council released a report detailing plans for creating the WIND Institute, which will serve as a center for education, research, innovation, and workforce training related to the development of offshore wind in New Jersey and the Northeast and Mid-Atlantic region. The WIND Institute will coordinate and galvanize cross-organizational workforce and innovation efforts to position New Jersey as a leader in offshore wind. A primary function of the WIND Institute will be to act as a centralized hub for offshore wind workforce development by coordinating across stakeholder groups and State agencies to support the development and delivery of programs and facilities that empower New Jersey students and workers to participate in the offshore wind industry. More specifically, a cross-governmental working group will collaborate with New Jersey's higher education institutions to identify opportunities for students to successfully enter the industry and execute initiatives that will cement these pathways into the industry (e.g., apprenticeships) and address potential barriers for New Jersey workers (e.g., expanding pool of qualified instructors).

While the process to establish the WIND Institute through legislation is ongoing, immediate action is needed to lay a cohesive groundwork for workforce development necessary to support this rapidly growing industry. In FY21, the BPU entered into an MOU with the EDA to provide funding that would support EDA initiatives, including execution of a competitive grant solicitation to develop a Global Wind Organization safety training program and facility in New Jersey; development of a best-in-class wind turbine technician training program; creation of a plan to establish pathways into the offshore wind industry for New Jersey students and workers, driven by a cross-governmental working group to be coordinated by EDA; and design and delivery of a workforce development seminar that will provide local

stakeholder groups with insight into the industry's workforce development needs to empower these stakeholder groups to build relevant workforce solutions.

In FY22, the Board entered into a second MOU with the EDA to support the Wind Institute. The funds supported workforce and education programs that address key challenges in expanding stakeholder engagement and understanding about workforce needs and opportunities. These programs included overseeing grant challenges to New Jersey training providers in key skills gap areas, such as offshore wind welding (specifically submerged arc welding), marine transport, offshore wind marshalling, offshore wind power engineering, and/or environmental surveying and monitoring. Funding also supported the development of an offshore wind module to be included as part of STEM concentrations at New Jersey vocational schools, offshore wind seminars, and other engagement activities for businesses and other stakeholders interested in furthering offshore wind workforce development with a particular focus on driving diversity, equity, and inclusion and a workforce skills assessment to ascertain additional workforce development priority areas. In addition, funding allowed for the expansion of Wind Institute research and innovation programs that leverage New Jersey's higher education institutions' assets and expertise to spearhead research and innovation that unlocks market potential and/or specifically addresses challenges facing New Jersey's offshore wind industry. Additional programming would support an industry-sponsored grant challenge with public matching funds to drive innovative research and development in the private sector. A portion of the funding was also used for administrative and staffing costs to support the launch of the Wind Institute and to position the Wind Institute as a centralized information hub for offshore wind workforce development, education, research, and innovation and for other operational needs including a space assessment for a physical location for the Wind Institute.

A third MOU for FY23 between the Board and the EDA to support the Wind Institute was executed in October 2022. The funds provided by the BPU are expected to support the expansion of the Wind Institute Fellowship and University Initiatives' efforts to increase industry-valued expertise at a greater number of New Jersey universities and/or with a larger number of students than the first cohort of eight (8) students at each of the four (4) universities; the continued development and execution of OSW workforce and education programs, including overseeing grant challenges, executing MOUs, or other means to establish OSW-focused training and education initiatives; in training for non-destructive testing, crane operations, maritime occupations, and manufacturing, as well as general education campaigns about OSW and career pathways; and the development and execution of initiatives that spearhead research and innovation that unlock market potential and/or specifically address challenges facing New Jersey's OSW industry.

Together, these efforts will enable New Jersey to create a foundation for a targeted and coordinated offshore wind workforce development approach that creates job opportunities for a wide range of New Jersey students and workers.

FY22 funding has also allowed the Rutgers Center for Ocean Observation Leadership ("RUCOOL") to continue the work that it began for the Board in 2017 on oceanographic and atmospheric studies of the waters off of New Jersey's coast.

FY23 funding for RUCOOL was approved to continue their work, and a contract was executed with a consultant to assist Staff in the development of a solicitation 3 guidance document and evaluation of solicitation 3 proposals. Continued funding of the consultant assisting Staff in the SAA evaluation is anticipated in FY23, as is retaining a consultant to update the OSW Strategic Plan. Funding is also budgeted for potential additional initiatives that may arise during FY23.

Solar

Pursuant to the Clean Energy Act of 2018⁴ (“CEA”) (L. 2018, c. 17) and EMP Goal 2.3.2, the Board is finalizing the transition from its legacy solar incentive program (the “SREC registration program” or “SRP”) to a new successor solar program. The SREC registration program closed upon the determination of the Board that 5.1% of the kilowatt hours sold in the state comes from solar electric power generators connected to the state’s electric distribution system (5.1% milestone).

The solar transition was conducted in two phases. Phase 1 was the implementation of a Transition Incentive (“TI”) Program to provide a bridge between the legacy SREC program and a successor incentive program. The TI Program was approved by the Board in December 2019 and was opened on May 1, 2020 to new projects and projects with a valid SRP registration that did not energize prior to the 5.1% milestone.

Phase 2 was the design and implementation of the new Successor Solar Incentive (“SuSI”) Program. On July 28, 2021, the Board approved the new SuSI program, comprised of an Administratively Determined Incentive (“ADI”) Program for net metered residential projects, net metered non-residential project 5 MW and under, and community solar projects; and a Competitive Solar Incentive (“CSI”) Program for grid supply projects and larger net metered non-residential projects (over 5 MW). The Board also approved the closure of the TI Program to new registrations effective on August 27, 2021. The ADI Program opened to new registrations on August 28, 2021.

The Board has set incentive levels and megawatt allocations by market segment designed to result in 450 MW per year of net metered solar and community solar. An Interim Subsection t market segment was established to provide an incentive opportunity for grid supply projects located on brownfields, properly closed sanitary landfills, and areas of historic fill following the closure of the TI Program until the Board announced the launch of the CSI Program.

ADI Incentives (NJ-SREC-IIs) Per Market Segment

Market Segments	System Size MW (dc)	Incentive Values (\$/SREC-II)	*Public Entities (\$20 Adder)
Net-Metered Residential	All Sizes	\$90	N/A

⁴ Clean Energy Act, L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_.PDF.

Small Net-Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects smaller than 1 MW (dc)	\$100	\$120
Small Net Metered Non-Residential Ground Mount	Projects smaller than 1 MW (dc)	\$85	\$105
Large Net Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects 1 MW to 5 MW (dc)	\$90	\$110
Large Net Metered Non-Residential Ground Mount	Projects 1 MW to 5 MW (dc)	\$80	\$100
Community Solar LMI	Up to 5 MW (dc)	\$90	N/A
Community Solar Non-LMI	Up to 5 MW (dc)	\$70	N/A
**Interim Subsection (t) Grid	All Sizes	\$100	N/A

ADI Capacity Blocks by Market Segment

Market Segments	System Size	MW (dc) Capacity Blocks
Net-Metered Residential	All Sizes	150 MW
Net Metered Non-Residential	All sizes at or below 5 MW (dc)	150 MW
Community Solar including LMI and Non-LMI	All sizes at or below 5 MW (dc)	150 MW
Interim Subsection (t) Grid	All Sizes	75 MW (Interim basis; Now closed)

On December 7, 2022, the Board announced the new CSI Program, which will offer incentives to grid supply solar and net metered solar installations over 5 MW in size. The CSI Program will follow competitive principles, awarding SREC-IIs based on bids into the program and selecting projects in a segment based on price.

The first solicitation under the CSI is scheduled for the Q1 2023. The Board established the following market segments or tranches and procurement targets for the initial solicitation:

Tranche	Open to	Procurement Target (MW)
Tranche 1	Basic Grid Supply	140 MW
Tranche 2	Grid Supply on the Built Environment	80 MW

Tranche 3	Grid Supply on Contaminated Sites and Landfills	40 MW
Tranche 4	Net metered non-residential Installations larger than 5 MW	40 MW
Tranche 5	Storage paired with Grid Supply Solar	160 MWh

Solicitations will take place on an annual basis going forward.

The Board established a non-refundable bid participation fee of \$1000 per MW, which is meant to be used to defray costs of the program. The amount to be collected will depend on the level of interest, but it will likely be in excess of \$300,000 annually.

The Solar Act of 2021 includes a mandatory annual report about the SuSI Program to the Governor’s Office and Legislature. Staff plan to engage a consultant to comply with these reporting requirements.

Community Solar

EMP Goal 2.3.1 calls for the continued growth of New Jersey’s Community Solar Program. Community solar aims to broaden access to solar energy by enabling electric utility customers to participate in a solar generating facility that can be remotely located from their own residence or place of business. These customers are those who cannot benefit from net metered solar, such as those who rent, live in multi-unit dwellings, have property unsuitable for solar, or lack access to the necessary capital. Community solar is therefore an important program for promoting equitable and fair access to New Jersey’s renewable energy policies.

Community solar in New Jersey was rolled out first as a Pilot Program, launched in February 2019 pursuant to the CEA. Through two solicitations conducted between 2019 and 2021, the Pilot Program led to the conditional approval of 150 projects, representing approximately 243 MW. Consistent with the goal of promoting equitable access to solar energy, all projects selected to participate in the Pilot Program have committed to allocate at least 51% of project capacity to low- and moderate-income (“LMI”) subscribers. The Community Solar Energy Pilot Program was designed as a competitive application process; projects were selected using criteria designed to further the State’s policy objectives for community solar development, including preferred siting, low- and moderate-income resident inclusion, community engagement, and guaranteed savings for participating customers.

Pursuant to the CEA, the Pilot Program will now be converted to a permanent program, which is intended to target the development of at least 150 MW new community solar capacity annually. On April 11, 2022, Staff issued a request for comments that sought preliminary stakeholder feedback on the design of the permanent program. Written comments were received by May 6, 2022 and will inform the drafting of a Staff straw proposal. Over the next few months, the BPU will continue to work closely with stakeholders to design and implement the permanent program.

Energy Storage

In FY19, the Board retained Rutgers University to conduct an analysis of energy storage (“ES”) in New Jersey, pursuant to the CEA. The contract for the requested analysis commenced on November 1, 2018, and the Board accepted the final report at its June 12, 2019 agenda meeting.

In FY21, the first phase of an ES program intended to meet the CEA and EMP goals was initiated as part of the Solar Successor Straw Proposal. The Board addressed the provision of incentives for storage coupled with solar photovoltaics in the July 2021 Order establishing the SuSI Program, specifically recommended for consideration in the context of the CSI Program.

In FY22, Staff began to develop the second phase of the ES program, which will be aimed at reaching CEA-mandated 2030 goals.

In September 2022, Staff issued a straw proposal for an ES program, the New Jersey Storage Incentive Program (“NJ SIP”). Three stakeholder meetings were held and written comments received on the Straw Proposal and in 2023, Staff, together with a consultant to be retained, will issue the final NJ SIP.

Also, the Energy Storage budget line includes a commitment of up to \$7 million for a pilot to improve resiliency at state facilities. Since this is contingent on the State’s award of USDOE funding, details of this pilot are still being developed by Staff and will be provided to the Board for further consideration in FY23.

Grid Modernization

New Jersey’s interconnection rules and processes require updating in order to achieve 100 percent clean energy by 2050. In FY22, Staff engaged a contractor to assist with updating New Jersey’s interconnection rules so that they reflect national best practices and better enable the State to achieve its clean energy goals. Necessary updates to the State’s interconnection rules include but are not limited to: updates to the interconnection process; modernization of utility processes for studying interconnection requests; updates to technical interconnection study standards; updates necessary to coordinate interconnection requests with the regional transmission system; incorporation of updated Institute of Electrical and Electronics Engineers or other standards; and other changes that will facilitate New Jersey meeting its ambitious clean energy targets. Five stakeholder meetings were held regarding the interconnection process, which informed the consultant’s final report accepted by the Board in November 2022. Staff is developing proposed changes to the interconnection rules as a result of several of the recommendations contained in the report, with several other recommendations set to undergo further stakeholder input.

Funding in FY23 is requested to continue the grid modernization proceeding, conduct a study of the potential to use renewable natural gas and/or green hydrogen as a means to

reduce greenhouse gas emissions, and for additional new clean energy technology initiatives that may arise.

EMP Strategy 3: Maximize Energy Efficiency and Conservation and Reduce Peak Demand

This strategy focuses on strengthening New Jersey's overall EE and peak demand reduction, which involves clear energy reduction goal setting, consistency, and accountability. Energy reductions will be achieved through improvements in building thermal envelopes, appliance efficiency, energy benchmarking, equipment controls, strategic energy management, and attention to peak demand reduction. To prevent the amplification of energy burden disparities, access to increased efficiency for all residents will be ensured, and the OCEE will continue to play a key role. In addition, the strategy aims to strengthen building and energy codes and appliance standards.

Energy Efficiency Programs

Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark CEA, which called for a significant overhaul of New Jersey's clean energy systems by augmenting existing EE, RE, and DER programs and building sustainable infrastructure in order to fight climate change and reduce carbon emissions. Reducing the rate of climate change and emissions will in turn create well-paying local jobs, grow the State's economy, and improve public health, while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the CEA required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU established a statewide framework for EE programs in June 2020 and approved a comprehensive suite of "next generation" EE programs that feature new ways of managing and delivering EE directly from investor-owned gas and electric utility companies to their customers and that, since July 1, 2021, have begun to transition the state to what are expected to be some of the highest energy savings in the country.⁵

The Board-approved utility-run EE programs offer on-bill repayment or comparable third-party financing, with more favorable terms for qualifying LMI customers and small commercial entities. Many utilities also offer Moderate-Income Weatherization Programs. The Board's approval, oversight, and evaluation of the utility-run EE programs support EMP Goal 3.1.5, which is to adopt equitable clean energy financing mechanisms that enable greater penetration of EE opportunities for all customers. They also support EMP Goal 3.1.3, which is to establish strategic and targeted EE programs to increase energy reductions and customer engagement. EMP Goal 3.1.3 specifically mentions programs that target moderate-

⁵ See <https://njcleanenergy.com/transition> for more information about the EE transition.

income customers as helpful in closing gaps in program affordability and also incorporation of on-bill financing into EE programs.

Acoustical Testing Pilot

The New Jersey Acoustical Testing Pilot Program is proposed in response to the EMP Goal 3.1.3, which encourages the exploration of “new energy-saving opportunities in complementary sectors, such as the water sector.” Annual water and energy losses due to aging water infrastructure in New Jersey are significant, amounting to billions of gallons of water and multiple gigawatts of energy lost. This pilot incentive program allocates resources to facilitate the purchase or rental by water utilities of acoustic monitoring systems that employ permanent leak monitoring technology to enable them to more efficiently and effectively locate water leaks. This pilot program welcomes proposals from all New Jersey water utilities, but primarily seeks to address water and energy losses in urban and older inner suburban communities. These communities have older infrastructure and addressing their infrastructure issues would also result in benefits to OBC. The Board approved the release of the application in March 2021. In July 2021, the Board awarded a total of \$1.1 million in grants to four applicants to implement permanent leak detection technology in their water systems. Staff will closely examine the progress and efficacy of the first round of funding and utilize this information to determine recommendations to the Board for a second pilot year.

LED Streetlights Replacement

Staff are in the process of developing a straw proposal that examines the benefits of assisting municipalities with LED streetlights replacement. Specifically, this is in response to EMP Goal 3.1.7, which is to “revise street lighting tariffs as necessary to incentivize mass adoption of energy efficient initiatives.” The energy savings and resulting reduction in greenhouse gas emissions that occur when municipalities change over from traditional streetlights to dark sky compliant LED street lights is significant. This program would allocate grant funding for municipalities to meet the upfront costs of the changeover. It would also specifically reserve a portion of its funding for projects in OBCs so that these communities can avoid incurring the costs normally associated with an LED streetlight retrofitting project, benefit from the retrofits themselves, and reallocate municipal funding so that such funding can be spent on other initiatives that benefit their constituents. Staff propose that an additional \$5.9 million be provided in the FY23 True-Up Budget to increase the amount of funding available to municipalities through the grant program. Over the next few months, Staff will finalize the straw proposal and engage with stakeholders to finalize the details of this program.

During FY23, BPU will provide a \$2.5 million grant to the City of Atlantic City to complete its work in converting all Atlantic City Electric streetlights and some City-owned streetlights to LED. The City is currently a BPU grantee for an American Rescue and Recovery Act grant in the amount of \$2 million, with a grant period from August 1, 2016 through March 31, 2023, for the design and installation of LED streetlights in the City, under BPU docket numbers QG16050440 and EO09030210. As of January 12, 2023 the City has converted around 7,000 streetlights to LED in partnership with Atlantic City Electric Company and Arris Engineering

Group, LTD. The additional \$2.5 million will enable the City to convert more than 4,000 streetlights to LED; retrofit all lights with sensors to provide automatic notification when the lights are out; create a Geographic Information System (“GIS”) data set of all traffic and crosswalk lights and signals; and form a type of utility to ensure that lights remain working into the future.

Sustainable Jersey

The BPU’s Sustainable Jersey contract supports the adoption of clean energy throughout the state through their Sustainable Jersey Municipal and Schools Certification Programs and through their hands-on work with municipal governments and school districts. Sustainable Jersey assists municipal governments and schools to not only participate directly in clean energy programs themselves but to also encourage local residents and businesses to realize the energy and economic benefits that result from clean energy programs.

In particular, the BPU’s work with Sustainable Jersey directly tracks with EMP Goal 3.1.2, which is to increase awareness of and access to utility EE programs, NJCEP and its suite of statewide programs, and other BPU clean energy programs. Sustainable Jersey is also providing technical assistance to overburdened municipalities (“OBMs”) that have received grants through the Community Energy Plan Grant (“CEPG”) Program.

New Jersey Institute of Technology

In order to further the efforts of EMP Goal 3.3.5, which seeks to “[i]mprove energy efficiency in, and retrofit state buildings to, a high performance standard,” the NJIT Center for Building Knowledge (“CBK”) provides high-quality research, training, and technical assistance on EE in the State and on select aspects of the NJCEP. In FY23, CBK collaborated with the BPU’s Division of State Energy Services (“SES”) to design the curriculum for and launch an energy management training program, with a focus on State facilities. CBK will also continue to develop and add new materials and content that support EE and development of a benchmarking certification program.

Rutgers Center for Green Building

In addition to RCGB’s EE evaluation work described below, in FY23, RCGB completed its work studying code compliance in new construction and will continue its work analyzing cost-effective amendments to NJ energy codes and co-facilitating the NJ Code Collaborative. These areas of work broadly support EMP Goal 3.3, which is to strengthen building and energy codes and appliance standards, including Goal 3.3.6, which is to increase compliance of mandated building and energy codes.

Benchmarking

In addition to the EE transition, the CEA mandated that, by May 2023, the BPU require building owners and operators of commercial buildings over 25,000 square feet to

benchmark their energy and water use for calendar year 2022 using the U.S. Environmental Protection Agency’s Portfolio Manager tool. Benchmarking is an important early step in raising awareness with building owners and operators about the energy performance of their buildings. EMP Goal 3.3.2 is to “[e]stablish transparent benchmarking and energy labeling,” and the EMP describes building energy use benchmarking as a critical component in promoting market-driven increases in energy efficiency. Measurement and analysis of facilities’ energy use, as well as comparison of performance to similar or model buildings, provides owners and operators with the necessary information to assess opportunities for performance improvements that reduce energy use and costs.

In FY22, Staff developed a straw proposal on the proposed policy for New Jersey’s energy and water benchmarking program through which building owners and operators will provide their first submissions by October 1, 2023. The Board approved the program and next steps on implementation – including outreach, training, IT development, and rulemaking – in FY23 to ensure that building owners are able to benchmark their buildings.

In FY23, RCGB continues to support the benchmarking program by developing the list of commercial buildings over 25,000 square feet, which entails analysis and modeling of tax records, GIS, and LiDAR data.

EMP Strategy 4: Reduce Energy Consumption and Emissions from the Building Sector

EMP Goal 4.1 focuses on starting the transition to net zero carbon new construction. The NJCEP EE programs for new construction directly address this strategy. The BPU anticipates that a redesigned New Construction Program will launch later in FY23 and will include an improved platform that replaces and improves the existing Residential New Construction (“RNC”), Commercial & Industrial (“C&I”) Buildings - New Construction (“C&I NC” or “SmartStart NC”), C&I Buildings: Pay for Performance - New Construction (“P4P NC”), and C&I Buildings - Customer Tailored Energy Efficiency Program - New Construction (“CTEEP NC”) Programs. The redesigned New Construction Program is expected to incorporate multiple new components – including a single point of entry, an optimized program process flow, an increased depth of scope, and three pathways to participation (bundled, streamlined, and high performance) – and will be developed through input from public stakeholders during FY23.

EMP Goal 4.2 focuses on starting the transition to electrify existing oil- and propane-fueled buildings. The BPU is assessing cost-effectiveness of heat pump adoption in various scenarios, with an eye toward prioritizing electrification of oil- and propane-fueled buildings. In particular, BPU is working with the investor-owned utility companies to develop electrification incentives for low-income residential customers through the Comfort Partners program for launch later in FY23. In addition, discussions are underway among the BPU, the New Jersey Division of Rate Counsel (“Rate Counsel”), and the investor-owned utility companies about expansion of rebates and incentives to support this transition that could be offered as part of utility EE programs for existing buildings.

State Facilities Initiative

The State Facilities Initiative (“SFI”) identifies and implements EE projects in State-owned facilities or State-sponsored projects with the objective of producing energy and cost savings. The funding provided to the SFI is directly in line with EMP Goals 3.3.5 and 4.1.1. EMP Goal 3.3.5 seeks to “[i]mprove energy efficiency in, and retrofit state buildings to, a high performance standard.” EMP Goal 4.1.1 addresses electrifying State facilities.

The Energy Capital Committee (“ECC”), consisting of members from the New Jersey Department of Treasury (“Treasury”) and SES, coordinates these projects based on evaluation of capital costs and anticipated energy savings. SES works with agencies, the Office of Management and Budget, and the Division of Property Management and Construction (“DPMC”) to help identify the projects that are viable to move forward and impact energy consumption. In FY23, no new funding has been requested but funds have been reallocated based on updated project timelines.

The BPU and Treasury first partnered through an MOU in February 2017 to upgrade the Hughes Justice Complex and the New Jersey Department of Environmental Protection (“DEP”).⁶ In November 2019, the Board entered into an MOU with DPMC to establish criteria for selecting and allocating funds on the designated priority list (“2019 MOU”).⁷ This allowed for increased State facility projects and a prioritized pipeline of future upgrades. Projects will meet one or more of the following criteria: (a) improvements, upgrades, and replacements of air handling and movement systems; (b) lighting and equipment upgrades and replacements; (c) boiler, chiller, and HVAC replacements; (d) lighting and building controls; (e) RE and EE systems at all State facilities; and (f) injection of funding for State facility projects outside of the ECC domain that have an EE or RE component but are stalled due to lack of funding.

Following the guidelines established in the 2019 MOU, SES will continue to develop projects.

Included as an appendix is a chart that summarizes the FY23 Designated Project List (“DPL”). The DPL represents SES staff’s most current list and funding amounts making up the SFI budget line. The proposed funding levels for specific projects on the list reflects the current project status, recognizing that project start dates and milestones are dependent on DPMC coordinating the commitment and deployment of all project funds, including use of the Treasury line of credit. As with prior approved DPLs, including the one approved in 2019, SES staff will continue to identify potential future projects, or appropriate future projects, subject to the review and approval by the Board consistent with the orders referenced above.

Additionally, the BPU has advocated for changes to the Treasury Circular to greater enhance

⁶ In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. Q017010075, Order dated February 22, 2017.

⁷ In re the Memorandum of Understanding Between the New Jersey Division of Property Management and Construction, Department of Treasury and the New Jersey Board of Public Utilities Regarding the State Facilities Initiatives Program Budget, BPU Docket No. Q019101423, Order dated November 13, 2019.

the role of agency energy manager. In order to make sure that Staff have the tools to implement energy savings plans, the SFI will offer training and grants for agencies that send energy managers through the eight-month training program. There is currently participation from 13 State entities in the current cohort.

Utilizing the LGEA Program, the ECC applied for LGEA at DEP Headquarters, OIT Hub, East Jersey State Prison, and Island Beach State Park. For FY23, through the State Energy Manager training program, additional State entities will apply for energy audits, which will help shape what other projects will follow. Currently, there are 23 State utilized properties in the queue for LGEA.

Furthermore, the Annual State Facility Energy Consumption Report will allow for continued tracking of energy consumption and cost at State facilities. This data will help inform agencies of prior use, opportunities for reductions, and high energy use intensity.

EMP Strategy 5: Decarbonize and Modernize New Jersey's Energy System

This strategy addresses the planning, finance, and implementation of electricity distribution system upgrades to accommodate increased electrification and DER integration; exercising regulatory jurisdiction and increasing oversight over transmission upgrades to ensure prudent investment and cost recovery from ratepayers; modifying rate design and the ratemaking process to empower customer energy management; and maintaining gas pipeline system reliability and safety while planning for future reductions in natural gas consumption.

Microgrids

The BPU learned from Superstorm Sandy that business as usual – with respect to the electric distribution system overall and backup generators at critical facilities – was inadequate for resilience. To address resilience at critical facilities, in 2014, the BPU provided funding to NJIT to conduct a study of potential locations for Town Center Distributed Energy Resources (“TCDER”) microgrids in the Sandy-affected regions of the state. The 2015 EMP recommended an increase in the use of microgrid technologies, and in November 2016, the BPU issued a microgrid report that formed the basis for New Jersey's initial microgrid program.

In FY18, the BPU initiated Phase I of the microgrid program, through which interested applicants could submit requests to fund TCDER microgrid feasibility studies. The universe of program applicants was limited to local government entities or State agencies that own or manage critical facilities. The BPU awarded a total of approximately \$2 million to 13 public entities consisting of municipalities, counties, and authorities to conduct the feasibility studies. The BPU reviewed the studies in FY19 and found 12 participants to be eligible for the next round of funding.⁸

⁸ One (1) participant withdrew from further consideration.

In FY20, the BPU initiated Phase II of the program, which was open to all Phase I participants and which will provide incentives for detailed designs of TCDER microgrids. Of the 12 approved feasibility study participants eligible for Phase II incentives, 11 submitted applications in May 2020. In March 2021, the BPU awarded a total of \$4 million to eight applicants. One awardee subsequently declined to accept the incentive, resulting in a total award of \$3,750,000. In FY21, 75% of the award (\$2,812,500) was provided to each of the seven awardees. The balance of the award will be provided upon review of the completed design work by Staff. After the design and engineering phase is completed, TCDER applicants will decide whether to move forward with Phase III, which encompasses the construction and implementation of the TCDER microgrid projects.

In FY20, to investigate opportunities for financing TCDER Microgrids, the BPU applied for and received a grant of approximately \$300,000 from the USDOE to conduct a study regarding financing microgrids. The study had the following objectives:

- Analyze existing best practices to inform the development of the procurement/financing models;
- Evaluate and track the TCDER microgrid applicants as they enter the procurement and financing process to derive “real-world” information that can further refine the models; and
- Produce a guide grounded in legal, economic, and regulatory realities to help jurisdictions in New Jersey and across the United States to better understand the process of procuring and financing advanced community microgrids.

The study report was released in July 2021.

No funding was requested for Microgrids for FY22.

EMP Strategy 6: Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low- and Moderate-Income and Environmental Justice Communities

This strategy concerns the environmental justice (“EJ”) and equity dimensions of the clean energy economy, with the purpose of ensuring equal access to the clean energy economy and its opportunities and benefits.

First, the OCEE was established, which works on cross-cutting energy and equity issues and guides the BPU’s programs towards an equity lens. One of the programs that the OCEE administers is the CEPG Program, which was relaunched in November 2021. This new iteration of the program places an emphasis on supporting OBMs, including higher award amounts and technical assistance available to these municipalities.

This strategy also lists goals for clean power generation and clean transportation options in LMI and EJ communities, addressing the disproportionate pollution impact with which these communities are often burdened. Specifically, the Community Solar Program and the MUD Program, as described in detail above, highlight the BPU and the OCEE's efforts to directly meet these goals as they relate to OBC.

Finally, within EE, there are enhanced incentives available for LMI communities. There are ongoing outreach efforts taking place in working groups around enhanced incentives to encourage increased participation. Equity metrics for utility-run EE programs are included in quarterly reports and posted on the NJCEP website. The reports evaluate participation, expenditure, and savings in OBCs with additional qualitative notes on outreach efforts. Also, the BPU, with assistance from the OCEE, and other relevant State agencies continue to expand energy assistance programs, such as Comfort Partners, Weatherization Assistance Program, and other EE programs, to provide education and community outreach in order to increase participation and reduce energy burden. The details of many of these aforementioned programs, including much of the EE work overseen by the OCEE, is addressed under Strategy 3. Also, the Comfort Partners Compliance Filing further outlines the work that is being performed through this program.

Whole House Pilot Program

In FY23, the BPU and Green and Health Homes Initiative designed and launched New Jersey's Whole House Pilot Program ("WHPP") was designed and launched in Trenton. This program expands EE offerings and addresses long-term health impacts for low-income residents through development of a collaborative, interagency approach to addressing a broader array of residential health and safety concerns than had previously been addressed through the Comfort Partners Program and the Weatherization Assistance Program in a limited capacity.

Community Energy Plan Grants

Through the CEPG Program, local governments identify which strategies of the EMP are most applicable in their communities, what obstacles may exist, what opportunities there may be, and which the BPU incentive programs or other State programs may help them move towards the goals of the EMP.

In 2021, the Board requested that the OCEE perform an evaluation of the CEPG Program to develop recommendations that prioritize LMI and OBCs who may benefit the most from the program.

As a result of this request, the OCEE redesigned the CEPG Program in FY23 to remove barriers to participation from these communities with limited resources by first simplifying the application process for all municipalities. Based on OBC census tracts data, and the New Jersey Department of Community Affairs ("DCA") Municipal Revitalization Index ("MRI"), the OCEE identified 48 OBMs. These 48 municipalities were eligible for an enhanced grant amount and additional aid in the form of technical assistance from Sustainable Jersey. All New Jersey municipalities were eligible for \$10,000 grants unless they were identified as an

OBM, in which case they were eligible for a \$25,000 grant, with additional aid in the form of technical assistance to help complete the grant application and technical support to develop the community energy plan after the grant is awarded.

The simplified application process and enhanced benefits for OBMs were designed to increase the likelihood of success of and engagement in the program.

On June 8, 2022, the Board awarded grants to 46 municipalities, including 24 OBMs, with grants totaling \$820,000. Currently, these municipalities are now in the process of creating their plans.

EMP Strategy 7: Expand the Clean Energy Innovation Economy

This strategy seeks to develop New Jersey's clean energy economy, including the clean energy tech sector and the burgeoning OSW industry, through workforce training, clean energy finance solutions, and investing in innovative research and development programs. With the establishment of the WIND Institute, as mentioned in greater detail above, which will coordinate education, workforce training, research and development, and capital investments, New Jersey will continue to lead and innovate on OSW. Not only are there climate benefits to New Jersey's clean energy goals, they also present significant opportunities to increase jobs and strengthen the economy.

Economic Development Authority

Clean Energy Manufacturing Fund

The EDA will continue to manage the Edison Innovation Clean Energy Manufacturing Fund ("CEMF"), which provides assistance in the form of low-interest loans and non-recoverable grants to companies manufacturing renewable energy, clean energy, and energy-efficiency products in New Jersey. The CEMF will ultimately provide New Jersey consumers with greater access to these products by developing manufacturing facilities in the state.

No new applications will be accepted, and no new grants or incentives will be awarded in FY22. Instead, EDA will manage the existing portfolio of loans and grants previously awarded through the programs. Ongoing work may include, but is not limited to, paying incentives previously awarded, monitoring compliance with the funding agreements, and collecting loan repayments.

R&D Energy Tech Hub

In FY21 and FY22, the Board entered into MOUs with the EDA to provide funding to support the EDA's Clean Tech Seed Grant Program for research and development activities for very early-stage, NJ based clean tech companies. Additionally, this funding has been used to support a clean tech research and development asset mapping and voucher initiative to

increase awareness, access, and utilization of the State's physical clean tech innovation-related assets, such as testing equipment and specialized fabrication equipment.

In FY23, funding was approved to continue the BPU's continued support of EDA's clean tech programs, including the addition of a new Clean Tech Pilot Demonstration Program which will enable New Jersey based companies to accelerate the commercialization and deployment of innovative clean energy technologies by providing funding for pilot demonstration ready projects to test and validate performance and de-risk the commercialization process.

Multiple EMP Strategies and All Other Programs

Many of the programs offered through the NJCEP address multiple EMP strategies. Additionally, in order to fund salary expenses, marketing, and other essential administrative services for the NJCEP, funding has been allocated to continue to support the below programs.

Planning and Administration

BPU Program Administration

The DCE is charged by the Board with the responsibility for administering the NJCEP. As the administrator of the NJCEP, the DCE is responsible for various program-related matters, including:

1. Developing recommendations to the Board regarding programs to be funded, budgets for those programs, and various matters related to the administration and implementation of the programs;
2. Drafting Board orders memorializing Board decisions and tracking compliance with such orders;
3. Administering the CEF to support all program activity, including:
 - a. Ensuring compliance with State policy and procedures regarding all payments to and from the CEF for program-related activities;
 - b. Coordinating with Treasury with regard to financial management and reporting of the NJCEP and reconciliation of the CEF with the rest of the State financial system; and
 - c. Coordinating the activities of various working groups and stakeholder meetings, including soliciting input regarding programs, budgets, and program administrative matters;

4. Overseeing the activities of the program administrator and the utilities, coordinating with sister agencies such as EDA, and advancing education and outreach efforts, and other issues;
5. Developing reporting guidelines and providing the Board with regular updates regarding program activities;
6. Developing protocols for measuring energy savings and renewable energy generation;
7. Overseeing evaluation and related research activities;
8. Developing program goals, performance indicators, and minimum requirements for program management;
9. Monitoring program activity, reviewing evaluation results, and recommending modifications to programs and budgets as required;
10. Developing requests for proposals to engage program administrators and/or managers, evaluation contractors, consultants, and other contractors that assist with the administration of the programs, evaluating proposals received, and selecting contractors;
11. Facilitating resolution of issues related to program management and customer complaints;
12. Managing the Comprehensive Resource Analysis proceedings to set funding levels; and
13. Managing requests for proposals for program services and related program transition activities.

Funding from this budget line has also been committed to support up to four Rutgers' University Eagleton Science and Politics Fellows who will be embedded with the DCE beginning in July 2023 and will apply their technical expertise to aid the advancement of clean energy policy.

Marketing

The NJCEP Marketing Plan is designed to enhance knowledge awareness among businesses, local government, and residents of energy efficiency and other clean energy initiatives and programs. The branding campaign, launched in April 2020, continues to build awareness among New Jerseyans and businesses of the clean energy resources available through the State of New Jersey, including BPU and other NJCEP offerings, thereby increasing participation in all of the programs.

In FY23, the marketing plan communicated the State's overarching goals and ongoing efforts to foster long-term, resilient, clean energy options and to reduce energy consumption and emissions to create a more sustainable environment for all of New Jersey in alignment with the EMP.

Clean Energy Program Website

NJCleanEnergy.com supports the NJCEP's goals by providing information to the public about all of the division's offerings. Upon award of a State contract to a winning bidder, a redesigned website will increase public awareness of the benefits of clean and efficient energy and of the incentives and financial assistance available to ratepayers. In addition, it will provide an easy-to-use and navigate platform to make applications more accessible and provide decision portals to allow customers to more easily find the most applicable programs.

Program Evaluation/Analysis

Evaluation and related research provide insights into and analysis of clean energy markets and programs. The BPU is the lead implementing agency for the development and implementation of the EMP and the NJCEP. As such, the BPU is required to track and report on progress in meeting EMP goals, as well as to evaluate current and proposed NJCEP programs in terms of their rate impact and the cost versus benefits of specific programs operated through ratepayer funds. The BPU is also required to establish baselines related to EE, renewable energy generating sources, and emerging technologies, and to evaluate the market potential for current and emerging clean technologies.

Energy Efficiency

The FY23 NJCEP proposal provides continued funding for evaluation, measurement, and verification ("EM&V") of utility- and State-run EE program outcomes for residential, governmental, commercial, and industrial markets. As led by the Statewide Evaluator, in FY23, the BPU's EE EM&V Working Group – which the Board created during the EE Transition – continued its work to evaluate utility- and State-run EE programs through development of a shared EM&V framework and schedule of studies applicable throughout each three-year period of utility-run EE programs.

Evaluation of EE programs includes assessment of whether the programs meet performance targets for energy savings achieved by harder-to-reach customer bases, such as multi-unit dwellers, income-eligible households, and small commercial customers, as called for by EMP Goal 3.1.3, which is to establish strategic and targeted EE programs to increase energy reductions and customer engagement.

EM&V studies enable the EM&V Working Group to also evaluate changes to performance indicators that may include revised utility-specific targets for reductions in energy consumption and peak demand that support the minimum reductions mandated by the CEA.

The scope of work managed by the EM&V Working Group directly tracks with EMP Goal 3.1.1, which calls for implementation of the CEA requirement that electric and gas utilities annually reduce consumption by at least 2% and 0.75%, respectively, including the establishment of clear performance indicators and targets and EM&V methods.

In FY23, the BPU continued to work with RCGB to perform evaluation studies, including cost-benefit analyses of State-run EE programs and participate as a member of the EM&V Working Group.

Also in FY23, the BPU engaged an EE Evaluation Study Team (“EST”) to conduct studies and perform evaluation work that have statewide applicability. The EST will also assess the impacts of and processes used by State-run EE programs.

Energy Master Plan Ratepayer Impact Study

The 2019 EMP established a set of goals and pathways for New Jersey to reach 100 percent clean energy by 2050, as directed by Governor Murphy in Executive Order No. 28. The Board developed an Integrated Energy Plan (“IEP”), a long-term forecasting model, to better inform the strategies set forth in the EMP, specifically modeling several scenarios to identify the most strategic and least-cost pathways to achieve New Jersey’s 2050 clean energy and emissions targets. The IEP considered the costs and benefits of the full energy system under such scenarios but not the individual ratepayer impacts of a clean energy transition.

Staff engaged The Brattle Group (“Brattle”) to incorporate the goals and objectives of the EMP, including the results of the IEP, into a comprehensive model of customer rates and energy costs in the year 2030 for four classes of customers (low-income and non-low-income residential plus small and large commercial and industrial customers) under three scenarios (current policy, EMP achievement, and ambitious pathways). In addition, Brattle compared results for each pathway across different customer types to examine the incremental impacts for customers that adopt various ways to increase their use of clean energy solutions.

The Board accepted the Ratepayer Impact Study in August 2022. The Study found that the 2030 total energy costs of the average residential and the average small and large commercial and industrial customers are expected to be lower than their current costs if these customers are able to adopt electric vehicles or electric heating technologies and participate in energy efficiency programs. The study further noted that the avoided cost of reduced greenhouse gas emissions in 2030 from electrification of vehicles and homes provides an annual benefit of \$1.75 billion per year in 2030.

Dual Use Pilot

In July 2021, Governor Murphy, pursuant to EMP Goal 2.1.8, signed the Dual Use Solar Act (L. 2021, c. 170), which directs the Board to establish a pilot program for the development of dual-use solar projects on productive farmland (also known as “agrivoltaics”). The Pilot Program is designed to demonstrate and study the compatibility of active agricultural or horticultural production and solar photovoltaic infrastructure on the same property. Staff

engaged Rutgers University for providing crucial input into the design of the Pilot Program. Throughout 2023, and in close collaboration with the New Jersey Department of Agriculture, the DEP, and other interested stakeholders, the Board will conduct robust public engagement to gather input on the implementation of this law.

2023 Northeast New Jersey LiDAR Data Recollection Project

The Board is considering entering into an MOU with the DEP through which the Board would contribute \$50,000 to a multi-agency regional light detection and ranging (“LiDAR”) data collection project for the northeast New Jersey counties of Monmouth, Middlesex, Union, Hudson, Essex, and Bergen in spring 2023.

Outreach and Education

The BPU’s EE Marketing Working Group – which the Board also established during the EE Transition – includes representatives of the BPU Staff from multiple divisions, the NJCEP program administrators, utility companies and their program administrators, Rate Counsel, Sustainable Jersey, and others. This working group coordinates on outreach and education on EE programs offered across the state. The EE Marketing Working Group’s activities are consistent with and supportive of EMP Goal 3.1.6, which is to “[s]treamline and increase marketing, education, awareness, and program administration.”

Clean Energy Conference

The DCE, in partnership with the Chief of Staff’s Office and Rutgers University, planned, coordinated, and held the highly successful 2022 Clean Energy Conference: Achieving Our Clean Energy Future. On October 3-4, 2022 at Harrah’s in Atlantic City, over 720 registrants attended the conference. Key amongst the speakers were Governor Phil Murphy, FERC Commissioner Willie Phillips, Princeton University’s Jessie Jenkins, NJEDA CEO Tim Sullivan, DEP Commissioner Shawn LaTourette, Governor’s Office on Climate Action and the Green Economy’s Jane Cohen, BPU Commissioners Zenon Christodoulou, Bob Gordon, and Mary-Anna Holden, as well as over 25 other BPU Staff, industry, state, and policy experts. This was the first Clean Energy Conference in nearly 3 years due to the COVID-19 pandemic. The conference improved the visibility and exposure of the NJCEP and advanced the State’s clean energy goals by helping to educate the public about the benefits derived from the NJCEP and the opportunities available through the program, thereby increasing program participation. The conference delivered a platform that informed industry, nonprofit, and other public stakeholders about progress made on a number of clean energy topics and program areas, as well as upcoming changes and enhancements to New Jersey’s clean energy initiatives, thereby increasing New Jersey’s national recognition as a leader in clean energy.

Memberships

This component of the budget includes funding for sponsoring the National Association of State Energy Offices and the Clean Energy State Alliance, which coordinates efforts among state energy offices, as well as other memberships key to ensuring collaboration and

utilization of best practices from other states.

BPU Initiatives

Heat Island Pilot

The OCEE is planning to undertake a pilot project that seeks to address the impacts of the heat island effect. This pilot would involve interagency coordination with the goal of offering incentives to address several of the underlying factors that contribute to the heat island effect and will also have the benefit of increasing EE and resilience.

Energy Bill Assistance

Since the onset of the public health emergency in 2020, the Board has taken a leading role in safeguarding the access to electric, gas, water, wastewater, and essential telecommunications services for customers. The Board expanded access to and funding for programs like the Universal Service Fund (“USF”) and the Payment Assistance for Gas and Electric (“PAGE”) Program. Working with all of the utilities and other companies subject to the Board’s jurisdiction, along with representatives of community groups, customer advocates and Rate Counsel, Staff has ensured compliance with the various Executive Orders regarding utility operations, including the moratorium on shutoffs for nonpayment and the subsequent grace period and enrollment period.

In partnership with DCA, as of December 30, 2022, Staff facilitated the distribution of more than \$245 million of the \$250 million in American Rescue Plan (“ARP”) funding for utility bill arrearages through the programs administered by the DCA. Staff expects the remainder of the funds to be disbursed by February 2023. The bulk of this assistance was distributed to customers in a collaborative process with the utility service providers, where customers with arrearages over \$300 and more than 30 days overdue, not otherwise eligible for assistance, were identified by the utility and contacted by DCA. Approximately 311,531 customers have been provided assistance through this effort. Additionally, the BPU provides funding for the USF and PAGE programs. During the last program year, USF provided \$146,431,260 of assistance (an increase of 38%) to 289,788 customers (an increase of 97%). A key component of the USF is the Fresh Start Program, whereby eligible customers who make 12 consecutive monthly payments on their current bill have the past due balance paid in full by the program. Through Fresh Start Program expansion, the Board provided arrearage forgiveness in the amount of \$51 million to USF enrollees during the last program year, an increase of 1,247 percent compared to the prior program year, before temporary program expansions were put into place. The smaller, more moderate-income PAGE Program has disbursed approximately \$3 million, year to date (a decrease of 21 percent, due to the availability of federal ARP funds and the Fresh Start Program expansion) to 7,114 households (approximately the same number of households as the prior calendar year).

In recognition of many customers’ urgent and ongoing need for assistance, Staff is

considering providing additional arrearage support for customers who are unable to secure adequate relief through existing programs, such as USF, the Low Income Home Energy Assistance Program (“LIHEAP”) and PAGE. This funding is designed to provide a one-time funding source for customer arrearage relief.

Workforce Development

As the clean energy economy continues to grow in New Jersey, workforce development and training are key components of realizing the State’s efficiency, generation, and energy equity goals while providing clean, green jobs to workers in New Jersey. To that end, the BPU is preparing to launch a workforce development program, with a focus on community-based approaches that will build a more inclusive and representative clean energy workforce. This may consist of: a Workforce Development Grant Program, which will provide funding to nonprofits, community-based organizations, colleges/universities, technical training facilities, and high schools/vocational-tech schools located in or that serve OBCs; an incentive-based mentorship/apprenticeship program with contractors; enhanced incentives for customers that hire local contractors and that are based in and serve their communities; and establishment and development of prioritization/weighting processes to support OBC and contractors in implementing EE programs. The development and implementation of these initiatives will occur while the BPU supports the Governor’s Clean Building Working Group and will be supported by the Workforce Development and Equity Working Groups established through the EE transition.

Fiscal Year 2023 Program Budgets

The following table sets out a detailed FY23 budget for programs managed by the DCE:

		FY23 Detailed Budget - Cost Category Budgets (\$)					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	339,028,334	27,201,591	11,624,335	27,598,370	220,977,428	-	51,626,610
Energy Efficiency Programs	102,229,464	13,974,296	-	-	88,255,168	-	-
<i>Energy Efficiency Transition</i>	23,290,494	13,974,296	-	-	9,316,198	-	-
<i>State Facilities Initiatives</i>	59,670,192	-	-	-	59,670,192	-	-
<i>Acoustical Testing Pilot</i>	3,281,880	-	-	-	3,281,880	-	-
<i>LED Streetlights Replacement</i>	15,986,898	-	-	-	15,986,898	-	-
Distributed Energy Resources	1,687,500	-	-	-	1,187,500	-	500,000
<i>Microgrids</i>	1,687,500	-	-	-	1,187,500	-	500,000
RE Programs	32,054,800	1,025,000	-	-	20,000,000	-	11,029,800
<i>Offshore Wind</i>	32,054,800	1,025,000	-	-	20,000,000	-	11,029,800
EDA Programs	28,940,000	541,630	-	24,098,370	-	-	4,300,000
<i>Clean Energy Manufacturing Fund</i>	90,000	90,000	-	-	-	-	-
<i>NJ Wind</i>	21,500,000	84,130	-	17,115,870	-	-	4,300,000
<i>R&D Energy Tech Hub</i>	7,350,000	367,500	-	6,982,500	-	-	-
Planning and Administration	53,345,639	7,160,665	10,124,335	-	1,763,829	-	34,296,810
<i>BPU Program Administration</i>	5,585,000	5,585,000	-	-	-	-	-
<i>Marketing</i>	10,500,000	1,575,665	8,924,335	-	-	-	-
<i>CEP Website</i>	500,000	-	500,000	-	-	-	-
<i>Program Evaluation/Analysis</i>	34,296,810	-	-	-	-	-	34,296,810
<i>Outreach and Education</i>	2,313,829	-	700,000	-	1,613,829	-	-
<i>Sustainable Jersey</i>	791,231	-	-	-	791,231	-	-

NJIT Learning Center	822,598	-	-	-	822,598	-	-
Conference	700,000	-	700,000	-	-	-	-
Memberships	150,000	-	-	-	150,000	-	-
BPU Initiatives	120,770,931	4,500,000	1,500,000	3,500,000	109,770,931	-	1,500,000
Community Energy Plan Grants	2,939,034	-	-	-	2,939,034	-	-
Energy Storage	22,000,000	-	-	-	22,000,000	-	-
Heat Island Pilot	2,500,000	-	-	-	2,500,000	-	-
Electric Vehicle Programs	67,000,000	3,500,000	1,500,000	-	60,500,000	-	1,500,000
Plug In EV Incentive Fund	35,000,000	-	-	-	35,000,000	-	-
CUNJ Administrative Fund	3,500,000	3,500,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,500,000	-	-	-	5,500,000	-	-
EV Studies and Administrative Support	3,000,000	-	1,500,000	-	-	-	1,500,000
State Vehicle Fleet	4,000,000	-	-	-	4,000,000	-	-
Local Clean Fleet	3,000,000	-	-	-	3,000,000	-	-
Multi-Unit Dwellings (Chargers)	6,000,000	-	-	-	6,000,000	-	-
EV Tourism	7,000,000	-	-	-	7,000,000	-	-
Energy Bill Assistance	21,831,897	-	-	-	21,831,897	-	-
Workforce Development	4,500,000	1,000,000	-	3,500,000	-	-	-



New Jersey's Clean Energy ProgramTM
Fiscal Year 2023 Program Descriptions and Budget

**Energy Efficiency and Renewable Energy
Program Plan Filing**



FY23 Compliance Filing

April 12, 2023

(this page intentionally left blank)

Table of Contents

Introduction.....	5
Table References	7
Residential Energy Efficiency Program	8
Residential New Construction Program.....	8
Commercial and Industrial Energy Efficiency Programs	15
General Overview	15
C&I Buildings: C&I New Construction	17
C&I Buildings: Pay for Performance - New Construction	22
C&I Buildings: Large Energy Users.....	29
C&I Buildings: Customer Tailored Energy Efficiency – New Construction	33
Local Government Energy Audit.....	38
New Construction Energy Efficiency Program	42
New Construction	42
Distributed Energy Resources	44
Combined Heat and Power - Fuel Cell	44
Renewable Energy	48
Solar Registration.....	48
Outreach, Website and Other - Outreach Plan	51
Outreach Plan.....	51
Appendix A: Residential Incentives (including Enhancements).....	72
Residential New Construction	72
Appendix B: C&I and DER Incentives and General Rules.....	73
Extension Policies.....	73
C&I / DER Incentive Caps	73
C&I New Construction Incentives.....	75
CHP-FC Incentive Levels & Schedule	91

Appendix C: Multifamily Decision Tree 94
Appendix D: Program Budgets 95
Appendix E: Program Goals and Performance Metrics..... 96
Appendix F: Cost-Benefit Analysis 97
Cost-Benefit Tests..... 97

Introduction

This Fiscal Year 2023 (“FY23”) compliance filing (“Compliance Filing”) presents the program plans, budgets, and anticipated savings of the initiatives of *New Jersey’s Clean Energy Program™* (“NJCEP”).¹

Administered through the Division of Clean Energy, NJCEP is a signature initiative of the New Jersey Board of Public Utilities (“BPU” or “Board”) that provides financial incentives and support for energy efficiency technologies, distributed energy resources, and solar renewable energy.

Budgets

Budget information for the programs implemented by the TRC Team (“TRC”) can be found in Appendix D: Program Budgets.²

All budgets set forth in this Compliance Filing are subject to state appropriations law, and all incentive offerings are subject to availability of funds.

Savings Goals

Energy savings projections for the programs implemented by TRC can be found in Appendix E: Program Goals and Performance Metrics.

New Jersey's Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act. The law called for a significant overhaul of New Jersey’s clean energy systems by building sustainable infrastructure in order to fight climate change and reduce carbon emissions, which will in turn create well-paying local jobs, grow the State’s economy, and improve public health while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the Clean Energy Act required New Jersey’s investor-owned gas and electric utility companies to reduce their customers’ use of gas and electricity by set percentages over time. To help reach these targets, the BPU approved a comprehensive suite of efficiency programs that would transition the State to some of the highest energy savings in the country.

These “next generation” energy efficiency programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the programs will continue to be administered by NJCEP, but during FY22, many others have been transferred to administration by the utilities.

¹ This Compliance Filing only addresses programs implemented by TRC. NJCEP funds are also directed to other state energy programs not implemented by TRC and, therefore, are not addressed in this filing.

² The budget for all of the new construction programs, including the anticipated redesigned New Construction Program and the programs transitioning into that new program (see below in main text), will consist of the amount set forth at “New Construction Program.”

The programs that will continue to be administered by and through NJCEP are:

1. The same new construction programs that were being conducted during FY22 (i.e., the Residential New Construction (“RNC”), Commercial and Industrial (“C&I”) Buildings - New Construction (“C&I NC” or “SmartStart NC”); C&I Buildings: Pay for Performance (“P4P”) - New Construction (“P4P NC”); and C&I Buildings: Customer Tailored Energy Efficiency Program for new construction (“CTEEP NC” or “Cust Tailored”)) until they are transitioned into a redesigned New Construction (“NC”) Program being developed in consultation with Board Staff. Following stakeholder and public input, and subject to Board approval, Board Staff anticipates the redesigned NC Program would launch later in FY23. Among other things, the redesigned program would be an improved platform providing incentives in many ways similar to those currently provided by the FY22 new construction programs, which FY22 programs will continue to run unchanged from FY22 until they transition out of existence into the NC Program.
2. C&I Buildings: Large Energy Users Program (“LEUP”).
3. Local Government Energy Audit (“LGEA”) Program.
4. Combined Heat and Power – Fuel Cells (“CHP-FC”).
5. Renewable Energy (“RE”) (i.e., solar) Programs (“Solar Programs”).

Complete descriptions of the above-described programs and their incentives are set out in this Compliance Filing.

Certain other programs and/or program components identified in Appendix D: Program Budgets will continue to operate and expend NJCEP funds only for applications received during prior FYs in accordance with the applicable program rules in place during the applicable FY(s). For example, the “EE Transition” Budget Line at Appendix D: Program Budgets is for the purpose of making payments during FY23 for any applications and/or appeals from rejected applications regarding programs that closed during or prior to FY23 (e.g., the now-closed HVAC Program).

Finally, certain other programs (e.g., Energy Efficient Products) that existed in FY22 have been fully transitioned to the utilities and have ceased to operate and expend NJCEP funds.

Table References

Table 1: P4P NC Incentive Schedule.....	27
Table 2: CTEEP NC Schedule of Payments.....	36
Table 3: EMP Strategies versus Outreach Tactics.....	54
Table 4: Market Category Definitions.....	55
Table 5: Outreach Key Performance Indicators (12 months).....	68
Table 6: Financial Incentives per Unit for ENERGY STAR Certified Homes, ENERGY STAR Multifamily New Construction, Zero Energy Ready Home, and Zero Energy Home + RE.....	72
Table 7: C&I Custom Measure Incentives.....	75
Table 8: C&I Electric Chiller Incentives.....	76
Table 9: C&I Electric Chiller Minimum Efficiency Requirements.....	77
Table 10: C&I Gas Absorption Chiller Incentives.....	77
Table 11: C&I Regenerative Desiccant Unit Incentives.....	77
Table 12: C&I Unitary Electric HVAC Incentives.....	78
Table 13: C&I Air Source Heat Pump Incentives.....	78
Table 14: C&I Water Source Heat Pump Incentives.....	79
Table 15: C&I Single Packaged Vertical AC and Heat Pump Incentives.....	79
Table 16: C&I Ground Source Heat Pump Incentives.....	79
Table 17: C&I Packaged Terminal AC and Heat Pump Incentives.....	80
Table 18: C&I Electric HVAC Controls Incentives.....	80
Table 19: C&I Non-Condensing Boiler HVAC Incentives.....	81
Table 20: C&I Condensing Boiler HVAC Incentives.....	81
Table 21: C&I Gas Furnace and Infrared Heater Incentives.....	82
Table 22: C&I Domestic Hot Water Pipe Wrap Insulation Incentives.....	82
Table 23: C&I Gas Water Heating Incentives.....	83
Table 24: C&I Low-Flow Fixture Incentives.....	83
Table 25: C&I VFD Incentives.....	84
Table 26: VFD Eligible Size Range of Controlled Motor.....	85
Table 27: C&I Performance-Based Lighting Incentives.....	86
Table 28: C&I DLC® Certified Indoor Horticultural LED Fixtures.....	86
Table 29: C&I Dishwasher Incentives.....	87
Table 30: C&I Cooking Equipment Incentives.....	87
Table 31: C&I Insulated Holding Cabinet Incentives.....	88
Table 32: C&I ENERGY STAR® Refrigerator and Freezer Incentives.....	88
Table 33: C&I ENERGY STAR® Ice Machine Incentives.....	89
Table 34: C&I ASTM Cooking Equipment Criteria.....	90
Table 35: CHP-FC Technology and Incentive Levels.....	91
Table 36: CHP-FC Incentive Payment Schedule.....	92

Residential Energy Efficiency Program

Residential New Construction Program

As noted above, Staff is developing a redesigned NC Program for consideration and possible approval by the Board in early FY23. Meanwhile, the Residential New Construction Program will continue to be administered as described below unless and until the Board approves the redesigned NC Program or other program changes.

Program Purpose and Strategy Overview

The Residential New Construction (“RNC”) Program is designed to increase the energy efficiency and environmental performance of residential new construction buildings (single and multifamily) in New Jersey. The RNC Program has the long term objective of transforming the market to one in which a majority of residential new construction in the state is “net zero-energy” (i.e., extremely efficient buildings where low energy needs can be met by renewable energy generation).

The RNC Program strategy is to establish technical standards for energy efficient new construction in New Jersey utilizing nationally recognized platforms, including the EPA ENERGY STAR® Certified New Homes Program, EPA ENERGY STAR Multifamily High Rise (“MFHR”) Program, EPA ENERGY STAR Multifamily New Construction (“MFNC”) Program, and U.S. Department of Energy (DOE) Zero Energy Ready Home (“ZERH”) Program. The RNC Program then provides technical support and incentives to home energy raters, architects, trade allies, builders and homebuyers to enable them to design, build, and purchase homes that comply with these standards.

Using an account management approach, the RNC Program recruits new and supports existing energy professionals who oversee the energy efficiency work completed by participating builders. There are two paths for energy professionals to participate: 1.) as a Home Energy Rating System (“HERS”) Provider approved by an EPA-Approved Verification Oversight Organization (“VOO”); and 2.) as a Modeler approved by an EPA-Approved Multifamily Review Organization (“MRO”). Those approved through either path are generally, and in this Compliance Filing, referred to as “Raters” or “Rating Companies.”

The RNC Program is focusing on building stronger relationships with the participating builders through the development and use of a Builder’s Participation Agreement clarifying the builders’ relationship with the RNC Program, the use of account managers to provide more direct support to the builders, and the use of the Outreach Team to recruit new builder participants with an emphasis toward ZERH Program projects. The RNC Program also provides the necessary training to Raters, trade allies, and builders to ensure they understand the program rules/requirements, and have the skill set to meet the higher-than-code program standards to build homes that contribute to New Jersey’s energy reduction efforts. Incentives are offered to partially offset the incremental construction costs associated with building higher efficiency homes and to generate interest and enthusiasm for the RNC Program among builders and homeowners.

Support for Energy Master Plan Goals

The RNC Program will support many of the 2019 Energy Master Plan’s (“EMP’s”) strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon), especially through the NC Program’s support for Zero Energy Ready Homes and Passive Houses.

Program Description

The RNC Program is market-based and relies on builders and Raters to build to nationally recognized platform standards, which are defined by core efficiency measures, energy modeling, rater and builder oversight, and checklists to ensure quality installation.

To participate in this RNC Program, HERS Raters must use modeling software approved by the Program to model savings, calculate the Energy Rating Index (“ERI”) and MMBtu incremental savings compared to the User Defined Reference Home (“UDRH”).³ To be approved, the software must be accredited by an EPA-Approved VOO and be capable of providing batch reporting, including building components for QA review of rating files and savings utilizing the UDRH.

There are a number of market barriers to efficiency investments in new construction in New Jersey. Key among these are:

1. Builders do not always see the value of the additional administrative procedures and associated costs of ENERGY STAR;
2. The higher incremental cost associated with the additional Rater administrative and field inspection requirements of a ZERH;
3. Builders and designers are not proficient with the energy code requirements that the RNC Program requires them to meet or exceed;
4. Conflicting motivations guiding design criteria and choices (i.e., builders who make design, procurement, and construction decisions do not pay the homeowners’ operating costs associated with those decisions);
5. Lack of local market awareness regarding the benefits of efficiency and environmental performance on the part of consumers, builders, lenders, appraisers, realtors and others;
6. Limited technical skills on the part of some builders and their trade allies to address key elements of efficiency;
7. Lack of local consumer marketing on the benefits of owning a RNC Program-participating home to drive demand;
8. Limited awareness of the ZERH requirements, benefits, and incentives that are available to support that market segment; and
9. Inability of consumers, lenders, appraisers, and others to differentiate between efficient and standard new construction homes.

The RNC Program employs several key strategies to overcome these barriers including:

- Direct financial incentives to builders of homes that meet program standards;

³ I.e., a baseline home which, among other things, is defined and used in the NJCEP Protocols to Measure Resource Savings.

- An incentive to offset the incremental Rater cost associated with certifying a ZERH single-family or multi-single home;
- Multiple pathways that allow participation across efficiency levels, entice new builders to the RNC Program, support the NJ construction market for energy code, and promote increased efficiency and quality-assurance with higher incentives;
- Utilization of nationally recognized EPA ENERGY STAR and DOE ZERH brand and website to help promote residential energy programs;
- Technical assistance to inform builders and their trade allies on details of the program pathways and how to comply with the rigorous performance requirements; and
- ENERGY STAR and ZERH certification, inspections, and testing through third-party rating companies that compete in an open market for services.

Program Participation Pathways

The following participation pathways provide New Jersey’s builders and homeowners with a range of participation options to suit builders at different levels of experience with energy efficient construction techniques and homebuyers with varying interest and budgets. All are based on the presumption that the IECC 2009/2015/2018 energy code sets the minimum energy performance requirement for newly constructed homes. Therefore, they all result in energy performance that is better than that required by IECC 2009/2015/2018, as applicable, depending on the home’s permit date.

ENERGY STAR Home

Builders that enroll in this pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI, including full inspection checklist requirements. This pathway includes ENERGY STAR Version 3.0 or 3.1, depending on the date of the applicable building permit for single-family and multi-single homes. The incentive structure within this segment will include a base incentive plus a performance incentive using MMBtu saved as compared to the applicable code UDRH as the indicator.

Zero Energy Ready Home (ZERH)

This pathway recognizes a higher energy efficiency achievement in new home construction. Program requirements include meeting or exceeding all DOE ZERH⁴ technical standards, building in compliance with the ENERGY STAR Homes Program and all checklists, meeting 2015 IECC insulation levels, and certifying under EPA’s Indoor airPLUS Program. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator.

Zero Energy Home +RE (ZERH+RE)

This pathway has the same requirements as the ZERH pathway with the additional requirement that 100% of the building’s modeled energy usage is met by renewable energy systems installed prior to completion of the home. The incentive structure within this pathway will include a base

⁴ <https://www.energy.gov/eere/buildings/guidelines-participating-doe-zero-energy-ready-home-program>

incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator. Incentives will be paid based upon the ERI before the addition of renewables. An additional fixed incentive for the renewable energy system will be awarded for a project meeting the ZERH+RE eligibility requirements.

ENERGY STAR Multifamily High Rise (MFHR) / ENERGY STAR Multifamily New Construction (MFNC)

On January 1, 2019, EPA launched its new ENERGY STAR MFNC Program that combines low, mid, and high rise buildings under one program. By July 1, 2021, EPA will cease using its predecessor programs for any multi-family buildings. This pathway will satisfy the requirements for ENERGY STAR MFNC Version 1.1 certification, meeting the performance targets of the ERI or ASHRAE pathways, including full inspection checklist requirements.

Target Market and Eligibility

Newly constructed or substantially renovated (also known as gut rehabilitated) single-family (i.e., one- and two-family homes), multi-single (i.e., townhouses), multifamily buildings are eligible for RNC Program benefits if the home/building will use natural gas and/or electricity as the heating fuel supplied by a New Jersey public utility. The target market for this RNC Program is homebuilders and Raters.

Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction (MFNC) program may apply for NJCEP incentives through the RNC Program. Applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be satisfied in order to receive incentives.

For buildings and projects registered in this RNC Program during FY20 and thereafter, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as Appendix C: Multifamily Decision Tree, will be used to determine which ENERGY STAR Program will apply to the building or project.

Projects participating under this RNC Program are not eligible for participation or incentives under any other NJCEP program for any building envelope components, equipment, or appliances that were included as part of application to this RNC Program. However, a given substantial renovation project may be eligible for a utility-sponsored EE program, as well as for this RNC Program. In that case, the applicant would be able to choose which program it would utilize. However, the applicant could not have both programs cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Program Requirements

To qualify for the RNC Program, a home must meet ENERGY STAR Certified Home, ZERH, ZERH+RE, ENERGY STAR MFHR, or ENERGY STAR MFNC requirements.

The technical details presented below address most program requirements. The full technical specifications for RNC Program compliance are available upon request. The ENERGY STAR Certified Homes and ZERH Program requirements (e.g., checklists, standards and modeling

inputs) are periodically updated by EPA ENERGY STAR and supersede requirements of this program.

ENERGY STAR Certified Homes

Meet or exceed all EPA ENERGY STAR Certified Homes version 3.1 or 3.0 (based on permit date) Performance Path standards⁵ including:

- Meet or exceed the ENERGY STAR Certified Homes version 3.1 or 3.0 Energy Rating Index Target; and
- Complete all ENERGY STAR Certified Homes version 3.1 or 3.0 mandated checklists.

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards⁶ including:

- Complete all ENERGY STAR Certified Homes Version 3.1 Program and all ZERH checklists.

Zero Energy Ready Home + RE (ZERH + RE)

Meet or exceed all ENERGY STAR and ZERH requirements as described above.

Additional RNC Program Requirements:

- 100% of the building's modeled electric site energy usage must be met by renewable energy systems installed onsite prior to completion of the home.

ENERGY STAR Multifamily High Rise (MFHR)

Meet or exceed EPA ENERGY STAR MFHR Program standards⁷ including:

- Follow Performance Path which utilizes ASHRAE approved energy modeling software to determine energy savings of a customized set of measures; and
- NJCEP will require the application of a specific baseline within six months of EPA imposing such a requirement.

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed EPA ENERGY STAR MFNC Version 1.1 performance path standards⁸ including:

- Meet or exceed the ENERGY STAR MFNC 1.1 following either the Energy Rating Index or ASHRAE pathways; and

⁵ ENERGY STAR Certified Homes: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

⁶ Zero Energy Home Standards <https://www.energy.gov/eere/buildings/zero-energy-ready-home>

⁷ https://www.energystar.gov/partner_resources/residential_new/program_reqs/mhrp/program

⁸Multifamily New Construction Standards:
https://www.energystar.gov/newhomes/homes_prog_reqs/multifamily_national_page#site-built

- Complete all ENERGY STAR MFNC 1.1 mandated checklists.

Incentives

The RNC Program incentive tables can be found in Appendix A: Residential Incentives (including Enhancements).

The incentives include a base incentive determined by building type, plus a performance-based incentive calculated using the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline, reference home defined by the applicable energy code. For all but MFHR and MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFHR and MFNC utilizing the ASHRAE pathway, the applicable code is ASHRAE 90.1. The IECC code reference home is a UDRH utilized in the rating software to compare the rated home to a home of the same dimensions, but with components meeting the applicable IECC code as determined by the date of the project's building permit. The ASHRAE reference building is incorporated in the EPA-approved rating software. The building component values used in the UDRH are included in the NJ Protocols to Measure Resource Savings.

Urban Enterprise Zone (UEZ) / Affordable Housing / Low- and Moderate Income Enhanced Incentive

The RNC Program will offer bonus incentives for eligible homes located in UEZs that are, or will be, Affordable Housing, and/or that are, or will be, occupied by those of Low- and Moderate Income (LMI).⁹

ZERH Rater Incentive

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single homes that the Rater is successful in obtaining ZERH or ZERH+RE incentives.

Cooperative Marketing

The Cooperative Marketing Incentive offers cost-sharing for pre-approved advertising placed by contractors participating in the RNC Program. The cost sharing is for 25% of the cost of event booth spaces and 50% of the cost of other types of advertising. Those other types of advertising include print (newspaper, magazine, newsletter), yellow pages, direct mail, television, radio, web banner (digital), signage, billboard, and social media. In addition, other types of advertising may be approved on a case-by-case basis if the applicant can demonstrate its relative cost-effectiveness and benefits to NJCEP. The fiscal year cap per contractor is \$50,000. Contractors seeking to utilize the Program should contact coop@NJCleanEnergy.com.

Planned Program Implementation Activities

The following program implementation activities will be undertaken. The RNC Program will:

- Implement the changes and updates described above;

⁹ LMI is defined in consultation with Board Staff and is set forth in the Program Guide, applications, and/or other Program documents.

- Continue to review applications and, on a first-in-time basis, issue Enrollment Letters that indicate, among other things, the amount of program funds committed to projects whose applications demonstrate their eligibility for the program as long as funding is available;
- Continue to process incentives for completed projects meeting program requirements;
- Utilize the Outreach Team to recruit new builder participants with an emphasis on ZERH projects;
- Actively engage with DOE, Raters, and builders to identify challenges of participating in the ZERH pathway; and
- Work with Board Staff and/or the Board's other contractors to identify a more consumer-friendly term for ZERH.

Quality Control Provisions

Market-based delivery of rating services and certifications requires an effective set of standards for quality assurance. The responsibility for builder quality and ENERGY STAR and/or ZERH Certification rests with Raters, ratings providers, DOE, and EPA-approved VOOs, and MROs. It is incumbent upon the program to ensure that a robust system for identifying and communicating quality issues exists to manage the credibility of the savings and associated incentives offered.

To maintain a robust rating marketplace, TRC will perform inspections and conduct oversight processes on Raters and projects. Quality Assurance activities will continue to be performed by TRC based on the track record of Raters and builders measured through program inspections.

In addition to reviews for data completeness on all checklists, forms and applications, on-site inspections, and technical review of building and Rater files will be required based upon the demonstrated proficiency of the builders and Raters. Inspection requirements will be adjusted based upon the track record of the program participants. Initial inspection rates for new builders and rating companies will be above average and will decrease as they demonstrate proficiency in proper building techniques and in understanding the qualifying requirements of the program.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Commercial and Industrial Energy Efficiency Programs

General Overview

The NJCEP C&I EE Programs are designed to help New Jersey's businesses use electricity and natural gas more efficiently. Efficiency in electricity and gas usage will promote competition and increase industry success ensuring job retention and creation. There is also an environmental benefit to electricity and gas usage efficiency. Each individual C&I Program is described in more detail in the relevant subsections below.

The C&I Programs are designed to:

- Provide information on how to meet and exceed current energy code requirements so buildings operate more efficiently thereby minimizing operating costs;
- Encourage customers to choose high efficiency options when undertaking construction or equipment upgrades (i.e., when customers normally construct buildings or purchase building systems equipment);
- Support market transformation by providing information and incentives to help customers and designers make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices; and
- Stimulate commercial and industrial customer investments in energy efficiency that will support the growth of the industries that provide these products and services.

The C&I Programs address the key market barriers that make it challenging for developers, designers, engineers, and contractors to routinely incorporate energy efficiency in their projects, including:

- Lack of familiarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower initial cost and lack of procedures for considering lifetime building operating costs during decision-making;
- Compressed time schedules for design and construction;
- Aversion to risk involved with specifying technologies less familiar to the local design community despite the proven reliability of efficient technologies and designs; and
- Priorities for engineers, designers, and contractors that often do not align with incentive structures and energy efficiency considerations.

The C&I Programs employ a set of offerings and strategies to address the market barriers noted above and to achieve market transformation in equipment specification, building/system design, and lighting design. These include:

- Program emphasis on intervention during customer-initiated construction and equipment replacement events that are a normal part of their business practice;
- Coordinated and consistent outreach to C&I customers, especially large and centralized players, such as national/regional accounts, major developers, etc.;
- Consistent incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels;
- Information and technical support provided to customers and designers to make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices;

- Information and technical support provided to customers and designers to facilitate compliance with New Jersey's new commercial energy code, as well as future upgrades to that code; and
- Programs designed to meet the needs of a diverse set of customers, including non-profit entities, local governments, and businesses of all sizes.

Unless specifically stated otherwise in the following program descriptions, customers eligible for incentives under New Jersey's C&I EE Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC. With the exception of the new construction segment, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous twelve months.

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

C&I Buildings: C&I New Construction

“SmartStart”

Board Staff is developing a redesigned NC Program for consideration and possible approval by the Board in early FY23. Meanwhile, the SmartStart New Construction Program will continue to be administered as described below unless and until the Board approves the redesigned NC Program or other program changes.

Program Purpose and Strategy Overview

The C&I New Construction (“SmartStart NC”) Program was part of the original suite of C&I programs available through the NJCEP.

The SmartStart NC Program’s primary goals are to induce C&I customers to choose high efficiency equipment rather than standard efficiency equipment when they are making purchasing decisions. This is accomplished by providing incentives and information on a wide range of high efficiency alternatives. Prescriptive Incentives— where dollar amounts are fixed for specific categories of equipment— are offered where one-for-one, business as usual replacements are typical. The Prescriptive Incentive applications are labeled by technology, such as lighting and HVAC, and defined as equipment most commonly recommended for energy efficient projects with well-established energy savings. Custom incentives are offered for non-standard equipment, complex systems, and specialized technologies that are not easily addressed through prescriptive offerings. Customers are provided a discrete yet flexible application process with the ability to submit one or multiple applications for any size project. The transparency of incentives aids customers in making informed decisions, while assisting energy efficiency professionals to better solicit a prospective energy efficiency project.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Description

The SmartStart NC Program offers both prescriptive and custom incentives for the broad range of C&I customers who are in the market to purchase energy efficiency measures. On September 3, 2019, the State of NJ adopted the ASHRAE 90.1-2016 energy code for all commercial and industrial buildings. NJCEP utilizes this code in determining performance requirements and incentive eligibility.

The SmartStart NC Programs will include the following offerings:

- ***Prescriptive Efficiency Measure Incentives*** that provide fixed incentives for energy efficiency measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment) taking into consideration market barriers, changes in baselines over time, and market transformation objectives. Eligible measures include:
 - Electric Chillers;

- Natural Gas Chillers;
 - Unitary HVAC (Heating, Ventilating, Air Conditioning) Systems;
 - Ground Source Heat Pumps (“Geothermal”);
 - Gas Furnaces;
 - Variable Frequency Drives (“VFDs”);
 - Gas Fired Water Heating;
 - Gas Fired Water Booster Heating;
 - Tankless Water Heaters;
 - Performance Based Lighting;
 - Kitchen Hood Variable Frequency Drives;
 - Low Intensity Infrared Heaters;
 - Boiler/AC Economizing Controls; and
 - Food Service Equipment.
- ***Custom Measure Incentives*** for more complex and aggressive efficiency measures. The process for calculating custom measure incentives is performance-based, which may include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer’s authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. For measures that appear to have no clear baseline per energy code or recognized industry standard, the Program Manager will work with the applicant to define an appropriate baseline. The Program Manager has the discretion to determine the reasonableness of project costs for proposed technologies based on industry standards and other market research. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers, and other non-prescriptive measures proposed by the customer. Technologies not explicitly listed as custom (per the filing and/or Program Guide) will be reviewed for eligibility and are subject to approval at the discretion of the Program Manager. More details regarding this process can be found below in this Compliance Filing under the *Custom Measure Incentive Guidelines* section and in this Compliance Filing’s Appendix B: C&I and DER Incentives and General Rules found in the *Custom Measures* section.

Customers or their contractors must submit an application for the type of equipment they have chosen to install. The application should be accompanied by a related worksheet (where applicable), a manufacturer's specification sheet for the selected equipment, and one month of the most recent electric/natural gas utility bill. The Program Manager may also require additional utility bills if such bills are relevant to its review of any given application. To qualify for incentives, customers must be contributors to the SBC that corresponds to their incentive (e.g., must contribute to the SBC electric fund if applying for an electric incentive). For example, customers applying for lighting incentives must provide an investor-owned utility (“IOU”) electric bill identifying SBC contribution. Similarly, an IOU gas bill identifying SBC contribution is required for natural gas saving measures such as gas heating. Program representatives will then review the application package and approve it, reject it, and/or advise of additional upgrades to equipment that will save energy costs.

Target Markets and Eligibility

The C&I New Construction Program targets commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public school construction, other new building construction, and substantial renovations (also known as gut rehabilitations).¹⁰ The program may be used to address economic development opportunities and transmission and distribution system constraints. It is primarily geared towards the mainstream C&I market, as opposed to programs that target specialized markets such as the Large Energy Users Program, the Local Government Energy Audit Program, and the Direct Install Program. Applicants to the program must be contributors to the SBC.

Incentives

The tables in Appendix B: C&I and DER Incentives and General Rule list the incentives for the C&I New Construction Program. The incentives vary by size, technology, and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Custom Measure Incentive Guidelines

The program utilizes a performance-based approach to determine incentives for custom equipment. Established incentive caps for the program are the lesser of:

- \$0.16/kWh and/or \$1.60/therm based on estimated annual savings;
- 50% of total installed project cost; or
- buy down to a one-year payback.

The program will allow a single facility with multiple utility accounts to submit a proposed custom project under one application. A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure, including a detailed description of the technology, installed project cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are reflected in the final savings values. As is clearly described in the program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. Projects will use ASHRAE 90.1-2016 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2016 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency ("CEE"), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New

¹⁰ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Jersey utilities or utility/public program experience from other comparable jurisdictions. The Program Manager will provide contractors with program spreadsheets that include standard formats for reporting program savings, as well as standard incentive calculations.

As a general matter, the preference is to avoid repeated custom measure applications. Accordingly, the Program Manager will generally consider the possibility of developing and proposing a prescriptive standard and incentive once it has received three or more custom applications for the same measure.

Account/FY Cap:

In addition to any other caps described elsewhere in this Compliance Filings, SmartStart incentives will also be capped at a maximum of \$500,000 per electric account and \$500,000 per natural gas account, in each case, per FY.

C&I New Construction Application Deadlines

To be eligible for related incentives, an application for custom measures must be submitted to the Program Manager prior to the installation of any equipment and applications for all other measures must be submitted within 12 months of equipment purchase. Documentation confirming the date the equipment was purchased, such as a material invoice or purchase order, must be provided to the Program Manager.

Notwithstanding the above, all applicants are strongly encouraged to obtain the Program Manager's approval and an incentive commitment prior to commencing installation or construction. Customers implementing projects without the Program Manager's approval risk having their project deemed ineligible for incentives.

Delivery Methods

As new technologies are introduced and prices for measures change, sometimes in response to program offerings, Program Managers will continuously monitor technologies and costs and adjust program incentives accordingly. The Program Manager will propose adjustments to program offerings based on program experience, the results of any evaluations, program and market studies, as well as other state/regional market research, and current pilot/demonstration projects.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all C&I program participants. All applications received are reviewed to confirm compliance with eligibility requirements. Additionally, all technical information submitted in support of the application is reviewed to confirm measure qualification and to verify the incentive calculation. Applicant-supplied information and Program Manager-performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

A sample percentage of applications will be randomly selected for inspections and Quality Control file reviews. The specific percentages by program are outlined in the individual program guideline documents. Inspections include a site visit to verify customer eligibility and energy efficient measure technical specifications that result in a verification of the incentive calculation. A field inspection report is prepared and maintained in the project file for future verification.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: Pay for Performance - New Construction

Board Staff is developing a redesigned NC Program for consideration and possible approval by the Board in early FY23. Meanwhile, the Pay for Performance - New Construction Program will continue to be administered as described below unless and until the Board approves the redesigned NC Program or other program changes.

Program Purpose and Strategy Overview

The Pay for Performance – New Construction Program (“P4P NC”) is intended to encourage developers and design professionals to look for ways to optimize design, operation, and maintenance of new construction and substantial renovation projects in order maximize energy cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy costs of the proposed design compared to a code compliant baseline. A portion of project incentives is tied to actual building performance to emphasize to building owners the critical value of addressing operational practices. The P4P NC Program aligns with other rating authorities such as LEED, ENERGY STAR, and ASHRAE Building Energy Quotient.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Description

The P4P NC Program takes a comprehensive, whole building approach to energy efficiency in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.¹¹ The program provides tiered incentive levels correlated to the modeled energy cost savings as demonstrated in the proposed design and includes a performance component to reflect the value that effective building operation has in determining energy use. This market-based program relies on a network of partners selected through a Request for Qualifications process. Once approved, partners may provide technical services to program participants. Although partners work under contract with building owners, acting as their “energy expert”, they are

¹¹ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

required to strictly follow program requirements. Partners will be required to develop a Proposed ERP for each project. The Proposed ERP details a set of recommended measures that will achieve the minimum performance target. Partners will then provide an As-Built ERP, along with a Commissioning Report to demonstrate that recommended measures are installed and functioning. Lastly, the partner will benchmark the building following one year of operation to document how well the building is operating relative to the As-Built ERP.

Participants will be required to work with an approved partner to develop the Proposed ERP and facilitate the incorporation of the recommended energy efficiency measures. The submitted Proposed ERP must include a package of energy efficiency measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2016.¹² The minimum performance target will be measured in terms of energy cost, which is consistent with ASHRAE 90.1, Appendix G, EPA Federal Tax Deductions and LEED NC. Program Guidelines will outline equivalent savings values depending on the modeling compliance path chosen.

Partners are required to develop whole building energy simulations using approved simulation tools. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1 Section 11 or Appendix G or as approved by the Program Manager. The program will offer two modeling compliance paths to demonstrate that the proposed design meets or exceeds the minimum performance target.

Path 1: ASHRAE Building Energy Quotient (bEQ) As-Designed Path

Under this path, the partner will develop a single energy model representing the proposed project design using prescribed modeling assumptions that follow *ASHRAE Building Energy Quotient (“bEQ”) As-Designed*¹³ simulation requirements. Proposed design simulation results, including Energy Use Intensity (“EUI_{standard}”), will be measured against the median EUI for the building type (“EUI_{median}”) to evaluate the Performance Score.

$$\text{Performance Score} = (\text{EUI}_{\text{standard}} / \text{EUI}_{\text{median}}) \times 100.$$

Measures must be modeled within the same proposed design energy model, but as parametric runs or alternatives downgraded to code compliant parameters.

Path 2: ASHRAE 90.1-2016 Appendix G Path

Under this path, the partner will model a baseline and proposed building using ASHRAE 90.1-2016 Appendix G *modified by Addendum BM*. Addendum BM sets a common baseline building approach that will remain the same for ASHRAE 90.1-2016 and all future iterations of ASHRAE

¹² Energy Target is rounded down to two significant figures e.g. 0.0487 is rounded to 0.04 or 4%.

Note also that applications for projects that submit documentation they received their construction/building permits under ASHRAE 90.1-2013 will have their P4P NC applications processed using ASHRAE 90.1-2013 as their baseline.

¹³ <http://buildingenergyquotient.org/asdesigned.html>

90.1, and is roughly equivalent to ASHRAE 90.1-2004. To comply with ASHRAE 90.1-2016, a proposed building has to have energy cost savings of 11-40% from the Addendum BM baseline, depending on the building type and climate zone. Measures must be modeled as interactive improvements to the ASHRAE 90.1-2016 Appendix G baseline with Addendum BM accepted.

Each project, regardless of compliance path selected, must have at least one measure addressing *each* of the following building systems: envelope, heating, cooling, and lighting (e.g. increased insulation, improved HVAC efficiency, lighting power density below code requirements, etc.). Buildings that are not heated (e.g. refrigerated warehouse) or not cooled (e.g. warehouse) will not be required to have a measure addressing the missing building system. Measures are defined as components that exceed ASHRAE 90.1-2016 requirements.

Core and Shell vs. Tenant Fit-Out Considerations

Generally, P4P NC projects are required to evaluate the whole building design. Further, if a P4P NC application is submitted to the Program, that same building(s) cannot also submit applications to other programs. An exception to this rule may apply to eligible projects pursuing Core & Shell separate from tenant fit-out improvements, which may fall into one of two scenarios below.

Scenario 1: Core & Shell and Tenant Fit-out are combined - In this scenario, all aspects of the design (whole building) must be included under a single P4P NC application and treated as a single project following all Program Guidelines, as typical. This may apply where:

- Developer is funding and constructing both Core & Shell and Tenant Fit-out; or
- High performance systems are specified and funded for the tenant space separate from Core & Shell, but the building owner and tenant have come to an agreement to include both scopes of work under a single project.

Scenario 2: Core & Shell Separate from Tenant Fit-out - This scenario applies when the Core & Shell work is known, but the tenant space development is unknown and/or is funded separately. In this case, the Core & Shell is treated as a separate project from the Tenant Fit-out and a building may apply for P4P NC for either Core & Shell or Tenant Fit-out(s), but not both. The determining factor depends on which scope will include design and construction of the central HVAC system, in which case:

- P4P NC incentives will apply to all conditioned square footage of the building serviced by the central HVAC in the project's scope of work;
- The project scope applying for P4P NC (e.g. Core & Shell or Tenant Fit-out) must be able to meet all requirements for P4P NC on its own;
- Any Tenant Fit-out or Core & Shell work not included in P4P NC (and connected to a non-residential electric/gas account paying into the SBC) may seek incentives through the C&I Prescriptive or Custom Measure programs for eligible equipment.

A project may apply to the program at any point during the design phase. Projects that have begun construction may still apply so long as measures have not been purchased prior to receipt of the program application. Any measures installed prior to approval of Proposed ERP are done so at the project's risk. In the event the equipment selected does not qualify for an incentive, it will be removed from the Proposed ERP. Projects that cannot identify efficiency improvements that meet the above requirements will be referred to the appropriate C&I Buildings Program(s).

See Program Guidelines at www.njcleanenergy.com for additional modeling considerations.

Target Market and Eligibility

The P4P NC Program is open to new C&I construction projects with 50,000 square feet or more of conditioned space. The Program Manager has the discretion to approve projects that are within 10% of the minimum 50,000 square foot threshold. Projects may include a single building meeting square footage requirements or multiple buildings provided those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time period.¹⁴ Multiple buildings that are grouped into one program application are viewed as a single project that is eligible for one set of program incentives and all incentive caps apply to the group of buildings.

Due to the comprehensive design of this program, projects may not apply for incentives in other NJCEP programs while enrolled in P4P NC for the same facility(ies). All eligible measures must be considered in P4P NC, with the exception of on-site generation (e.g. CHP program). Exceptions also apply to Core & Shell and/or Tenant Fit-out projects as set out in the foregoing paragraphs. Additional exceptions may be considered by the Program Manager on a case-by-case basis.

Multifamily Buildings

The P4P NC Program accommodates certain types of multifamily buildings. Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction (MFNC) program may apply for NJCEP incentives through the RNC Program; applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be satisfied in order to receive incentives. Please see Appendix C: Multifamily Decision Tree for further guidance on multifamily program eligibility.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the P4P program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P NC application. The 50,000-square-foot participation threshold will be met through this aggregation (including common area and in-unit). The minimum performance target (as well as all other program requirements) will also be determined on an aggregated basis. Only one set of incentives will be paid per project and all incentive caps apply.

¹⁴ For the purpose of tracking technical reviews and site inspections, each building addressed within a multi-building ERP may be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

Partner Network

Existing approved P4P NC Partners will need to complete online re-training on a regular basis as determined by the Program Manager in order to remain an approved partner in the program. The Program Manager may offer select partners one-on-one training on projects to ensure success in the program, as well as kick-off meetings upon project enrollment. Depending on program demand, the Program Manager may provide subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.1-2016. (See also the P4P EB section of this Compliance Filing.)

Program Offerings and Incentives

The P4P NC Program's incentive structure was conceived to encourage the design and achievement of comprehensive energy cost savings and are, therefore, released in phases upon satisfactory completion of each of these three program milestones:

1. Submittal and approval of a Proposed ERP with proposed design meeting all program requirements;
2. Submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP. Changes between proposed and as-built design must be accounted for at this point, although as-built project must still meet all program requirements; and
3. Submittal of ENERGY STAR Portfolio Manager benchmark based on first year of operation with score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining *ASHRAE Building Energy Quotient (bEQ) In-Operation* Certification with equivalent score as set by Program Guidelines. Additional certification for compliance may be considered by Program Manager.

Incentives are paid based on the rate schedule in the table below. At the customer’s written request, incentive payments may be assigned or directed (including re-assignment or re-direction) to either the customer, the partner, or other designated representative.

Table 1: P4P NC Incentive Schedule

	Cost or Source Energy Reduction from 90.1-2016 Baseline	Incentive by Building Type Per Square Foot	
Minimum Performance Requirement	15% Multifamily 5% All other	Industrial/High Energy Use Intensity	Commercial and Multifamily
Incentive #1 Proposed Energy Reduction Plan	+ 0 - <2% (Tier 1)	\$0.10	\$0.08
	+ 2 - <5% (Tier 2)	\$0.12	\$0.10
	+ 5% or greater (Tier 3)	\$0.14	\$0.12
	Max	\$50,000.00	
	Pre-Design Bonus	\$0.04	
	Max	\$20,000.00	
Incentive #2 As-Built Energy Reduction Plan and Cx Report	+ 0 - <2% (Tier 1)	\$1.00	\$0.80
	+ 2 - <5% (Tier 2)	\$1.20	\$1.00
	+ 5% or greater (Tier 3)	\$1.40	\$1.20
Incentive #3 Building Performance		\$0.40	\$0.35

- Incentive #1 is contingent on moving forward with construction and must be supported by required program documentation (e.g. signed Installation Agreement). The Program Manager, in coordination with the Division of Clean Energy, may waive this contingency in extreme situations where construction is halted due to economic or other external factors. If a project is cancelled after the receipt of Incentive #1, the incentive amount shall be returned to NJCEP. If the Incentive #1 payment is not returned to NJCEP, the customer/partner will not be eligible in the future for another Incentive #1 payment for the same facility.
- The total of Incentives #1, #2, and #3 combined shall not exceed \$2,000,000 per project, assuming both electric and natural gas measures are recommended and implemented. Should only electric measures or only gas measures be recommended and implemented, then the total of Incentive #1, #2, and #3 combined shall not exceed \$1,000,000 per project. The foregoing would place a \$1,000,000 per project cap on electric-only facilities. Entity caps also apply.
- Certain circumstances may impact an incentive amount after a commitment has been made:
 - Increase or decrease in project square feet may increase (budget permitting) or decrease the incentive;
 - Significant modifications to the approved scope of work, including addition and removal of a measure, may impact the overall project savings causing a project to

- move between incentive tiers. Incentives will be adjusted up (budget permitting) or down accordingly; and
- Generally, any required adjustments will also include under or overpayment of incentives already paid.

Incentive #1 Pre-Design Bonus (Integrative Process): Projects that are in pre-design or schematic design may be eligible for a higher Incentive #1. The goal is to incentivize applicants to think critically about their building design from an energy efficiency standpoint early in the process when changes are easier to make, thereby supporting high-performance, cost-effective project outcomes. To qualify, the partner will need to work with the applicant beginning in pre-design and continuing throughout the design phases. They will perform a preliminary “simple box” energy modeling analysis before the completion of schematic design that explores how to reduce energy loads in the building and accomplish related sustainability goals by questioning default assumptions. They will then document how this analysis informed building design decisions relative to owner’s project requirements, basis of design, and eventual design of the project. This submittal shall be submitted after application approval, but prior to the Proposed ERP. Although pre-construction inspections are not routinely performed in this program, TRC may inspect projects applying for this bonus.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all P4P NC Program projects. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of measure qualification and incentive calculation. Applicant supplied information and project technical data are entered into the database. Electronic files are created for all documents and for ongoing project correspondence. The Program Manager reviews submitted ERPs.

The Program Administrator quality control staff will perform pre- and post-construction inspections, will regularly conduct pre-approval technical reviews of ERPs, and will perform file reviews on a sampling of applications prior to incentive payments. The selection of inspections and reviews will be based on a pre-determined, random sampling percentage.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: Large Energy Users

Program Purpose and Strategy Overview

The purpose of the Large Energy Users Program (“LEUP”) is to foster self-investment in energy efficiency and combined heat and power projects for New Jersey’s largest C&I utility customers. This program was established in 2011 as a pilot following requests from these customers to develop a program specific to their needs and in recognition of their large contribution to the SBC. These large, sophisticated facilities have unique needs and internal processes which may not align with the structure of other C&I programs with respect to submission criteria or timing. The LEUP offers a more flexible process to these customers, many of whom have engineers on staff, but in turn requires that participating facilities comply with accountability processes to obtain incentives, thus assuring that the desired efficiency is achieved. The program supports various types of large customers spanning the pharmaceutical, higher education, industrial, building management, data center, and other commercial sectors.

Specific design features include:

- Ability to submit multiple projects/buildings under one application;
- Flexible application submission process providing the customer the opportunity to submit up to 3 scopes of work in each program year;
- Ability to participate in other programs while engaged in LEUP.

Support for EMP Goals

The LEUP will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 3.3 (Strengthen building and energy codes and appliance standards), especially its Goal 3.3.3 (Establish mechanisms to increase building efficiency in existing buildings).

Program Description

Incentives are awarded to customers that satisfy the program’s eligibility and program requirements (“Eligible Entities” or “Eligible Customers”) for investing in self-directed energy projects that are customized to meet the requirements of the customers’ existing facilities, while advancing the State’s energy efficiency, conservation, and greenhouse gas reduction goals. The program relies on eligible customers and their technical consultants to identify and develop qualifying energy efficiency projects that they believe will be beneficial for their operations and will meet program criteria as described below. In support of LEUP projects, the Program Manager will provide the following services:

- Budget management and energy savings reporting;
- Review and approval/rejection of all submitted enrollment submittals for program eligibility;

- Review and approval/rejection of all submitted Draft Energy Efficiency Plan (“DEEP”) submittals;¹⁵
- Review and approval/rejection of all submitted Final Energy Efficiency Plan (“FEED”) submittals;
- Technical assistance via email and telephone to assist entities in the proper submittal of the required information;
- Updates of data tracking tools to incorporate additional tasks related to this initiative; and
- Incentive processing including issuance of checks and tracking/recordkeeping.

Eligible customers who wish to participate in the LEUP must comply with the standards and criteria below.

Target Markets and Eligibility

The LEUP is available on a first come, first served basis so long as funding is available to existing, large C&I buildings that meet the following qualifications:

- Eligible entities must have incurred at least \$5,000,000 in annual energy costs (on a pre-sales tax, aggregate of all buildings/sites) during the immediately preceding fiscal year. Eligible entities shall be defined as (1) Public: having distinct and separate budgetary authority; (2) Public Schools: having distinct and separate budgetary authority; and (3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey. Consistent with Docket No. EO07030203.
- Further, in order to be considered for incentives, the billed peak demand of each facility included in the DEEP/FEED must meet or exceed 400kW and/or 4,000 DTherms.

Entities interested in applying to participate in the program will submit the following information through form(s) available through the NJCEP website and/or Program Manager:

- Number of buildings/sites and list of all associated utility and third-party supplier accounts;
- Energy cost, billed usage and number of location or premise IDs as provided by utility for each account from previous fiscal year

Submittal Requirements for Fund Commitment

Qualifying entities shall submit a FEED to the Program Manager for existing facilities only. The FEED must be submitted to the Program Manager for review three (3) months from the date of the DEEP approval letter.

Program Standards

1. All ECM must meet Minimum Performance Standards, which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
 - a. Large Energy Users Program Guide Appendix A;

¹⁵ Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEED.

- b. ASHRAE 90.1-2016; and
 - c. Local code
2. ECMs must be fully installed no later than twelve months from approval of the FEEP, provided, however, that the Program Manager may allow up to twenty-four months where special circumstances beyond the reasonable control of the applicant (such as exceptionally large or complex projects or projects experiencing unusually severe supply chain disruptions or personnel shortages) justify such longer period. In addition, up to two extensions may be granted for a period of up to six months with satisfactory proof of project advancement and upon due cause otherwise. Project advancement may be demonstrated through copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, and similar documents.

Limitations/Restrictions

1. New construction and substantial renovation (also known as gut renovation) projects are not eligible under the program.
2. Incentive will be limited to energy efficiency measures. The following shall not be included as part of this program:
 - a. Renewable energy; and
 - b. Maintenance energy saving projects
3. Incentives shall only be available for ECMs approved in the FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.
4. ECMs already installed or under construction will not be considered for incentives and shall not be included in FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.
5. Federal grants/incentives are allowed. Other state grants/incentives are allowed provided they do not originate from NJCEP funds. NJCEP loan funds are allowed. Funds provided by a New Jersey investor owned utility ("IOU") are not allowed. The total of federal, state, and LEUP funding shall not exceed 100% of total project cost.
6. No DEEP or FEEP may have more than 50% of the overall total energy savings coming from lighting and/or lighting controls measures, unless the Program Manager determines the applicant has demonstrated the scope of work is otherwise comprehensive in that it:
 - a. Assesses of the cost-effectiveness of installing energy conservation measures in each of the following areas in a given building: (i) heating systems, (ii) cooling systems, (iii) ventilation systems, (iv) domestic hot water systems, and (v) building envelopes, and
 - b. Implements all cost-effective energy conservation measures identified through the foregoing assessment in a given building or, as to any such measures not implemented, explains why such implementation would not be practicable. For example, a scope of work that does not include replacement of a 30-year-old atmospheric boiler would not be allowed to include lighting savings greater than 50% of the total energy savings.

Review and Payment Framework

1. Upon receipt of the FEEP, Program Manager will have sixty (60) days to review each submittal and provide comments to entity.

2. Program Administrator will present FEEPs to Board for approval as required by Board policy and commitment of incentive. The Program Administrator may conduct up to three site inspections per FEEP submission including a pre-inspection at 50% completion and 100% completion, as required.
3. If ECMs are not completed within the specified timeframe, incentive commitment may be forfeited.
4. Entity will provide M&V data as requested and will comply with any program evaluation activities.

Program Offerings and Incentives

The program will offer a maximum incentive, which will be the lesser of:

- 75% of total project(s) cost as identified in the FEEP(s). Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP; and
- For all lighting measures: \$0.16/kWh per projected kWh saved annually; for all other measures: \$0.33 per projected kWh saved annually; \$3.75 per projected therms saved annually, all as identified in the FEEP(s).

The program's incentives are also limited by the Entity/FY Incentive Cap at Appendix B: C&I and DER Incentives and General Rules, C&I / DER Entity/FY Incentive Caps.

The program has a minimum incentive commitment per FEEP of \$100,000. Projects with incentives below this threshold will be redirected to other programs. Incentives shall be reserved upon approval of the DEEP. Program funds will be committed upon approval of FEEP by the Program Manager and, if required, by BPU. Incentive shall be paid upon project completion and verification that all program requirements are met. Entities may submit up to three (3) DEEP/FEEPs throughout the program year.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all program participants. All energy efficiency plans are reviewed upon receipt to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and Program Administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre- and/or post- inspections and quality control file reviews will be conducted, as required.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

* * *

Planned Large Energy Users Program Pilot

Board Staff is working with TRC to develop a pilot program related to LEUP. The details of this pilot program are being developed and, prior to implementation, would be presented to the public for comment and to the Board for review and consideration.

C&I Buildings: Customer Tailored Energy Efficiency – New Construction

Board Staff is developing a redesigned NC Program for consideration and possible approval by the Board in early FY23. Meanwhile, the Customer Tailored Energy Efficiency Program – New Construction Program (“CTEEP NC”) will continue to be administered as described below unless and until the Board approves the redesigned NC Program or other program changes.

Program Purpose and Strategy Overview

This program supplements the current New Jersey C&I incentive programs by offering a streamlined approach to developing and implementing energy efficiency projects for mid-to-large customers. The key features of the program:

- Allows customers to bundle multiple prescriptive and custom measures into one application with one project delivery approach;
- Customers can receive incentives for qualified advanced and emerging energy efficiency technologies that are not currently addressed under SmartStart;
- Technical assistance incentives offered to help minimize the soft costs associated with developing an energy efficiency project;
- Leverages existing energy efficiency professional networks;
- Larger customers with multiple measures can access incentives for their targeted energy efficiency projects without enrolling in a whole-building program; and
- Performance verification to engage customers after their project is complete to ensure persistence of savings.

The goals of the program are to:

- increase participation among mid to large customers;
- increase the amount of energy saved per project for participating customers;
- understand from participating customers whether assistance beyond measure incentives will facilitate the installation of energy efficiency projects;
- promote the installation of advanced lighting controls in conjunction with high efficiency LED luminaires; and
- collect information and data that can inform program changes or new program designs in the future.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Implementation Description

The program was developed and launched in FY18 in response to customer concerns regarding the application process for projects involving completion and submission of multiple SmartStart

applications. It will be promoted through traditional methods, the C&I Outreach Account Managers, and energy efficiency professionals.

The program process is as follows:

1. **Outreach and Recruitment** – The CTEEP NC will be included in any C&I customer outreach conducted by the Account Managers. Information about it will be placed on the web site and shared with the Ombudsman’s office and trade allies who can assist in promoting the pilot to their customers.
2. **Enrollment** - The enrollment application will allow the Program Management team to assess the opportunities, the status of the potential project, and to schedule a Scoping Session meeting where the Case Manager performs a needs assessment to determine whether the customer requires additional assistance such as referral to technical expertise, financial assistance, internal sales, or benchmarking.
3. **Benchmarking (Optional)** – CTEEP NC will offer benchmarking services to help customers identify which opportunities and facilities may benefit most from energy improvements.
4. **Energy Efficiency Plan Development** - Upon application acceptance, the customer works with its technical experts to develop the EEP.
5. **Incentive Commitment** - Upon acceptance of a complete EEP, the Program Manager will commit incentives as defined by the EEP and program requirements. The incentive commitment will be valid for twelve (12) months. The Program Manager may extend the initial expiration period in two, six (6) month intervals.
6. **ECM Installation** – The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.
7. **Performance Verification** – The performance verification submission applies to custom measures only. A customer will receive the final 10% of custom measure incentives consistent with the schedule defined below.

Target Markets and Eligibility

The target customer size is 50,000 square feet.

Additional criteria that will be considered for inclusion:

- Customers with complex operations and/or unique energy usage profiles who would most benefit from custom assessments of efficiency opportunities;
- Customers whose efficiency opportunities, barriers to investment, and/or business needs suggest they may benefit from support beyond just financial incentives (e.g. technical analysis, financial analysis, etc.);
- Customers with projects requiring multiple applications under existing program offerings; and

- Customers who are good candidates for installation of new, innovative, or advanced efficiency technologies.

Program Offering and Incentives

Financial incentives offered to customers of the CTEEP NC will be the same as those available through the existing prescriptive and custom program offerings. However, for ease of customer participation, the financial incentives will be bundled into a single “package” application. The total incentive available for any project will be equal to the sum of the incentives available through the existing prescriptive and custom program offerings for the measures installed. For ECMs possessing both prescriptive and custom features, the Program Manager will have discretion to determine if some or all of the energy efficiency benefits will be eligible under the custom incentive structure.

Prescriptive Measures:

- Measures meeting the requirements of the current SmartStart Building Program will receive the established incentive (including any applicable enhancements) under that program.

Custom Incentives:

- \$0.16 per kWh
- \$1.60 per therm
- 50% of project cost
- Buy-down to 1-year payback
- Same enhanced incentives as for the current SmartStart Building Program

Technical Assistance:

In addition to measure incentives, where initial design costs are a barrier to the pursuit of projects that appear to be promising, the Pilot may offer customers an additional incentive towards design assistance or technical support provided by an independent¹⁶ third party design professional. Incentives will be available for up to 50% of the cost of the design/technical assistance up to a maximum of \$10,000 upon approval of the NJCEP Program Manager, with half of the incentive payable upon proof of construction kick-off and the remainder upon installation of the recommended measures.

Incentive cap:

The same caps in SmartStart Program apply here, including the \$500,000 per utility account cap; however, the Technical Assistance incentive does not count towards this incentive cap.

¹⁶ Independent in this case means the design professional does not sell or represent products that are being considered for installation.

Payment Schedule

Incentive payments are made along the life of a project as outlined below.

Project material/labor invoices will signify projected completion followed by a post-inspection as deemed appropriate.

Table 2: CTEEP NC Schedule of Payments

Schedule of Payments			
Type of Incentive	Milestone 1 Construction Kick-Off	Milestone 2 Substantial Completion	Milestone 3 Performance Verification
Technical Assistance Incentive	50%	50%	-
Base Incentives – Prescriptive	-	100%	-
Base Incentives – Custom	-	90%	10%

- Milestone 1: The EEP is approved and construction contracts are in place.
- Milestone 2: All work is installed and new equipment and systems are generating energy savings. Multiple payments may be provided.
- Milestone 3: Performance Verification is complete. Multiple payments may be provided. This milestone may occur between 3-6 months after substantial completion.

Program Standards

- **Prescriptive measures** must meet the minimum requirements of the SmartStart Buildings program.
- **Custom measures** must meet or exceed current SmartStart Custom requirements (with the exception of minimum energy savings requirements) or the Minimum Performance Standards for the LEUP.
- **Advanced Lighting Control Systems** must be listed on the Design Lights Consortium’s Qualified Products List.
- **Emerging Technologies** must meet current building codes or industry standards, as applicable.

Limitations/Restrictions

- Renewable and power storage technologies including, but not limited to, photovoltaics, fuel cells, battery storage, and microturbines are not eligible.
- Combined heat and power systems are incentivized under New Jersey’s Combined Heat and Power program and are not eligible for CTEEP NC incentives.
- Previously installed measures (i.e., any measures installed prior to enrollment) are not eligible

- Measures that do not save energy (kWh or therms) are not eligible. Customers may install measures that exclusively reduce operating costs and/or energy/demand costs, but they may not be included in the CTEEP NC EEP.
- Operations & Maintenance and behavioral measures are not eligible. Behavioral measures include those where equipment is adjusted to improve performance or change energy use. Behavioral measures may include boiler clean & tunes, commissioning of existing equipment, thermostat adjustment, or seasonal equipment removal.

Quality Control Provisions

All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Inspection protocols for custom measure projects will require a pre-determined percentage of pre- and post-inspections. Pre-inspections may be waived after successful completion of a Scoping Session.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Local Government Energy Audit

Program Purpose and Strategy Overview

The Local Government Energy Audit Program (“LGEA”) Program was launched as part of NJCEP’s portfolio in 2008 to provide financial incentives to cover the cost of having an energy audit performed on eligible facilities owned by municipalities, school districts, 501(c)(3) nonprofits, and other local and state government entities (“Applicant” or “Applicants”).

The goal of the energy audit is to provide Applicants with information on how their facilities use energy, identify ECMs that can reduce energy use, and put Applicants in a position to implement the ECMs. The energy audits also help guide Applicants towards appropriate incentive programs to help reduce costs associated with implementing the ECMs.

The program is also used as a means of qualifying applicants for other relevant initiatives, most notably the Energy Savings Improvement Program (“ESIP”) and Sustainable Jersey’s municipal and school programs. Collaboration with these programs can provide cost-effective benefits to these publicly funded facilities while helping to achieve mutual goals.

Support for EMP Goals and Strategies

The LGEA Program will support many of the EMP’s strategies and goals, including, among others, the following:

- Goal 1.1.6 (Continue to improve NJ TRANSIT’s environmental performance).
- Primary Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Primary Goal 3.3 (Strengthen building and energy codes and appliance standards), especially its Goals 3.3.5 (Improve energy efficiency in, and retrofit state buildings to, a high performance standard).
- Primary Goal Primary Goal 4.1 (Start the transition for new construction to be net zero carbon), especially its Goal 4.1.1 (Electrify state facilities).

Program Description

This program is implemented as follows:

- The Applicant will submit an application to the program identifying basic facility information such as, building type, square footage, and recently implemented ECMs, as well as, the reason(s) for requesting an energy audit;
- A case manager will assist the Applicant in determining the audit path that best addresses the Applicant’s needs (as described below);

- Available energy audit paths include:
 - ASHRAE Level I audit¹⁷;
 - ASHRAE Level II audit; and
 - Add-on scope audits as provided for in the Program Guide or application materials (e.g., a more detailed review of an existing or potential RE system, a deeper feasibility assessment for rooftop photovoltaic (PV) system, or certifying a building as having met ENERGY STAR requirements).¹⁸

Each level of audit would also include a high-level feasibility assessment for electric vehicle (“EV”) charging stations.
- When an Applicant is enrolled in LGEA and participating in any NJCEP and/or utility-managed energy efficiency programs at the same time for the same facility(ies), the Program Manager will assess the impact the work may have on the energy audit and require the Applicant take one of the following actions within a determined timeframe, depending on the level of impact:
 - Proceed with energy audit and equipment upgrades (minimal impact);
 - Complete equipment upgrades prior to proceeding with energy audit process or vice versa (moderate impact); or
 - Cancel energy audit application (significant impact).
- If the initial program eligibility and application requirements have been met and the Applicant is approved to have an energy audit performed under this program, the Program Manager will issue an Approval Letter/Notice to Proceed to the Applicant.
- The scopes of work of the energy audit paths are consistent with Section 3.8.1 of RFP 16-X-23938, dated April 21, 2015, and the related Technical Proposal and Contract (#A40225).

¹⁷ From the ASHRAE Handbook:

Level I – Walk-through Assessment – Assess a building’s energy cost and efficiency by analyzing energy bills and conducting a brief survey of the building. A Level I energy analysis will identify and provide a savings and cost analysis of low-cost/no-cost measures. It will also provide a listing of potential capital improvements that merit further consideration, along with an initial judgment of potential costs and savings.

Level II – Energy Survey and Analysis – This includes a more detailed building survey and energy analysis. A breakdown of energy use within the building is provided. A Level II energy analysis identifies and provides the savings and cost analysis of all practical measures that meet the owner’s constraints and economic criteria, along with a discussion of any effect on operation and maintenance procedures. It also provides a listing of potential capital-intensive improvements that require more thorough data collections and analysis, along with an initial judgment of potential costs and savings. This level of analysis will be adequate for most buildings and measures.

Level III – Detailed Analysis of Capital-Intensive Modifications – This level of analysis focuses on potential capital-intensive projects identified during Level II and involves more detailed field data gathering and engineering analysis. It provides detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions.

¹⁸ For the avoidance of doubt, the add-on scope audits must be added on to a standard eligible audit and cannot be a standalone study.

- In order to provide compatibility with the ESIP, the energy audit scope will include an evaluation of energy related water conservation measures, demand response potential, and estimated greenhouse gas reduction for each recommended measure.
- After verifying all program requirements have been met, the Program Manager will perform the audit, prepare an audit report, and notify the Applicant when the audit report is completed. Additionally, the Program Manager may meet in person or conduct a web/phone conference with the Applicant to discuss audit findings and next steps for implementing measures recommended in the report.

The LGEA will provide audits up to a value of \$150,000 per fiscal year, per Applicant.

- In applying the foregoing cap to state entities, LGEA will treat each State Agency and Department as a separate entity, but subject the group of State Departments (defined as all those entities using Tax ID: 21-6000928) to an overall cap of \$450,000 per fiscal year, which overall cap may, with the approval of Board Staff, be increased up to a maximum of \$1,000,000.
- For larger Applicants interested in pursuing ESIP (by selecting intent to pursue ESIP on the application), if the audit cost exceeds or is expected to exceed \$150,000, the Program Manager will work with the Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000.
- For non-profit 501(c)(3) healthcare entities, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000, so long as the funds exceeding the initial \$150,000 would be for auditing facilities designated as hospitals by the NJ Department of Health (“DOH”).

Services offered under LGEA do not count towards the fiscal year incentive cap (see Appendix B: C&I and DER Incentives and General Rules).

Target Markets and Eligibility

LGEA is open to the following eligible entities that contribute to the SBC through either their gas and/or electric utilities:

- “State contracting agency” as defined by N.J.S.A. 52:34-25;
- “Public agency” as defined by N.J.S.A. 52:35A-1;
- Local governments per Local Public Contracts Law (N.J.S.A. 40A:11-1);
- Local governments per Public School Contracts Law (N.J.S.A. 18A:18A-1);
- County colleges per County College Contracts Law (N.J.S.A. 18A:64A-25.1);
- NJ State Colleges or State Universities per State College Contracts Law (N.J.S.A. 18A:64-52); and
- Non-profit charitable organizations per Section 501(c)(3) of the Internal Revenue Code

Applicants may apply for an energy audit for buildings they own. A building may still be eligible if the Applicant leases the building and provides supporting documentation from the building owner authorizing the energy audit before it is performed.

Buildings must demonstrate an average demand of 200kW or greater in the most recent twelve (12) months of electric utility bills (inclusive of all accounts in the building) in order to qualify to

participate in LGEA. The Program Manager will have the ability to grant exceptions to the kW requirement, on a per building basis, if the Applicant can demonstrate it meets at least one of the following criteria:

1. ESIP is an anticipated source of funding;
2. Master or campus metering arrangement on-site where demand of any single building is unknown; or
3. The unavailability or of inapplicability of other NJCEP or utility-sponsored energy efficiency programs at this time due to facility type or measure type.

For #2 and #3 above, the Applicant must provide a detailed explanation as to how it meets the criteria for the claimed exception.

LGEA is available to buildings never previously audited under the Program, as well as, buildings that have received an audit no less than three years earlier (measured from the audit report approval date). All program requirements must be met in order for an entity to qualify for a second energy audit.

New Construction Energy Efficiency Program

New Construction

The NJCEP legacy New Construction programs, as offered in FY22, consist of different programs for each market segment, including residential and C&I. However, many buildings could cross over or fall between these defined segments and include, for example, both residential and commercial components. This creates some confusion in the marketplace and barriers to participation, especially for multipurpose buildings, sometimes requiring builders to apply to multiple programs for different components of the buildings. To avoid the foregoing, and to otherwise upgrade and improve NJCEP's support for new construction, a redesigned New Construction ("NC") Program would be developed, with input from stakeholders and the public, and presented to the Board. Board Staff anticipates the redesigned NC Program would, subject to Board approval, launch in FY23. The redesigned program would essentially replace and improve the RNC, C&I NC (SmartStart), P4P NC, and CTEEP NC Programs. The FY22 programs being replaced would continue to run unchanged until they transition out of existence into the NC Program.

The new NC Program is expected to, among other things:

- Include a Single Point of Entry - Implement a new streamlined program for all new construction buildings (including commercial, multifamily and residential) that, among other things, would eliminate potentially confusing overlaps in the multifamily market and eliminate the need for multiple applications for mixed-use buildings.
- Optimize Program Process Flow - Gain efficiencies and streamline the administrative process by having one entity manage the entire NC portfolio of projects. Improve and standardize methods used to review submitted materials more quickly. Incorporate additional national standards as proxies to simplify program participation, increase participation, support newer and more robust strategies, and advance the market toward electrification.
- Increase Depth of Scope - Introduce Passive House standards. Eliminate single-measure incentives and instead bundle them to drive deeper savings. Develop advanced bundled packages such as smart connections, electric/EV ready, intelligent load controls, solar+storage solutions. Introduce an easy to understand and participate in electrification option and educate residents and builders on electrification methods and best practices. Encourage participation with other available NJCEP offerings, such as community solar.
- Include three Pathways to participation, as follows:
 - Bundled Pathway, in which participants would select from bundles of prescriptive measures.
 - Streamlined Pathway, in which participants would use simplified whole-building modeling for standard buildings.
 - High Performance Pathway, in which participants would use whole building ASHRAE modeling or would participate in identified national programs (e.g.,

LEED, ENERGY STAR) that can serve as a proxy for NJCEP-specific standards.

* * *

Planned New Construction Pilot Program

Board Staff is working with TRC to develop a pilot program related to the NC Program. The details of this pilot program are being developed and, prior to implementation, would be presented to the public for comment and to the Board for review and consideration.

Distributed Energy Resources

Overview

NJCEP promotes several categories of Distributed Energy Resources (“DER”) to assist in increasing market activities that will increase overall combined electricity delivery system efficiency, reduce overall system peak demand, further the use of emerging and renewable technologies, reduce emissions, and provide cost-effective reliability solutions for New Jersey while supporting the State’s EMP.

Combined Heat and Power - Fuel Cell

Program Purpose, Strategy, and Description

This NJCEP Combined Heat and Power – Fuel Cell (“CHP-FC”) Program offers incentives for Combined Heat and Power and Fuel Cell projects.

For the purposes of this program, Combined Heat and Power is defined as follows:

- Combined heat and power (“CHP”), also known as cogeneration, is the production of electricity and useful thermal energy from a single source fuel. Useful thermal energy means energy in the form of direct heat, steam, hot water, or other thermal form that is used for heating, cooling, humidity control, process use, or other valid thermal end-use energy requirements, and for which fuel or electricity would otherwise be consumed. Bio-power and partial bio-power projects that meet these criteria are considered to be CHP projects for Program purposes.

Waste Heat to Power (“WHP”) projects that comply with the following definition are treated as CHP projects by the program:

- Waste heat to power is the process of capturing waste heat discharged as a byproduct of an industrial process and using that heat to generate power. In this configuration, a source fuel is first used to provide thermal energy to meet load requirements of a process or system (i.e. not deliberately creating excess thermal energy for the purpose of electricity generation). The byproduct of this process is heat that would otherwise be wasted to the atmosphere. The waste heat is then repurposed to produce electricity, as opposed to, directly consuming additional fuel for this purpose.

Projects meeting the definitions of either CHP or WHP above are collectively referred to as CHP projects in the remainder of this Compliance Filing.

For the purposes of this program, fuel cells are not considered to be WHP or CHP.

For the purposes of this program, fuel cell (“FC”) is defined as follows:

- Power plants that produce electricity through an electrochemical reaction with a fuel source.

FCs are further broken down between “ $\geq 60\%$ FCs” that can achieve an annual system efficiency of $\geq 60\%$ (Higher Heating Value – HHV), based on total energy input and total utilized energy output (Efficiency) and “ $\geq 40\%$ FCs” that can achieve an Efficiency $\geq 40\% < 60\%$.

CHPs and FCs are all eligible for incentives through this program as set forth in more detail below.

Support for EMP Goals and Strategies

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Primary Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Primary Goal 2.1 (100% clean power by 2050), especially its Goal 2.1.6 (Develop mechanisms to compensate distributed energy resources for their full value stack at the regional and federal level).

Target Market and Eligibility

This CHP-FC Program is open to all New Jersey C&I utility customers paying into the SBC. Applications are reviewed and funds are committed on a first come, first serve basis provided all program requirements are met. CHP-FC systems that receive funding from the Energy Resiliency Bank will not be eligible for incentives through NJCEP.

Equipment Eligibility

Natural gas, hydrogen, biogas, and mixed fuel (e.g. natural gas and biogas) CHP-FC equipment, as well as, FC equipment using any fuel that is installed on the customer side of the utility meter is eligible for incentives. One hundred percent renewable fueled projects, including biogas and landfill gas-fueled projects that meet CHP-FC Program criteria, are also eligible to receive incentives.

To qualify for incentives, CHP and FC projects must meet all the following eligibility criteria:

- Equipment must be new, commercially available, and permanently installed. Expansion of an existing system with new equipment is also eligible. However, only the incremental expansion would be eligible for incentives;
- Systems must operate a minimum of 5,000 full load equivalent hours per year (i.e. run at least 5,000 hours per year at full rated KW output). Board Staff may grant exceptions to the minimum operating hours requirement for Critical Facilities (as identified in the CHP Incentives section of this Compliance Filing), provided the proposed system operates a minimum of 3,500 full load equivalent hours per year and has islanding capability;
- All projects are subject to ten (10) year warranty requirements with the exception of public entities. Public entities that are prohibited from entering into agreements for the full ten (10) years may comply with the 10-year requirement by: (a) providing an agreement for the longest lawful term; (b) committing the entity to purchase an agreement for the remaining years; and (c) either (i) providing the vendor's commitment for specific pricing for those remaining years, or (ii) assuming the pricing for the remaining years will increase by 2.5% each year (e.g., for the purpose of calculating a payback period);
- Each project must pass a project-level cost-effectiveness analysis demonstrating the simple project payback period, including any federal tax benefits and the Program incentive. Systems installed in Critical Facilities must not exceed a payback period of twenty (20) years, systems fueled by a Class 1 renewable source must not exceed a payback period of

twenty-five (25) years, and all other systems must not exceed a payback period of ten (10) years;

- All project submissions must contain specific cost data for providing the unit with blackstart/islanding capability regardless of whether the project will have that capability;
- System must be sized to meet all or a portion of the customer's on-site load not to exceed 100% of the most recent historical annual consumption or peak demand. For all projects, any surplus power that may become available during the course of a given year may be sold to PJM. Any system fueled by a Class 1 renewable source is exempted from this program requirement provided the system is sized to match the Class 1 renewable fuel produced on-site; and
- Installations of multiple systems planned for the same site within a twelve (12) month period must be combined into a single project.

To qualify for incentives, CHP projects must also meet all the following eligibility criteria:

- The CHP system must achieve an annual system efficiency of at least 60% (Higher Heating Value – HHV) based on total energy input and total utilized energy output. Mechanical energy may be included in the efficiency evaluation; and
- Waste heat utilization systems or other mechanical recovery systems are required for CHP projects. New electric generation equipment which captures waste heat or energy from existing systems is also allowed.

To qualify for incentives, FC projects must also meet the following eligibility criteria:

- FC systems must achieve an annual electric system efficiency of at least 40% (HHV) based on Net Useful Electric Power plus Net Useful Thermal Production (if any) divided by the Total Fuel Input at HHV.

Third party ownership (or leased equipment), such as procured under Power Purchase Agreements, is permitted within the program with the following provisions:

- In order to ensure the equipment remains on site and operational for the term of the agreement, a binding agreement is required between the parties. A copy of this agreement shall be provided to the Program Manager prior to commitment of incentives. The agreement should state that the equipment could be transferred to new owners should the property be sold or otherwise have a buyout provision such that the equipment remains on site and stays in operation. Only permanently installed equipment is eligible for incentives and must be physically demonstrable upon inspection prior to receiving an incentive. This can be demonstrated by electrical, thermal, and fuel connections in accordance with industry practices for permanently installed equipment and be secured to a permanent surface (e.g. foundation). Any indication of portability, including but not limited to, temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer, or platform will deem the system ineligible;
- The customer/applicant will be allowed to sign over the incentive to the third-party owner. A valid project cost shall be demonstrated as part of the application in order to establish an appropriate incentive level; and
- All other program rules apply.

Not Eligible for CHP-FC Incentives

The following types of generating systems/equipment are not eligible for this CHP-FC Program:

- Used, refurbished, temporary, pilot, demonstration or portable equipment/systems;
- Back-Up Generators (systems intended for emergency or back-up generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

Manufacturer Diversity Caps for $\geq 40\%$ FCs

During FY22, that is, from July 1, 2021 through June 30, 2022, new incentive commitments for $\geq 40\%$ FCs are capped at \$4,500,000, and new incentive commitments for projects primarily involving equipment from any single $\geq 40\%$ FC manufacturer are capped at \$1,500,000. By way of example, if during FY22 applicants A, B, and C have each been issued a \$500,000 commitment for $\geq 40\%$ FC projects using equipment primarily supplied by manufacturer D, no further commitments would be issued during FY22 for $\geq 40\%$ FC projects using manufacturer D's equipment.

Board Staff may approve exceptions to the above caps on a case-by-case basis if it determines that doing so is necessary to ensure full use of the current FY's FC and/or CHP-FC budgets.

Incentives

Incentives vary based on CHP-FC technology, fuel source, type, the presence or absence of heat recovery, project size, and total project cost. Details on qualifying technologies and available incentives can be found Table 35.

Applicants will not be allowed to receive incentives for the installed generation equipment from other available SBC-funded programs or from the Energy Resilience Bank. CHP-FC projects will be evaluated on a per site basis and incentives awarded accordingly. Installations of multiple systems planned for the same site within a 12-month period must be combined into a single project. For the avoidance of doubt, if at any time prior to system installation and operation a project is cancelled or abandoned, the incentive funds paid to date must be promptly returned to NJCEP.

Quality Control Provisions

Quality control provisions are designed to ensure that systems that receive incentives are operating as expected and providing the desired benefits to the State. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and Program Administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Renewable Energy

Solar Registration

Program Purpose and Strategy Overview

New Jersey’s solar policies and Renewable Portfolio Standards (“RPS”) have been established through legislation and implemented mainly through regulations and Board Orders. NJCEP’s Solar Renewable Energy Certificate (“SREC”) Registration Program (“SRP”) was designed to meet the goals and objectives of the regulations in place at the time of its design. In 2020, the Board proposed and adopted regulations establishing a solar Transition Incentive (“TI”) Program to provide a bridge between the legacy SRP and the then soon to be established Successor Program. In 2021, the Board proposed and adopted additional regulations establishing the Successor Solar Incentive (“SuSI”) Program. The SuSI Program is comprised of two sub programs: 1) the Administratively Determined Incentive (“ADI”) Program; and 2) the Competitive Solar Incentive (“CSI”) Program.

Support for EMP Goals and Strategies

The Solar Programs support many of the EMP’s strategies and goals, including, among others, the following:

- Primary Goal 2.1 (100% clean power by 2050), especially its Goal 2.1.1 (Meet the 50% Renewable Portfolio Standard by 2030 and explore possible regulatory structures to enable New Jersey to transition to 100% clean energy by 2050), Goal 2.1.2 (Ensure at least 75% of electricity demand is met by carbon-free renewable generation by 2050 and set interim targets, and Goal 2.1.3 (Routinely model scenarios and pathways to achieve 100% clean energy generation by 2050 with consideration for least-cost options).
- Primary Goal 2.3 (Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050), especially its Goal 2.3.2 (Transition to a successor solar incentive program), which has been achieved.

Program Description

The Solar Registration Programs (“Solar Programs”) provide registration for RECs for solar projects, including behind-the-meter, community solar, and direct grid-supply projects connected to the New Jersey electric distribution system. The Generation Attribute Tracking System (“GATS”) operated by PJM Environmental Information Services is used for the tracking and trading of RECs.

Pursuant to the Board’s regulations, each megawatt hour (“MWh”) of solar generation generates one solar renewable energy certificate (“REC”), which REC represents the clean energy benefits related to the MWh. For the SREC Registration Program, the RECs are called “SRECs” and are tradable in an open market; for the TI Program, they are called Transitional RECs (“TRECs”), and can be sold to a utility at a fixed price set by the Board; and, for the SuSI Program, they called “SREC IIs” and can be sold to a utility at a fixed price set by the Board in a declining block structure.

The Solar Registration Program team processes registrations and certifies solar projects as eligible for each of the three programs noted above. In FY23 the SRP team will continue to process SREC and TI registrations submitted before those programs closed to new registrations and it will process any new registrations submitted for the SuSI Program.

FY23 Program Changes

The Solar Programs will be modified as required to remain consistent with any revisions to the programs approved by the Board, including the adoption of any specific requirements related to the CSI component of the SuSI Program, which requirements are expected to be approved by the Board in the near term.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

- Sustain the growth of New Jersey’s solar markets, while communicating accurate and objective information on market development activity.
- Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g., new RPS levels, net metering rules), and translate new policies into program operational procedures, as required.
- Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Act.

Target Markets and Eligibility

Eligible solar technology is defined as a system that utilizes semi-conductor technologies to produce electricity directly from sunlight. All systems must meet program requirements regarding equipment certification, proper installation practices, and compliance with program procedures and processes. Solar PV systems connected to the electric distribution system serving New Jersey can participate in the programs.

Offerings and Customer Incentives

The Solar Programs provide a means for solar electric generation facilities to access a market where their RECs can be sold or traded. Solar generating facilities that are interconnected with the electric distribution system in New Jersey and that meet all applicable rule requirements, as well as all program requirements will be eligible to generate RECs upon successful completion of all requirements. The regulations governing RECs can be found at N.J.A.C. 14:8-2, 14:8-10, and 14:8-11. The program rules will continue to conform to these regulations.

In addition:

- A web based solar portal will be used for submitting registrations; and
- The Program Manager will prepare monthly reports identifying program results and trends including tracking capacity blocks for the SuSI Program.

Quality Control / Quality Assurance Provisions

All renewable energy systems facilitated through the SRP must be installed in accordance with program equipment requirements, program performance requirements, manufacturer specifications, and provisions of the National Electrical Code (“NEC”). The installer is also required to meet Solar Programs contractor license requirements.

Quality Control (“QC”) serves as a check to ensure specific parameters of a renewable energy installation have been achieved. Quality Assurance (“QA”) defines processes that ensure quality standards using efficient and cost-effective mechanisms.

The QA protocol requires diligence on the part of the “in-office” processing team to ensure the “Final As-Built” (Post-Construction) project information submitted as part of the final application paperwork is complete, correct, and in compliance with all program requirements. This review process is critical for the success of the QA function, which complements the on-site QC inspection process to ensure program compliance.

On-site verifications will be conducted for a pre-determined percentage of projects for residential and add-on systems that add additional capacity to a previously installed solar systems. An on-site verification will be performed for all grid-supply projects, behind the meter projects with a capacity greater than 500 kW, and community solar projects. The Program Manager may also conduct on-site verifications upon written request from the Board Staff or PJM-GATS to verify the cause for high meter reads or system production reading anomalies and submit written explanation of the findings to the Board Staff and PJM-GATS.

A pre-determined percentage of the projects that receive an inspection waiver will be randomly selected for a more in-depth paperwork review. The Program Manager reserves the right to request additional information, including, PV watts, shading analysis, photos, etc.

TRC will utilize the Contractor Remediation Procedures, as necessary or appropriate, to address significant performance or other problems.

Outreach, Website and Other - Outreach Plan

Outreach Plan

Executive Summary

This Outreach Plan (“Plan”) highlights the strategies and tactics that the TRC Outreach Team will use to raise awareness of new and existing NJCEP energy efficiency programs, educate potential program applicants, contractors, and stakeholders.

This plan is in support of the State’s EMP and specifically, the following energy efficiency programs remaining under the NJCEP after the transition of certain energy efficiency programs to the utility companies:

- Local Government Energy Audit Program
- Large Energy Users Program
- New Construction Program
- Combined Heat & Power and Fuel Cells

Additionally, this plan outlines our continued support for the federally funded School and Small Business Energy Efficiency Stimulus Program and for community outreach.

New tactics for FY23 support the priorities and focus areas of BPU and include:

- Expanded community outreach to underserved communities as well as women- and minority-owned businesses through the promotion of the School and Small Business Stimulus Program;
- Support for the launch of the New Construction Program through education for Trade Allies and program partners; and
- Spanish translation of new program collateral with the option of other languages.

After gauging the market’s interest and measuring success in FY22, improvements have been made to the existing outreach tactics to focus more deeply on specific NJCEP programs. The Outreach Team will continuously monitor success and adjust tactics and actions, as needed.

Continued use of the Community Outreach Account Managers will allow the Outreach Team to understand the concerns and challenges of underserved communities through equitable relationship building in targeted communities. This support integrates with the other new tactics and goals of expanded community outreach to spread clean energy program education within underserved communities.

Background

During FY22, the Outreach Team completed a fiscal year in a mostly remote environment due to COVID-19 while continuing to support the programs and engage with stakeholders across the entire state of New Jersey. The strategies had a positive impact on applications submitted, presentations given, energy savings, trade ally recruitment, BPU participation, and audit program

participation. This FY23 Outreach Plan incorporates lessons learned from past years to focus on tactics that increase engagement and energy savings over FY22.

Support for EMP Goals and Strategies

The Outreach Plan supports many of the EMP’s strategies and goals, as set forth in more detail below under Outreach Goals.

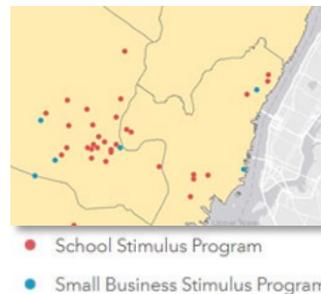
FY22 Highlights:

Program Performance

- Outreach activities took place in all 21 counties of New Jersey in FY22.
- Outreach-generated program applications totaled 5,874, surpassing the annual goal by January 2022. These included SmartStart, HVAC, and Residential Appliance applications that had a fixed time period from installation to submit an application.
- Trade ally training and program overview presentations were recorded and made available on the Clean Energy Learning Center website.

Equity

- Supported environmental justice through dedicated and focused efforts to target select Overburdened Communities (“OBC”) as defined by NJ’s Department of Environmental Protection.
- Expanded outreach in the first quarter to assess local needs in OBCs by partnering with town councils, environmental commissions, housing authorities, community based organizations, and faith based organizations.
- Expanded outreach from the second quarter onward to OBC K-12 schools, women- and minority-owned small business owners, business development organizations in OBCs, and minority chambers of commerce in New Jersey. Provided them with information about NJCEP and the newly launched federally funded School and Small Business Energy Efficiency Stimulus Program.
- Supported the launch of the School and Small Business Stimulus Energy Efficiency Program mid-year by assisting in website content and design, collateral development in English and Spanish, slide creation, communication toolkits, and outreach activities.
- Expanded Spanish-speaking, community-focused outreach to include translated collateral, providing Spanish-speaking representatives at events, and providing customer/contractor support in Spanish. Outreach also created new relationships with the Essex County Latino-American Chamber of Commerce and the Hispanic Association of Atlantic County, and continued relationships with Hispanic organizations including a membership with the Statewide Hispanic Chamber of Commerce of New Jersey.
- Targeted minority organizations for further program awareness by conducting presentations, attending events, and providing program information for newsletter inclusion.



The GIS map shows outreach efforts made to target schools in addition to women- and minority-owned businesses within the Overburdened Communities of Essex and Hudson counties about the newly-launched Schools and Small Business Stimulus Grant Program.

BPU Support

- Supported BPU-led initiatives through presentation content, providing leads for events to attend and facilitating speaking requests to the BPU.
- Served on the EE Transition Marketing Working Group that planned and developed messaging for the program transition. Work included updates to the Transition Landing Page images, frequently asked questions, webpage banners, presentation slides, and content for the EE Stakeholder Committee Meetings.
- Created a collaboration matrix for coordinating municipal outreach with Sustainable Jersey and the BPU.

Adaptable Market Strategies

- Provided presentations specific to careers in energy efficiency to college students and educators at Rutgers University.
- Developed content for NJCEP/BPU social media feeds.
- Completed monthly updates to the GIS tool which maps NJCEP-approved projects.
- Planned and delivered targeted educational webinars during the COVID-19 pandemic that addressed varying topics supporting trade ally development and customer awareness.
- Setup key relationships with key organizations that are influential to new construction including Passive House and having a seat on the board at NJ Statewide American Institute of Architect.
- Updated the NJCEP presentation template and slides with portfolio updates, program updates, and streamlined the end user message.
- Shared program metrics and key municipal contacts with the Marketing Team to assist them track program metrics and develop a Municipal Toolkit with case studies.
- Continued to adapt to working during the COVID-19 pandemic by assisting with program messaging, and by adapting the Outreach Team to reach the target markets virtually through webinars, targeted e-blasts, and in-person events. Both in-person and virtual booths were designed and staffed at large conferences.



TRC coordinated and attended a virtual booth for the New Jersey School Boards Association's annual conference. The conference was virtual due to COVID-19 precautions.

Outreach Goals

The Outreach Team supports the goals of NJCEP, as well as those of BPU and the Administration, including:

- **Support the Administration’s goal of 100% clean energy by 2050** – Since the release of the 2019 New Jersey EMP, the Outreach Team’s support of the Plan’s strategies continues to play a crucial role in reducing our reliance on fossil fuels.

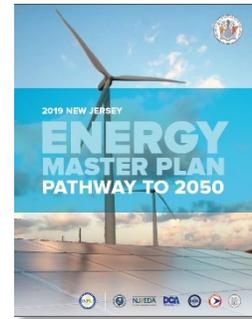


Table 3: EMP Strategies versus Outreach Tactics

EMP Strategy	Outreach Tactics
1. Reduce Energy Consumption and Emissions from the Transportation Sector	███
2. Accelerate Deployment of Renewable Energy and Distributed Energy Resources	███
3. Maximize Energy Efficiency and Conservation and Reduce Peak Demand	███
4. Reduce Energy Consumption and Emissions from the Building Sector	███
5. Decarbonize and Modernize New Jersey’s Energy System	███
6. Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low and Moderate Income and Environmental Justice Communities	███
7. Expand the Clean Energy Innovation Economy	███

- **Promote programs to customers, contractors, and trade allies** – Represent the Clean Energy Program in the marketplace for all programs and program enhancements. We will work across all target markets to ensure they have the necessary information and training to fully engage in the programs.
- **Support Environmental Justice to Overburdened Communities and customers** – Work with BPU, other state agencies, and community organizations towards ensuring all customers have an equitable opportunity to learn about and use the programs.
- **Support the Marketing Team’s promotional efforts** – Collaborate with BPU and the Marketing Team to deliver consistent marketing messages and themes. Program information will be shared as requested to highlight successes around program opportunities, successes, and events.
- **Collaborate with BPU to reach specific sectors and customers** – Jointly develop outreach strategies for specific sectors to leverage contacts and expertise.

The tactics outlined in this plan support these goals. The Key Performance Indicators (“KPI”) listed below and others will be included in monthly reports to track progress toward these goals.

Target Markets

NJCEP programs are available to New Jersey customers of any Investor-Owned Utility. Outreach efforts address a vast audience across multiple markets including residential, business, local government, and nonprofit entities. The tactics described within this plan address these target markets to increase the reach and success of NJCEP programs.

Table 4: Market Category Definitions

Market Category	Definition
 Customer	Homeowners, Property Owners/Managers, Renters, Businesses, NPOs, State, County & Municipal Government Entities, Schools
 Contractor	HVAC & Insulation Contractors, Plumbers, Remodelers, Electricians, Program Contractors
 Trade Ally	Builders, Developers, Architects, HERS Raters, Consultants, ESCOs, Engineers, Realtors, Manufacturers, Distributors, Retailers, Certification Technicians
 Stakeholder	Community Organizations, Membership Organizations, Green Teams, State Agencies, Chambers of Commerce, Business and Economic Development Associations
 Partner	Marketsmith, Sustainable Jersey, NJ Institute of Technology, GreenFaith, County Improvement Authorities, Utilities (Atlantic City Electric, Elizabethtown Gas, Jersey Central Power & Light, Public Service Electric & Gas, New Jersey Natural Gas, Rockland Electric, South Jersey Gas, Environmental Protection Agency, Department of Energy, United States Department of Agriculture – New Jersey, New Jersey Department of Environmental Protection, New Jersey Business Action Center, ENERGY STAR, United States Green Building Council



The New Jersey League of Municipalities' annual conference was the first in-person conference attended by TRC post-COVID restrictions.

Outreach Tactics

Tactics are how we achieve our goals. They are specific steps and actions taken to support the outreach strategy and give structure to day-to-day activities. Most tactics employed in FY23 address the strategies of the EMP along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below. The Outreach Team has two primary focuses: Community Outreach and Program Outreach.

Equitable Community-Specific Outreach

Equity Ensuring equitable access to and awareness of the programs offered by NJCEP is a cornerstone of outreach. The Community Outreach Account Manager team will continue to broaden equitable outreach to women- and minority-owned small businesses that started mid-FY22 in support of the School and Small Business Stimulus Program. In FY23, the Outreach Team will continue to segment into two different focuses: Program Outreach and Community Outreach.

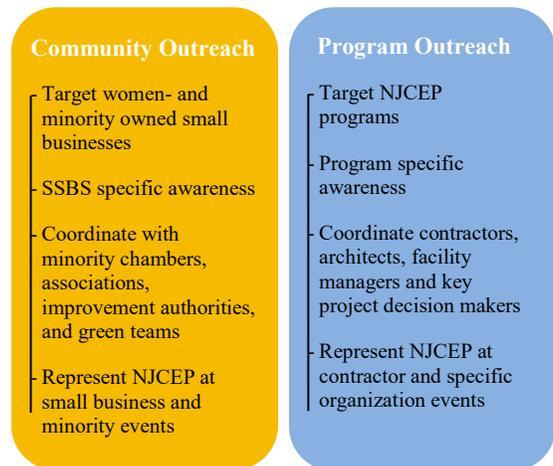
School and Small Business Stimulus Program

In FY23, through a two-pronged approach, outreach will work toward metric goals for Trade Ally Recruitment and general program awareness of the School and Small Business Stimulus Program.

Trade Allies are key to assist program outreach and be the point person to guide customers through the program. The team will seek a deeper focus on Trade Ally recruitment to help customers access this program. This approach will help bring trade allies to customers that may not have the staffing or capacity to use the program.

General awareness that the program is available and where to go to find a trade ally for the next steps of program participation is important, especially to women- and minority-owned businesses. The team will continue to use the targeted list of qualified underserved areas for the School and Small Business Stimulus Program, state registry of women- and minority- owned businesses, collaboration with the Division of Clean Energy's Office of Clean Energy Equity, and partners such as the Marketing Team and Sustainable Jersey for jointly targeted campaigns. Community Account Managers will expand messaging, materials, and strategies to engage with women- and minority-owned small businesses in New Jersey to bring projects into the new federally funded program. Identified markets to promote the program and recruit customers will include professional organizations, outreach partners, trade allies, and customers. The community team will conduct the following tactics in collaboration with BPU efforts to promote market awareness:

1. Trade ally engagement and recruitment;
2. Organizational partnerships;
3. Informational webinars and presentations;
4. Event attendance with the target market;
5. Direct outreach to eligible customers;



6. Media resources development: social media, radio interviews, newspapers, publications, newsletters; and
7. Select canvassing with partners such as Green Teams.

Customized Program-Specific Outreach

While the Community Account Managers focus on the federally-funded School and Small Business Stimulus Program, Program Account Managers focus on outreach designed to bring projects into the programs offered in this filing. Each program has different target applicants, membership organizations, and other access points, so the outreach techniques will be customized for each of those project sectors. This design for FY23 allows the Program Account Managers to specialize in specific focus areas needed to assist participants in navigating the programs, understanding their opportunities for energy savings, and applying to the programs.



Outreach focuses on program awareness to existing and potential trade allies and customers to become their main point of contact for project inquiries. The Outreach Team then identifies the program path that is best fit for their projects and offers ongoing support as they re-engage in the program with additional projects.

We will continue our educational training series specific to each sector to educate potential participants about the benefits of participation and help identify the program path most-suited to each potential participant’s needs and interests. We will represent the entire NJCEP portfolio at events and triage inquiries about BPU-led initiatives to the BPU. Utility run programs will be referenced as a standard part of the messaging for increased clean energy awareness.

New Construction Program: Engage Contractors & Trade Allies

NEW in FY23 In FY23, the residential and C&I new construction programs are expected to merge into a single streamlined New Construction Program. This unified program would change the way in which the Outreach Team will network and communicate about NJCEP offerings. The Outreach Team would create presentation slides, draft collateral content, assist with the program website design, conduct trade ally and market education around the new program, assist trade allies in navigating the new program design, and spread program information to industry and partner organizations.

New construction contractors and trade allies have direct contact and influence with potential new construction customers. They are involved in all facets of a project, from design through construction. The Outreach Team maintains and cultivates relationships with these contractors by participating in professional organizations and soliciting program feedback. This approach serves to improve the customer experience and program quality. A goal is to minimize lost opportunities by making trade allies aware of program opportunities early in the design process.

The Account Manager would be the lead in educating the public about the new program design by leveraging relationships with key Trade Ally groups and partners that include builders/developers, contractors of new construction projects, stakeholders, facility managers, energy managers, and realtors. The Account Manager would provide program education to these target groups through collateral, social media content development, program overview presentations/webinars,

application training presentations/webinars, new construction educational webinars, staffing meetings, and events. The Account Managers would also provide to the trade allies within their assigned program focus an awareness of the other programs.

Some contractors and membership organizations span both the Residential and C&I market, such as the U.S. Green Buildings Council of NJ and the American Institute of Architects, while other contacts and organizations may focus on specific building or development types. One such sector that focuses on a development type is indoor agriculture, a sector with which we are actively engaged through our relationships with groups that include NJ Cannabis Insider, the Cannabis Regulatory Commission, and Rutgers Eco Complex. The new, unified New Construction program would allow the Outreach Team to have a more streamlined approach to partnering with these organizations, as well as a simplified process and message to their members.

Additional memberships and partnerships that will continue include but are not limited to:

- Associated Builders & Contractors;
- Commerce & Industry Association of New Jersey;
- Commercial Real Estate Development Association;
- New Jersey Alliance for Action;
- New Jersey Association of Energy Engineers;
- New Jersey Builders Association;
- Jersey Shore Builders;
- International Facility Management Association of New Jersey;
- Metropolitan Builders & Contractors Association of New Jersey;
- Society of Mechanical Engineers New Jersey; and
- Southern New Jersey Development Council.

The comprehensive contact list of new construction contractors and stakeholders is constantly being updated as the construction industry continues to expand. The list will be used to promulgate program information and invite key decision-makers to NJCEP-hosted events including webinars, presentations, and NJCEP booths at industry trade shows and conferences. The message will remain all-encompassing regarding NJCEP programs as there are other programs that are applicable to these contractors as well.

In FY23, it is crucial that outreach efforts are complemented with marketing efforts to transform the New Construction marketplace to spark consumer awareness and demand for highly energy efficient buildings, in addition to encouraging builders to build with bundles of high efficiency equipment or use one of the higher efficiency pathways by partnering programs with ENERGY STAR, LEED, Passive Home, or Zero Energy Ready Homes. The Outreach Team will work with the BPU to recommend complimentary marketing strategies or campaigns.

Local Governments: Engage Counties, Municipalities, K-12 School Districts, and Higher Education

BPU programs available to local governments include the LGEA and new construction programs. LGEA is the most popular of the programs, as it is often the first step to entering into the other programs, including the BPU's Energy Savings Improvement Program (ESIP).

An Account Manager will specialize in ensuring that these entities are aware of the NJCEP programs through involvement in annual conferences, the creation of newsletter content for applicable organizations, and the development of continued trainings such as the one that the Outreach Team conducts for municipal staff through Rutgers University Continuing Education. Organizational involvement will continue with the Association of Counties, Conference of Mayors, School Buildings and Grounds Association, School Boards Association, and League of Municipalities. Equitable outreach for overburdened towns and authorities will be included during FY23.

Large Energy Users and CHP/FC: Targeted Contractors

The outreach to expand the customers using the Large Energy User Program will be done in conjunction with the known contractors and Trade Allies who target these customers. Additionally, we will continue to maintain relationships with past program participants to ensure they remain engaged in the program as many applicants tend to re-apply each fiscal year.

The Combined Heat & Power and Fuel Cell (CHP/FC) program is expected to undergo program redesign in FY23. The Outreach Team will provide the program change information in webinars that address fiscal year changes and send an eblast to trade allies who have worked on past NJCEP CHP/FC projects.

Trade Ally Development

To streamline operations that support contractors and trade allies, a specialized Account Manager (“Trade Ally Manager”) will engage the existing trade ally network and actively recruit new contractors, consultants, and other business entities that have an energy efficiency-focused business interest in NJ. During the past years, NJCEP data has shown that campaigns focused on recruiting new trade allies bring in the largest number of program applications. A trade-ally-focused approach is essential to recruit, maintain, and support a healthy trade ally network to promote the programs to their customers. The Trade Ally Manager is responsible for developing content for collateral and presentations that recruit, train, and support the trade allies. Account managers will continue to offer one on one project specific assistance to contractors as needed.



Recruit

In FY22, the Trade Ally Manager hosted monthly Trade Ally Engagement and Recruitment Webinars that averaged over 60 registrants and resulted in the recruitment of 23 new trade allies. Using a combination of historic program data, purchased lists, and public-facing data, a strategic recruitment initiative will take place in FY23 for the contractors and raters who have utilized and participated in the programs and those who are the leaders for New Jersey in new construction and small business. New metrics will track trade ally recruitment. Recruitment efforts will take place through calling campaigns, professional organization involvement, and round-table events. Program collateral will be available to give a general overview of NJCEP and success stories to highlight benefits to the end customer and contractor. New collateral specifically for trade ally recruitment will be created. Recruitment efforts will be planned in coordination with the Program Managers and other Account Managers to focus on programs that require additional contractor awareness and participation.

Train

A series of contractor and rater trainings will be developed to address various areas of interest, including benefits to the contractor and customer, program overview, and how to fill out the applications. Trainings will offer short and streamlined messaging that will be recorded and saved on the program website and Clean Energy Learning Center in the form of short vignettes for future reference. The Trade Ally Manager will create and deliver content for the training presentations. In FY22, the Trade Ally Manager coordinated several application training and program overview webinars that were posted to The Clean Energy Learning Center.



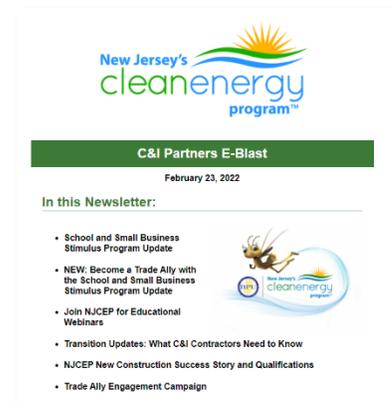
FY22 Trade Ally Survey

A monthly 30-minute webinar with a focus on program awareness and trade ally recruitment will be held that will go into the details of the programs and showcase success stories. The target audience will be new contractors being recruited as well as existing contractors and their application processing staff who may need a program refresher.

Support

The Trade Ally Manager offers ongoing support to the past and future program contractors and is responsible maintaining contact with the trade ally network to solicit input on needs, feedback on their experience with the programs, and input on potential program changes or enhancements. Ongoing support to the contractors by the Trade Ally Manager includes:

- **Collateral** content to support contractors in general program awareness and focused sector specific collateral where applicable;
- **Success Story** collaboration with Program Account Managers to ensure that a regular flow of new success stories is acquired for each program;
- **Monthly Newsletter** of all program changes, collateral links, training invitations, and upcoming networking events;
- **Quarterly Contractor Coffee** will be hosted by TRC to in a live person-to-person setting address questions the trade allies may have about the application process. Program staff will be on standby for detailed questions. As needed or appropriate, this will consider and address any current COVID-19 restrictions and protections;
- **Quarterly Networking** events where contractors can meet each other as well as program staff and form valuable partnerships in a structured networking format; and
- **Annual/Bi-Annual Survey** to solicit feedback that will further allow the Outreach Team and program design team to support the program participants.



Monthly Eblast Newsletter

Energy Efficiency Transition Support

As of July 1, 2021, some programs previously run by NJCEP are now run by the Investor-Owned utility companies. The process of the change is referred to as the Energy Efficiency Transition.

During FY22, the Outreach Team supported transition-related education and messaging as needed and ensured that the website communications are in both English and Spanish. During FY23, the team will continue to provide some ongoing support around the transition.

BPU Support

The Outreach Team will continue to support the BPU through the EE Marketing Working Group by coordinating new messaging and website updates. This will include content updates and maintenance of the Transition Landing Page and Frequently Asked Questions, all in both English and Spanish.

Utility Coordination

TRC will continue to attend the EE Marketing Meetings with utilities and BPU staff to participate in joint efforts around messaging and marketing. Ensuring that all messaging is clear and coordinated will continue to help ensure a seamless transition. In FY22, this included the coordination of “key utility implementor” contacts for sharing information about projects with the potential to participate in the utility-sponsored programs. This is the case, for example, when LGEA projects are at their final stage for School and Small Business Stimulus Projects are eligible to participate in utility programs.

Expanded Outreach Education

A key Outreach tactic is the education of trade allies and underserved communities about the positive environmental and financial impacts of participating in NJCEP programs. Educational efforts start with research and collateral development. The Outreach Team will identify and secure speaking opportunities where we can reach larger audiences to present the programs. Additionally, the Outreach Team will continue to leverage and coordinate speaking or event engagements with BPU, utilities, Sustainable Jersey, GreenFaith, and other partners. These efforts lead to one-on-one assistance into the programs.

During FY23, we will assess community and partner needs and develop delivery timelines in collaboration with them. We will also evaluate the level of education needed for each audience and the need for sector specific collateral.

Customized Collateral Development

 Customized, sector-specific collateral has become increasingly well received. In FY23, the Outreach Team will identify additional sectors that would benefit from customized collateral such as one-page summary sheets for design-build contractors, architects, and developers. The Outreach Team will use BPU’s one-page template. All collateral will be reviewed by BPU staff.

Known collateral needs are listed below. These materials will provide basic information to generate interest and direct the reader to an Account Manager who can then provide personalized guidance.

- **New Construction:** An overview of the suite of new construction program offerings.
- **Small Business Spotlight:** An example of how women- and minority-owned small businesses work with NJCEP through several short case studies on the School and Small Business Stimulus Program.

- **Benefits of being a Trade Ally:** A recruitment-focused piece highlighting the benefits of being a NJCEP trade ally.

Customized Training Series

Whether it is a one-time training or a series of trainings, the Outreach Team will determine the educational needs of the audience. We will respond to such needs and continue to adapt our regular presentations to emphasise the current landscape of energy efficiency incentive programs and provide additional trainings for trade allies. We will offer a training series on the redesigned New Construction Program and the application process. Additionally, we will develop our current trade ally network and expand the number of trade allies and contractors who understand and participate in programs.

One-On-One Assistance

Successful outreach and education require regular follow-up and offers of assistance to ensure customers have what they need to understand the programs and allow projects to move ahead. Soliciting feedback from customers regarding their experience is also critical in allowing us to improve materials and programs, and to garner feedback on making the information finely tuned. As part of our trade ally coordination efforts, we will conduct regular surveys to the NJCEP trade ally network to gauge program performance and solicit feedback. One-on-one assistance will continue with contractors, local governments, and businesses to help promote all programs.

Multi-lingual Educational Outreach

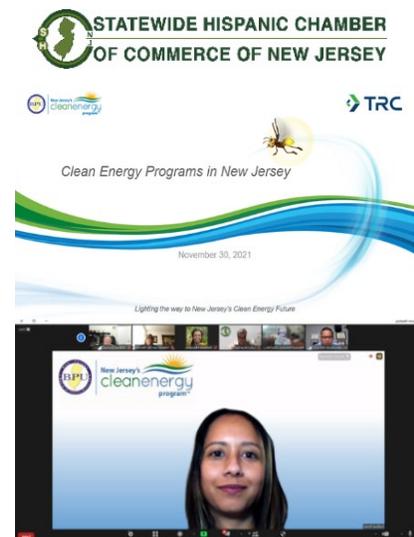
Equity According to the U.S. Census Bureau, New Jersey has a higher percentage of Spanish speaking households than the average in the United States and the highest percentage in the Northeast region of the United States. In FY22, select program collateral was translated and made available in Spanish. All applicable new and updated collateral for FY23 is planned to be made available in Spanish and English. Outreach pass-through funds have been set aside for professional translation services.

A Spanish-speaking Community Account Manager oversees the Spanish educational outreach. She works with the Community Team to address the Spanish language needs of participants. This service will continue to align with the FY23 program offerings and will be a key component of the Community Outreach to Spanish-speaking communities.

While Spanish is the main language spoken after English, the Outreach Team will also work with any community organizations that may request NJCEP collateral in other languages to offer translation services.

Support BPU-Led Initiatives

BPU and TRC each have primary responsibility for developing and delivering components of the NJCEP. The Outreach Team’s role is to bridge the gap so customers can navigate the program options that are most applicable to them. To do so, the Outreach Team discusses with customers



their needs and ensures they are aware of the entire Clean Energy Program portfolio. The Outreach Team will continue to refine the NJCEP presentation in order that the infographic and presentation flow addresses the audience appropriately based on the audience’s specific needs. The NJCEP portfolio overview infographic is used in most presentations to give an overview of the all programs available before diving into the discussion topic of the core presentation.

The Outreach Team stays up-to-date through BPU staff presentations of BPU-led initiatives. Outreach Team members are able to answer high level questions about all BPU initiatives and can direct specific inquiries to BPU staff, as needed. Many events that the Outreach Team already attends offer solid opportunities for the sharing information about BPU-led initiatives. Like-minded customers tend to have overlapping interests in sustainability. This is one reason it is important for the TRC and BPU-led initiatives to work together for consistent and comprehensive messaging.

The Outreach Team coordinates and processes the purchases and expenses related to printing all program collateral related to energy efficiency programs that TRC works on. The Outreach Team ensures there is a current stock with BPU and Outreach Team members, as well as at meetings and events, where applicable.

BPU Support and Coordination

The Outreach Team will work closely with BPU staff to align program messaging and event representation with priorities of the BPU. This includes regular status meetings to ensure BPU is aware of the outreach activities, events, and speaking opportunities identified for BPU staff and/or Commissioners.

Support Commissioner Engagement

The BPU Commissioners have expressed interest in continuing their involvement in the promotion of the programs, along with experiencing some of the interactions that take place between NJCEP participants and program staff. Commissioner participation supports the NJCEP, demonstrates program enthusiasm, and allows Commissioners to receive direct feedback from participants and stakeholders.

In FY22, we continued to identify speaking opportunities for BPU Commissioner participation and looked for opportunities for the Commissioners to engage with customers on a one-on-one basis. In FY22, the number of live events was limited due to COVID-19 restrictions.

As the state restarts in-person events, engagements will be flagged for Commissioners. These engagements may include stakeholder meetings, presentations to trade organizations, presentations to member organizations, panelist opportunities at trade shows, meetings with large energy users or key accounts, meetings with other state agencies, ribbon cutting ceremonies for completed projects, customer acknowledgments for milestones achieved, and LGEA audit and report presentation exit meetings.



In FY23, we will continue the “Commissioner Concierge” approach in which a team member is assigned to supply the Commissioners and their staffs with a seamless speaking engagement experience. This concierge approach supports Commissioner events from beginning to end. The assigned team member works with the Commissioners’ staffs to ensure they are well prepared for their event. This involves supplying specific background details as defined by BPU speaking engagement templates, such as presentation type and length, event agenda, speaking time window, bulleted program data points, and post-event networking opportunities. The Outreach Team will also provide site support for the Commissioners and their staff. Additional support requirements will be defined as required.

Coordinate with BPU Staff

Coordination with the Division of Clean Energy and Ombudsman’s Office is critical to ensure our messages are consistent, that we are not duplicating efforts, and that we are documenting both successes and opportunities for additional communication and outreach. We will coordinate with BPU staff to support and monitor cross-team outreach efforts to community organizations, local governments, and state agencies.

Regular reports, meetings, and calls will continue to address specific events and provide more in-depth knowledge into program information. We will continue to share event calendars and presentation content.

Outreach staff will attend meetings, site visits, or events as requested by the BPU staff. The Outreach Team will provide the relevant program presentation and materials for the meeting, in addition to conducting any follow-up needed to assist the customer in using the programs.

Coordinate with Marketing Team

The Outreach Team will support the Marketing Team’s marketing campaigns, both by responding to data information requests and by preparing program-specific plans. Collaboration will be critical as specific marketing plans are developed and implemented so that the Outreach Team can be prepared to support and provide the data needed.

The NJCEP branding and messaging that the Outreach Team uses will be consistent with the messaging of the Marketing Team. The program benefits most from synchronized Marketing Team and Outreach Team coordination to best target NJCEP programs and provide equitable awareness of the programs. The Outreach Team proposes having monthly meetings with the Marketing Team to understand their timelines and to prepare the program staff for the upcoming focuses and workload shifts.

Create, Develop, and Maintain Partnerships

Maintaining partnerships is key to ensuring that the Outreach Team and Partners are aware of the other’s initiatives and changes that occur. In FY23, we will continue to build upon our existing partnerships and pursue new partnerships that include Overburdened Communities, targeted community organizations, and new trade specific membership organizations.

Sustainable Jersey

Coordination with Sustainable Jersey will continue to support its participants who are interested in NJCEP and offer program guidance to their Energy Team. Our efforts will include:

- Working with the ten Regional Hubs that bring together the Green Team representatives from all the participating towns in that region to share information about the Clean Energy Programs and develop coordinated plans to implement actions and measure success;
- Co-presenting webinars about NJCEP;
- Participating in the Sustainable Jersey Energy Task Force Meetings to ensure the Outreach Team provides input regarding updates to Sustainable Jersey relating to NJCEP initiatives;
- Coordinating with Sustainable Jersey on the monthly conference calls about upcoming events, conferences, and inquiries it receives regarding NJCEP; and
- Training Sustainable Jersey’s Environmental Defense Fund interns and Sustainable Jersey staff on the LGEA process, tips around LGEA outreach, and how to refer new construction and small business opportunities to NJCEP staff.

County Improvement Authorities

The roles of County Improvement Authorities vary from county to county depending on their enabling laws. They typically support business retention and attraction for their respective territories. Some may provide financing and tax incentives, and most work closely with their municipalities to support local growth initiatives. Improvement authorities also work closely with local chambers of commerce, rotary clubs, and business associations. They provide a platform to educate local government units and entities to programs that support their objectives. These organizations provided a valuable opportunity to promote the programs and helped to identify potential projects in recent years. Account Managers will continue to connect with improvement authorities to pro-actively seek opportunities to participate in meetings and events to create awareness of NJCEP offerings.

Investor Owned Utilities

Collaboration with the State’s utilities is critical to providing customers with a clear and understandable path to undertaking energy efficiency projects and obtaining financial incentives. The Outreach Team will continue to build on those relationships and identify opportunities to co-promote program offerings and provide customer assistance. We will continue to communicate program changes to utility contacts to ensure that they are aware of the changes and to create a direct channel for answering questions they or their customers may have. The Outreach Team will continue to work with utility representatives to understand their program offerings so Account Managers can guide potentially eligible projects to the programs that best fit the customers’ needs and wants. Partnerships will be offered in FY23 to co-present with utilities to applicable audiences that benefit from understanding transition, the utility program offerings, the NJCEP offerings, or any combination of the foregoing. Such partnership might include, among other things, joint presentations with organizations where NJCEP has historically had an active presence or joint presentations at larger conferences.

Organizations, State, and Federal Agencies

We are currently active members in several organizations, such as:

- Association of Women Business Owners
- African American Chamber of Commerce of New Jersey
- American Institute of Architects New Jersey
- Housing and Community Development Network of New Jersey
- New Jersey Association of Counties

- New Jersey Association of School Business Officials
- New Jersey School Boards Association
- Property Owners Association of New Jersey
- Shore Builders Association of Central New Jersey
- Statewide Hispanic Chamber of Commerce
- U.S. Green Building Council
- Statewide Hispanic Chamber of Commerce
- Regional Chambers of Commerce (Greater Elizabeth Chamber of Commerce, Newark Regional Business Partnership, North Essex Chamber of Commerce, Somerset County Business Partnership Chamber of Commerce)

The Outreach Team will investigate membership and partnership opportunities such as the New Jersey State Chamber of Commerce and other community focused chambers. where we can leverage more speaking engagements and promotional options (e.g., newsletter articles, success stories). FY22 included involvement and memberships with several minority organizations that the Community Specialists will continue to maintain. State and federal relationships will be maintained as well, such as:

- U.S. Department of Agriculture - Project coordination with NJ staff to incorporate their grant program with NJCEP offerings;
- NJ Business Action Center - Project referrals to NJCEP and conduct joint presentations;
- Design Lights Consortium (“DLC”) - Active participation and applicable outreach or program committees that they offer; and
- New Jersey Institute of Technology – Provide programmatic and educational content for the Clean Energy Learning Center.

Prepare the Market for Program Enhancements

NJCEP programs are continually updated and enhanced, typically on an annual basis. The Outreach Team supports customers, contractors, trade allies, and other stakeholders through these changes.

FY23 program enhancements include the updates on programs within this filing and high level updates on other BPU-led programs. The related outreach effort will include:

- Development and delivery of training for contractors and customers;
- Development and delivery of informational webinars;
- Articles in newsletters;
- Presentations at conferences and trade shows;
- One-on-one customer engagement, including either in-person visits or virtual contact with, equipment manufacturers, contractors, builders, and architects;
- Website postings;
- E-mail blasts; and
- Updates to presentations and collateral materials.

The Outreach Team will coordinate with BPU staff as it develops these plans and tools.

Delivery

The Team

The Outreach Team is comprised of an Outreach Manager, an Administrative Coordinator, Account Managers (“AMs”), and a Trade Ally Manager. This Team collaborates closely with BPU staff, and the market sectors identified above.



** Not a single person but rather an FTE equivalent*

Outreach Manager

The Outreach Manager works with the BPU and the members of the Outreach Team to accomplish the tactics of this plan and the priorities of the Division of Clean Energy. The Outreach Manager oversees open and effective communication between the Outreach Team and the BPU, as well as regular reporting on Key Performance Indicators and Outreach event follow-up.

Administrative Coordinator

The Administrative Coordinator plays a key, office-based role in supporting Account Managers and the Trade Ally Manager. The Administrative Coordinator is a key communicator among professional organizations, event coordinators, the Outreach Team, and the BPU. The coordinator manages event logistics, supplies literature and giveaways, maintains the calendars of events and approvals, and processes purchasing. Their role may require the coordinator to attend some events and presentations in support of Outreach Team activities.

Account Managers & Trade Ally Manager

Outreach Account Managers are the cornerstone of the Outreach Team. Account Managers tailor engagement to participant knowledge and expertise that are best suited for each unique project.

Program Account Managers work exclusively to ensure that contractors, trade allies, stakeholders, and partners are aware of NJCEP and are submitting applications to NJCEP. They focus on specific programs since each program has a different target applicant type. Most are working on new construction and have a regional presence across the state of New Jersey.

Community Account Managers (formerly known as “Community Organizers”) shifted roles in the past year to focus on recruitment for the School and Small Business Stimulus Program. In this capacity, they focus customer recruitment on Overburdened Communities and women- and minority-certified small businesses. The focus in FY23 will continue with these target market groups as well as minority and small business professional organizations.

One of the Account Managers, specifically, the Trade Ally Manager, focuses on Trade Ally engagement. The targeted focus allows the Trade Ally Manager to specialize and have targeted relationships with professional organizations where the target applicant can receive the message about NJCEP. The Trade Ally Manager provides specialized educational training about the

programs, application training, and application support to the contractors and trade allies. The Trade Ally Manager is responsible for recruiting trade allies and customers that submit projects into the program pipeline.

Key Performance Indicators and Reporting

Key Performance Indicators

NEW in FY23 The Outreach Team tracks the impacts of its efforts via key performance indicators (“KPIs”). The KPIs below are a sample of the metrics tracked and reported monthly. Monthly reports will be provided to BPU staff regarding progress toward goals, monthly planning, and other outreach activity. Additional details are provided in the monthly reports that are sub-metrics of these KPIs, such as the number of people engaged at events and presentations and the number of LGEA applications attributed to Outreach. The Team will continue to work with BPU staff to refine these reports.

New in FY23 is the tracking of Trade Ally Recruitment for both the New Construction and the School and Small Business Programs. Sub-metrics will also include a break-out of new project opportunities created by the Outreach Team for the School and Small Business Program.

Table 5: Outreach Key Performance Indicators (12 months)

Outreach	Annual Target
Application Enrollments: # of applications received attributed to outreach	365
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	1077
Events: Events such as conferences and trade shows attended promoting NJCEP or NJCEP hosted contractor events	98
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	60
Trade Ally Recruitment: New trade allies registered with NJCEP to focus on the current portfolio of energy efficiency programs	65

Note 1: FY23 KPIs are based on FY22 performance and assume that the Outreach Team efforts will continue to be a hybrid of virtual and in-person environment. Should work conditions change, KPIs may be adjusted.

Reporting

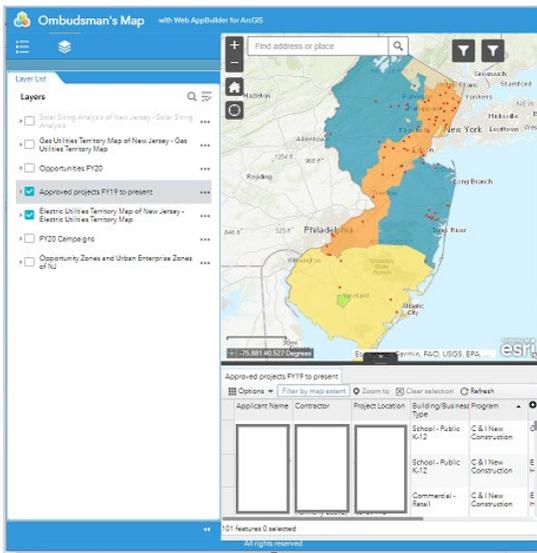
We use a variety of tools to help inform the BPU staff and Commissioners about outreach activities. Report formatting will be addressed to ensure that it meets their needs for FY23. The Monthly Progress Report is the primary reporting tool. It contains a dashboard overview of KPI metrics and progress towards the goals. It highlights themes, events, and purchases completed throughout the month, as well as joint planning initiatives and partner collaboration. Additional

reporting includes invoice back-up, a list of approved program projects, monthly call center summary, and updates made to the Office of the Ombudsman’s GIS reporting system, described below.

GIS Reporting

A geographic information system (“GIS”) reporting platform delivers monthly data regarding incoming projects. This enhanced GIS application tool provides regional visualization that is used for internal planning and included in NJCEP quarterly reporting to the BPU. Additional layers were added in FY22 including utility territories and Overburdened Communities at the request of the Office of the Ombudsman.

The platform is accessible to Account Managers and the BPU’s Office of the Ombudsman via desktop or mobile applications. Additional layers may be added at the request of the Office of the Ombudsman to coordinate efforts between its office and the Outreach Team. Data is updated monthly to include Outreach campaigns, opportunities, and project submissions. Maps are used as an outreach management tool and can be produced for BPU staff to include in presentations.



The Outreach Team manages the Ombudsman’s Office ArcGIS access to “layers” such as these shaded zones showing utility coverage and the red circles indicating NJCEP approved project data that has been filtered by the user using any number of data fields.

Rider A: Website

TRC will continue to host New Jersey's Clean Energy Program website.

A redesign of the website has been identified as a priority by the BPU. The Outreach Team looks forward to supporting those redesigning the site, and it will continue to provide feedback from interactions with trade allies and the public. An updated design will improve the user experience and facilitate customer and partner use the site by making it easier for them to find the most frequently used documents, submit applications, and identify new content. The new website will, through the use of website analytics, provide a better user experience and logical points of engagement along the customer's journey.

Rider B: Outreach Pass-Through Budget

The Outreach Pass-through budget supports activities specifically related to implementing the Outreach tactics described in the Outreach Plan. All expenses are approved in advance by BPU staff. Examples of expenses that support Outreach may include:

- Booth space at a trade shows,
- Event registration costs,
- NJCEP promotional giveaways,
- Sponsorship at events and local chamber of commerce meetings,
- Advertisements at events where outreach staff will be attending,
- Printing of program collateral, and
- Translation services for program information/collateral.

Appendix A: Residential Incentives (including Enhancements)

Residential New Construction

Table 6: Financial Incentives per Unit for ENERGY STAR Certified Homes, ENERGY STAR Multifamily New Construction, Zero Energy Ready Home, and Zero Energy Home + RE

	Single Home (i.e., 1 & 2 family)	Multi-Single (i.e., Townhouse)	Rater Incentive	Multifamily	MFHR
ENERGY STAR	\$1,000 + \$30/ MMBtu	\$500 + \$30/ MMBtu	N/A	\$500 + \$30/ MMBtu	\$500 + \$30/ MMBtu
ZERH	\$4,000 + \$30/ MMBtu	\$2,500 + \$30/ MMBtu	\$1,200 (single & multi-single only)	\$1,500 + \$30/ MMBtu	N/A
ZERH +RE	\$4,000 + \$30/MMBtu + \$2,000	\$2,500 + \$30/MMBtu + \$1,500	\$1,200 (single & multi-single only)	\$1,500 + \$30/MMBtu + \$750	N/A
UEZ/AH Bonus	+\$500 (add to any level above)	+\$500 (add to any level above)	N/A	N/A	N/A

Notes to the table immediately above:

- The above \$30/MMBTU is based on savings before any savings from Renewable Energy. MMBtu is the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline, reference home defined by the applicable energy code, all as described in more detail in the RNC Incentives section of this Compliance Filing.
- This table is only for Dwelling Units and single-room occupancy (SRO) units. As relevant to this table, SROs are limited to buildings of less than five (5) units; buildings with five (5) or more SRO units may be eligible to participate in P4P or other C&I Programs
- New multifamily buildings having less than five (5) Dwelling Units are eligible for this RNC Program.

Appendix B: C&I and DER Incentives and General Rules

Extension Policies

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six months or one year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second, extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in the Compliance Filings and in the Guidelines established for each program. The Program Administrator, with the approval of Board staff, may approve up to two extensions, each of a length set by the PA with the approval of Board staff, beyond the extensions the Program Managers are authorized to approve.

C&I / DER Incentive Caps

Incentive caps have been established to ensure that there is equitable access to the C&I and DER programs for all qualifying customers. These caps have been established because of the potential scale of commercial/industrial projects, where a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most C&I and DER programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

C&I / DER Entity/FY Incentive Caps

The incentives provided by NJCEP to any single entity in any given FY shall be capped at a maximum of \$4,000,000 (“Entity/FY Cap”), in addition to the other incentive caps described above. Each Program’s and/or Path’s milestones for determining when incentives count towards a given FY’s Entity/FY Cap are as follows:

- Application approval - SmartStart NC, CTEEP NC, CHP-FC.
- Energy Reduction Plan / Proposed Energy Reduction Plan approval – P4P NC.
- Final Energy Efficiency Plan approval – LEUP.

Incentives under any NJCEP C&I and DER Programs, except LGEA, count toward the Entity/FY Cap. An FY is any 12-month period from July 1 – June 30. Once the Entity/FY Cap in a given FY has been reached, the earliest an entity may apply for subsequent incentive funding is July 1 of the next FY. For example, if an entity reaches its Entity/FY Cap on March 15, 2019, it must wait until at least July 1, 2019, the first day of the next FY, to apply.

Total Cost Incentive Cap

In addition to the caps described above, no project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost¹⁹ of measures installed or performed.

¹⁹ Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

C&I New Construction Incentives

Custom Measures

- Performance incentives of \$0.16/kWh and \$1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback, subject to enhancement, where applicable, pursuant to the table immediately below. Based on estimated savings as approved by the Program Manager.
- Projects will use ASHRAE 90.1-2016 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2016 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency (“CEE”), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions.

Table 7: C&I Custom Measure Incentives

Equipment Type	Incentive Cap	Incentive Amount
Custom Measures	First-Year Savings Cap	Electric Savings: \$0.16/kWh
		Gas Savings: \$1.60/therm
	Project Cost Cap	50% of Total Installed Project Cost
	Buy-Down Cap	Amount to buy-down to 1-year payback

Electric Chillers

- **Note:** - The manufacturer’s published chiller efficiency must be determined using the Air-Conditioning, Heating and Refrigeration Institute (“AHRI”) 550/590 test procedures and at the AHRI standard evaporator and condenser temperatures. If an applicant has a water-cooled centrifugal chiller that is designed to operate at other than the AHRI standard conditions the procedure in Standard 90.1-2016, Section 6.4.1.2.1 may be used by the applicant to adjust the manufacturer’s published efficiency at non-AHRI conditions to the efficiency at AHRI standard conditions. The applicant will need to provide the manufacturer’s non-AHRI ratings, as well as the calculations for the chiller efficiency at AHRI conditions.
- Electrically operated comfort cooling air-cooled and water-cooled chillers are eligible for incentives under the prescriptive path. Chillers for process cooling (e.g. manufacturing,

data center, food storage or processing, etc.) loads may apply for an incentive under the custom path.

- Performance Incentives apply for each 0.1 EER above the Incentive Minimum EER or for each 0.01 kW/ton below the Incentive Minimum kW/ton.
- Proposed equipment must exceed minimum program efficiency requirements for Path A (constant speed) IPLV and Path B (variable speed) Full Load.

Table 8: C&I Electric Chiller Incentives

Equipment Type	Capacity	New Construction			
		Constant Speed		Variable Speed	
		Base \$/ton	Performance \$/ton	Base \$/ton	Performance \$/ton
Air Cooled Chiller	tons < 150	\$10.00	\$3.50	\$45.00	\$4.00
	tons ≥ 150	\$10.00	\$2.75	\$46.00	\$4.00
Water Cooled Chiller, Positive Displacement	tons < 75	\$6.50	\$2.25	\$20.00	\$2.50
	75 ≤ tons < 150	\$10.00	\$2.00	\$21.50	\$2.00
	150 ≤ tons < 300	\$8.50	\$2.00	\$21.50	\$2.00
	300 ≤ tons < 600	\$7.50	\$2.25	\$18.50	\$2.00
	tons ≥ 600	\$15.00	\$2.00	\$22.00	\$2.00
Water Cooled Chiller, Centrifugal	tons < 150	\$12.00	\$2.25	\$12.00	\$2.75
	150 ≤ tons < 300	\$5.00	\$2.00	\$15.00	\$2.50
	300 ≤ tons < 400	\$4.00	\$2.00	\$10.00	\$2.00
	400 ≤ tons < 600	\$4.00	\$2.00	\$12.50	\$2.00
	tons ≥ 600	\$4.00	\$2.00	\$12.50	\$2.00

Table 9: C&I Electric Chiller Minimum Efficiency Requirements

Equipment Type	Capacity	Constant Speed		Variable Speed		Constant Speed		Variable Speed	
		Incentive Minimum Full Load kW/ton	Qualifying IPLV kW/ton	Qualifying Full Load kW/ton	Incentive Minimum IPLV kW/ton	Incentive Minimum Full Load EER	Qualifying IPLV EER	Qualifying Full Load EER	Incentive Minimum IPLV EER
Air Cooled Chiller	tons < 150					10.3	13.7	9.7	16.12
	tons ≥ 150					10.3	14.0	9.7	16.42
Water Cooled Chiller, Positive Displacement	tons < 75	0.735	0.60	0.78	0.49				
	75 ≤ tons < 150	0.706	0.56	0.75	0.48				
	150 ≤ tons < 300	0.647	0.54	0.68	0.431				
	300 ≤ tons < 600	0.598	0.52	0.625	0.402				
	tons ≥ 600	0.549	0.50	0.585	0.372				
Water Cooled Chiller, Centrifugal	tons < 150	0.598	0.55	0.695	0.431				
	150 ≤ tons < 300	0.598	0.55	0.635	0.392				
	300 ≤ tons < 400	0.549	0.52	0.595	0.382				
	400 ≤ tons < 600	0.549	0.50	0.585	0.372				
	tons ≥ 600	0.549	0.50	0.585	0.372				

Gas Cooling

- For gas chillers, full load efficiencies are determined in accordance with A.H.R.I. 560, however, part load efficiencies are not rated.

Table 10: C&I Gas Absorption Chiller Incentives

Equipment Type	Size Range	Min Efficiency	Incentive
Gas Absorption Chiller	< 100 tons	> 1.1 Full Load COP	\$450/ton
	100 to 400 tons		\$230/ton
	> 400 tons		\$185/ton

Table 11: C&I Regenerative Desiccant Unit Incentives

Equipment Type	Requirement	Incentive
Regenerative Desiccant Unit	Must be matched with core gas or electric cooling equipment.	\$1.00/CFM of process air flow

Electric HVAC

- To be eligible for an incentive, the equipment must exceed the requirements in the tables below.

Table 12: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive \$/Ton
			SEER	EER	IEER	
Unitary HVAC Split System	< 65,000	1	14.0			\$92
		2	16.0			\$105
Unitary HVAC Single Package	<65,000	1	14.3			\$92
		2	16.0			\$103
Unitary HVAC Single Package or Split System	$\geq 65,000$ and < 135,000	1		11.5	13.0	\$73
		2		12.5	14.0	\$79
	$\geq 135,000$ and < 240,000	1		11.5	12.4	\$79
		2		12.0	14.0	\$89
Central DX AC	$\geq 240,000$ and < 760,000	1		10.5	11.6	\$79
		2		11.0	12.5	\$85
	$\geq 760,000$	1		9.7	11.2	\$72
		2		10.0	12.0	\$77

Table 13: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency					Incentive \$/ton
			SEER	HSPF	EER	IEER	COP	
Air Source Heat Pump Split System	< 65,000	1	14.3	8.4				\$92
		2	15.5	8.5				\$100
Air Source Heat Pump Single Package	< 65,000	1	14.3	8.2				\$92
		2	15.5	8.5				\$100
Air Source Heat Pump Split System	$\geq 65,000$ and < 135,000	1			11.5	12.2	3.4	\$73
		2			12.1	12.8	3.5	\$77
	$\geq 135,000$ and < 240,000	1			11.5	11.6	3.3	\$79
		2			11.7	15.0	3.3	\$82
	$\geq 240,000$	1			9.5	10.6	3.2	\$79
		2			9.7	12.0	3.2	\$82
Air Source Heat Pump Single Package	$\geq 65,000$ and < 135,000	1			11.5	12.2	3.4	\$73
		2			12.1	12.8	3.5	\$77
	$\geq 135,000$ and < 240,000	1			11.5	11.6	3.3	\$79
		2			11.7	15.0	3.3	\$82
	$\geq 240,000$	1			9.5	10.6	3.2	\$79
		2			9.7	12.0	3.2	\$82

Table 14: C&I Water Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Water to Air, Water Loop Heat Pump	< 17,000	1	12.4	4.3	\$20
		2	14.0	4.8	\$23
	≥ 17,000 and < 65,000	1	13.3	4.3	\$30
		2	15.0	4.5	\$34
	≥ 65,000 and < 135,000	1	13.3	4.3	\$40
		2	15.0	4.5	\$45

Table 15: C&I Single Packaged Vertical AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Single Packaged Vertical AC - SPVAC	< 65,000	1	10.2		\$10
		2	10.7		\$12
	≥ 65,000 and < 135,000	1	10.2		\$10
		2	10.7		\$12
	> 135,000 and < 240,000	1	10.2		\$10
		2	10.7		\$12
Single Packaged Vertical Heat Pump - SPVHP	< 65,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12
	≥ 65,000 and < 135,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12
	≥ 135,000 and < 240,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12

Table 16: C&I Ground Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Ground Source Heat Pump	< 135,000	1	14.4	3.2	\$40
		2	18.0	3.6	\$50
Groundwater Source Heat Pump	< 135,000	1	18.4	3.7	\$40
		2	22.0	3.9	\$48

Table 17: C&I Packaged Terminal AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/hr)	Minimum Efficiency		Incentive \$/Ton
		EER	COP	
Packaged Terminal AC	< 7,000	12.0		\$20/ton (all cooling capacities)
	≥ 7,000	12.0		
	≥ 8,000	11.7		
	≥ 9,000	11.4		
	≥ 10,000	11.1		
	≥ 11,000	10.8		
	≥ 12,000	10.5		
	≥ 13,000	10.2		
	≥ 14,000	9.9		
	≥ 15,000	9.6		
Packaged Terminal Heat Pump	< 7,000	12.0	3.4	
	≥ 7,000	12.0	3.4	
	≥ 8,000	11.7	3.3	
	≥ 9,000	11.4	3.3	
	≥ 10,000	11.1	3.2	
	≥ 11,000	10.8	3.2	
	≥ 12,000	10.5	3.1	
	≥ 13,000	10.2	3.1	
	≥ 14,000	9.9	3.0	
	≥ 15,000	9.6	3.0	

Table 18: C&I Electric HVAC Controls Incentives

- Hospitality/institutional buildings with more than 50 units are not eligible for Occupancy Controlled Thermostats for Hospitality/Institutional Facilities incentive.

Equipment Type	Controlled Unit Size	Incentive
Occupancy Controlled Thermostats for Hospitality/Institutional Facilities	Any capacity	\$75 per occupancy-controlled thermostat
A/C Economizing Control	≤ 5 tons	\$85/control
	> 5 tons	\$170/control

Gas Heating

Table 19: C&I Non-Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Non-Condensing	Hot Water	< 300 MBtu/h	85% AFUE	\$0.95/MBH; Min \$400
		> 300 to 1,500 MBtu/h	85% Et	\$1.75/MBh
		> 1,500 to 2,500 MBtu/h	85% Et	\$1.50/MBh
		> 2500 to 4,000 MBtu/h	85% Ec	\$1.30/MBh
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$400
		> 300 to 1,500 MBtu/h	81% Et	\$1.20/MBh
		> 1,500 to 2,500 MBtu/h	81% Et	\$1.20/MBh
		> 2,500 to 4,000 MBtu/h	81% Et	\$1.00/MBh
	Steam, natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$300
		> 300 to 1,500 MBtu/h	79% Et	\$1.00/MBh
		> 1500 to 2,500 MBtu/h	79% Et	\$0.90/MBh
		> 2,500 to 4,000 MBtu/h	79% Et	\$0.70/MBh
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 20: C&I Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Condensing	Hot Water	< 300 MBtu/h	88% AFUE	\$1.35/MBH; Min \$1000
			93% AFUE	\$2.00/MBH ; Min \$1,000
		> 300 to 1,500 MBtu/h	88% Et	\$2.00/MBh; Min \$1000
			91% Et	\$2.20/MBh; Min \$1000
		> 1,500 to 2,500 MBtu/h	88% Et	\$1.85/MBh
			93% Et	\$2.20/MBh
		> 2500 to 4,000 MBtu/h	88% Ec	\$1.55/MBh
			93% Ec	\$2.00/MBh
> 4,000 MBtu/h		Treated under Custom Measure Path		

Table 21: C&I Gas Furnace and Infrared Heater Incentives

Equipment Type	Capacity	Requirement	Minimum Efficiency	Incentive
Gas Furnace	All Sizes	ENERGY STAR® Qualified, 2.0% Fan Efficiency	≥ 95% AFUE	\$400
			≥ 97% AFUE	\$500
Gas Infrared Heater	≤ 100 MBtu/h	Low intensity infrared heater with reflectors. For indoor use only.	n/a	\$500
	> 100 MBtu/h			\$300

Table 22: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2016 Table 6.8.3-1.

Equipment Type	Pipe Diameter	Incentive
Domestic Hot Water Pipe Wrap Insulation	≤ 0.5 inch diameter piping	\$1/linear foot
	> 0.5 inch diameter piping	\$2/linear foot

Gas Water Heating

Table 23: C&I Gas Water Heating Incentives

Equipment Type	Water Heater Type	Size (Input Rate)	Min Efficiency	Incentive
Gas Water Heaters	Gas-fired, Storage	≤ 75 MBtu/h <i>(consumer)</i>	≥ 0.64 UEF	\$1.75/ MBtu/h
			≥ 0.85 UEF	\$3.50/ MBtu/h
		>75 MBtu/h and ≤ 105 MBtu/h <i>(residential duty commercial)</i>	$\geq 82\%$ Et or ≥ 0.64 UEF	\$1.75/ MBtu/h
			$\geq 90\%$ Et or ≥ 0.85 UEF	\$3.50/ MBtu/h
		> 105 MBtu/h <i>(commercial)</i>	$\geq 82\%$ Et	\$1.75/ MBtu/h
			$\geq 92\%$ Et	\$3.50/ MBtu/h
	Gas-fired, instant (tankless)	< 200 MBtu/h <i>(consumer)</i>	$\geq 90\%$ Et or ≥ 0.90 UEF	\$300/unit
		≥ 200 MBtu/h <i>(commercial)</i>	$\geq 90\%$ Et	\$300/unit
	Gas-fired, Water Booster Heater	≤ 100 MBtu/h	n/a	\$35/ MBtu/h
		> 100 MBtu/h	n/a	\$17/ MBtu/h

Table 24: C&I Low-Flow Fixture Incentives

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	Tier 1 (2 GPM – EPA Water Sense)	\$10/showerhead
	Tier 2 (1.5 GPM or Less)	\$15/showerhead
Low Flow Faucet Aerator	Tier 1 (1.5 GPM – EPA Water Sense)	\$2/aerator
	Tier 2 (1 GPM or Less)	\$4/aerator

Variable Frequency Drives

- Motor Size (HP) Controlled per VFD is the cumulative motor HP controlled by each VFD.
- Controlled Motor HP less than the listed range of eligible values are ineligible for incentives.
- Controlled Motor HP more than the listed eligible values should use the C&I Custom program.
 - For all VFD measure except air compressors, the maximum controlled threshold is 50HP. VFDs controlling more than 50HP, except related to air compressors, will be reviewed through the custom measure path.
 - For new air compressors with VFDs, prescriptive incentives will be provided for units up to 200HP. VFDs controlling air compressor motors exceeding 200HP will be reviewed through the custom measure path.
- If the controlled HP falls in between the HP listed on the VFD incentive table, the incentive is based on the lower controlled HP listed.

Table 25: C&I VFD Incentives

Equipment Type	Motor Size (HP) Controlled per VFD	Incentive
Variable Frequency Drives	0.5	\$50
	1	\$75
	2	\$100
	3	\$200
	4	\$300
	5	\$900
	7.5	\$1000
	10	\$1,100
	15	\$1,200
	20	\$1,300
	25	\$1,400
	30	\$1,500
	40	\$2,500
	50	\$3,000
	60	\$3,500
	75	\$4,000
	100	\$5,000
200	\$7,000	

Table 26: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Chilled Water Pump	20 HP ≤ 50 HP	Must be installing VFD on centrifugal chilled water pump motors for HVAC systems only.
VFD on Air Compressor	25 HP ≤ 200 HP	Must be installing VFD on new air or water cooled, single or double stage, oil lubricated or oil free twin rotor screw air compressors outfitted with VFDs (providing compressed air for typical plant air use). Only one VFD controlled air compressor will be eligible for an incentive for each compressed air system.

Performance Lighting

- Performance Lighting incentives are available for eligible indoor light fixtures and outdoor fixtures where electricity usage is billed through the applicant’s meter in new construction and substantial renovations of existing buildings. Substantial renovations of areas within existing buildings are also eligible only if existing lighting is completely removed.²⁰
- Proposed lighting design must demonstrate lighting power density (“LPD”) lower than specified by ASHRAE 90.1-2016 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and 9.2.2.3 of ASHRAE 90.1-2016.
 - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 28: C&I DLC® Certified Indoor Horticultural LED Fixtures.
- Proposed lighting design must predominantly consist of LED fixtures and lamps qualified by DesignLights Consortium® or ENERGY STAR®.

Table 27: C&I Performance-Based Lighting Incentives

Equipment Type	Incentive Cap	Incentive Caps
Performance-Based Lighting	Design Wattage Cap	\$1/Watt over the LPD baseline per qualified area

Table 28: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures <u>Qualified Products List</u> ²¹	Indoor Horticultural Facilities Operating \geq 3000 hours/year	\geq 500 Watts	\$250/fixture
		< 500 watts	\$150/fixture
	Indoor Horticultural Facilities Operating < 3000 hours/year	\geq 500 Watts	\$200/fixture
		< 500 watts	\$50/fixture

²⁰ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

²¹ <https://www.designlights.org/>

Food Service Equipment

Table 29: C&I Dishwasher Incentives

- Equipment must be qualified by the current version of ENERGY STAR® or CEE.

Equipment Type	Description	Incentive
Commercial Dishwasher	Under Counter	\$400 per unit
	Door Type	\$700 per unit
	Single Tank Conveyor	\$1,000 per unit
	Multiple Tank Conveyor	\$1,500 per unit

Table 30: C&I Cooking Equipment Incentives

- Equipment must be qualified by the current version of ENERGY STAR, CEE or ASTM criteria defined in the table at the end of this section.
- Commercial Fryers: Multiple vat configurations are paid per qualifying vat.

Equipment Type	Description	Incentive
Commercial Combination Oven/Steamer	Electric	\$1,000 per oven
	Gas	\$750 per oven
Commercial Convection Oven	Electric	\$350 per oven
	Gas	\$500 per oven
Commercial Rack Oven	Single oven (Gas)	\$1,000 per single oven
	Double oven (Gas)	\$2,000 per double oven
Commercial Fryer	Electric	\$200 per vat
	Gas	\$749 per vat
Commercial Large Vat Fryer	Electric	\$200 per vat
	Gas	\$500 per vat
Commercial Griddle	Electric	\$300 per griddle
	Gas	\$125 per griddle
Commercial Steam Cooker	Electric	\$1,250 per steamer
	Gas	\$2,000 per steamer

Table 31: C&I Insulated Holding Cabinet Incentives

- Must meet CEE Tier II or current ENERGY STAR specification.
- Does not include cook and hold equipment.
- All measures must be electric hot food holding cabinets that are fully insulated and have solid doors.

Equipment Type	Size	Incentive
Insulated Holding Cabinets	Full Size	\$300 per unit
	$\frac{3}{4}$ Size	\$250 per unit
	$\frac{1}{2}$ Size	\$200 per unit

Table 32: C&I ENERGY STAR® Refrigerator and Freezer Incentives

- The refrigeration system must be built-in (packaged).
- Cases with remote refrigeration systems do not qualify.
- Must meet ENERGY STAR Version 4.0 specification.

Equipment Type	Refrigerator/Freezer Internal Volume	Incentive
ENERGY STAR® Commercial Glass Door Refrigerator	< 15 ft ³	\$75 per unit
	≥ 15 to < 30 ft ³	\$100 per unit
	≥ 30 to < 50 ft ³	\$125 per unit
	≥ 50 ft ³	\$150 per unit
ENERGY STAR® Commercial Solid Door Refrigerator	< 15 ft ³	\$50 per unit
	≥ 15 to < 30 ft ³	\$75 per unit
	≥ 30 to < 50 ft ³	\$125 per unit
	≥ 50 ft ³	\$200 per unit
ENERGY STAR® Commercial Glass Door Freezer	< 15 ft ³	\$200 per unit
	≥ 15 to < 30 ft ³	\$250 per unit
	≥ 30 to < 50 ft ³	\$500 per unit
	≥ 50 ft ³	\$1,000 per unit
ENERGY STAR® Commercial Solid Door Freezer	< 15 ft ³	\$100 per unit
	≥ 15 to < 30 ft ³	\$150 per unit
	≥ 30 to < 50 ft ³	\$300 per unit
	≥ 50 ft ³	\$600 per unit

Table 33: C&I ENERGY STAR® Ice Machine Incentives

- Ice machines must be tested in accordance with the Air Conditioning and Refrigeration Institute (ARI) Standard 810.
- Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed and fragmented ice makers.
- Only air-cooled machines (self-contained, ice making heads, or remote condensing) qualify.
- The entire ARI tested ice making system must be purchased.
- Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit.
- The efficiency specifications for the two qualifying tiers are equivalent to ENERGY STAR® or Super-Efficient. ENERGY STAR® ice machines must meet ENERGY STAR® Version 3.0 specification.

Equipment Type	Ice Harvest Rate	Incentive
ENERGY STAR® Commercial Ice Machine	101–200 lbs/day	\$50 per unit
	201–300 lbs/day	\$50 per unit
	301–400 lbs/day	\$75 per unit
	401–500 lbs/day	\$75 per unit
	501–1000 lbs/day	\$125 per unit
	1001–1500 lbs/day	\$200 per unit
	Greater than 1500 lbs/day	\$250 per unit
Super-Efficient Ice Machine	101–200 lbs/day	\$100 per unit
	201–300 lbs/day	\$100 per unit
	301–400 lbs/day	\$150 per unit
	401–500 lbs/day	\$150 per unit
	501–1000 lbs/day	\$250 per unit
	1001–1500 lbs/day	\$400 per unit
	Greater than 1500 lbs/day	\$500 per unit

Table 34: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	<ul style="list-style-type: none"> Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. Must have a cooking energy efficiency of 55 percent or greater in steam mode and 76 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
	Gas	<ul style="list-style-type: none"> Must have a cooking energy efficiency of 41 percent or greater in steam mode and 56 percent or greater in convection mode, utilizing ASTM F2861. Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861. Combination oven/steamer pan capacity on based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
Commercial Convection Oven	Electric	<ul style="list-style-type: none"> Must have a tested heavy load (potato) cooking energy efficiency of 71 percent or more, utilizing ASTM F1496. Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 46 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F1496.
Commercial Rack Oven	Gas	<ul style="list-style-type: none"> Single rack ovens must have a tested baking energy efficiency of 48 percent or greater and a total energy idle rate of 25,000 Btu/h or less, utilizing ASTM F2093. Double rack ovens must have a tested baking energy efficiency of 52 percent or greater and a total energy idle rate of 30,000 Btu/h or less, utilizing ASTM F2093.
Commercial Fryer	Electric	Must have a tested heavy load cooking energy efficiency of 83 percent or greater and an idle energy rate of 800 W or less, utilizing ASTM F1361.
	Gas	Must meet a tested heavy load cooking energy efficiency of 50 percent or greater and an idle energy rate of 9,000 Btu/h or less, utilizing ASTM F1361.
Commercial Large Vat Fryer	Electric	Must have a tested heavy load (French fry) cooking energy efficiency of 80 percent or greater and an idle energy rate of 1,100 W or less, utilizing ASTM F2144.
	Gas	Must have a tested heavy load (French fry) cooking energy efficiency of 50 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F2144.
Commercial Griddle	Electric	Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.
	Gas	Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.
Commercial Steam Cooker	Electric	Must have a tested heavy load (potato) cooking energy efficiency of 50 percent or greater, utilizing ASTM F1484.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 38 percent or greater, utilizing ASTM F1484.

Note: The incentives identified above in this Appendix B: C&I and DER Incentives and General Rules may be reduced with the approval of the Division of Clean Energy.

CHP-FC Incentive Levels & Schedule

Table 35: CHP-FC Technology and Incentive Levels

Eligible Technology	Size		Incentive (\$/Watt) ⁽⁵⁾	% of Total Cost Cap per project	\$ Cap per project	
	(Installed Capacity)	Rated				
CHPs powered by non-renewable or renewable fuel source, or a combination ⁽⁴⁾ : <ul style="list-style-type: none"> • Gas Internal Combustion Engine • Gas Combustion Turbine • Microturbine ≥ 60% FCs	≤500 kW ⁽¹⁾		\$2.00	30-40% ⁽²⁾	\$2 million	
	>500 kW – 1 MW ⁽¹⁾		\$1.00			
		>1 MW – 3 MW ⁽¹⁾		\$0.55	30%	\$3 million
		>3 MW ⁽¹⁾		\$0.35		
≥ 40% FCs	All of the above ⁽¹⁾		Applicable amount above	30%	\$1 million	
WHPs ⁽³⁾ Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g. steam turbine)	≤1 MW ⁽¹⁾		\$1.00	30%	\$2 million	
	>1 MW ⁽¹⁾		\$0.50	30%	\$3 million	

1. Incentives are tiered, which means the incentive levels vary based upon the installed rated capacity, as listed in the chart above. For example, a 4 MW CHP system would receive \$2.00/watt for the first 500 kW, \$1.00/watt for the second 500 kW, \$0.55/watt for the next 2 MW and \$0.35/watt for the last 1 MW (up to the caps listed).
2. The maximum incentive will be limited to 30% of total project. This cap will be increased to 40% where the recovered heat is used in a cooling application (e.g. absorption chiller) at the facility at which the CHP-FC system is located.
3. Projects installing CHP with WHP will be eligible for incentives shown above, not to exceed the lesser of percent per project cap or dollars per project cap of the CHP. Minimum efficiency will be calculated based on annual total electricity generated, utilized waste heat at the host site (i.e. not lost/rejected), and energy input.
4. Systems fueled by a Class 1 renewable fuel source are eligible for a 30% incentive bonus (additional to the incentives calculated in accordance with the table immediately above, but still subject to the project Cap in that table). If the fuel is mixed, the bonus will be prorated accordingly. For example, if the mix is 60/40 (60% being a Class 1 renewable),

the bonus will be 18%. This bonus will be included in the final partial payment, based on system performance and fuel mix consumption data.

5. All CHP-FC systems located at Critical Facility and incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above, but still subject to the project Cap in that table). For this Program, a Critical Facility is any:
 - a. Public facility, including, without limitation, any federal, state, county, or municipal facility, or
 - b. Non-profit and/or private for-profit facility, including, without limitation, any hospital, water/wastewater treatment facility, school, multifamily building, or similar facility that:
 - i. Is determined to be either Tier 1 or critical infrastructure by the New Jersey State Office of Emergency Management or Office of Homeland Security and Preparedness, or
 - ii. Could serve as a Shelter during a power outage. For this Program, a Shelter is a facility able to provide food, sleeping arrangements, and other amenities to its residents and the community.

For the avoidance of doubt, any public facility is a Critical Facility.

Table 36: CHP-FC Incentive Payment Schedule

1st – Purchase	2nd - Installation	3rd - Acceptance of post-installation data
30%	50%	20%

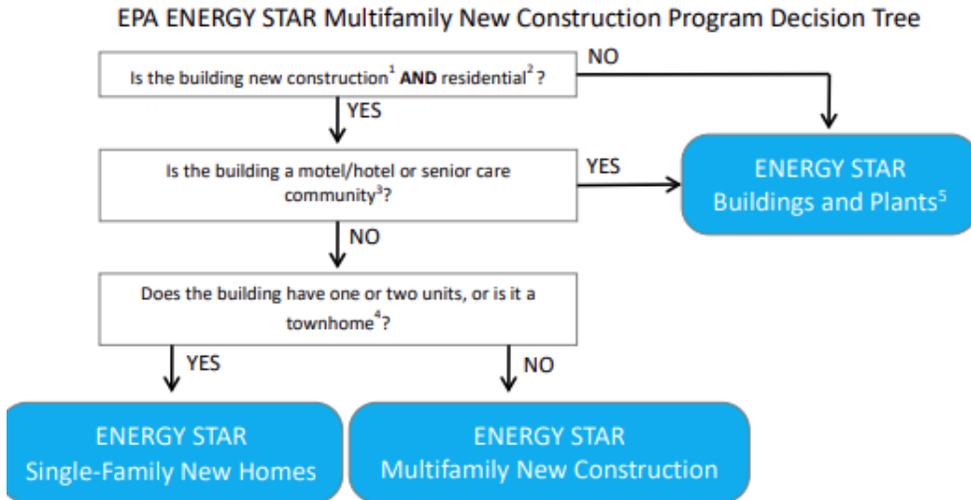
1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on twelve (12) months of continuous operating data submitted within eighteen (18) months of installation, with the foregoing deadline being subject to being extended for six (6) additional months by the Program Manager upon the request of the applicant submitted prior to the expiration of the deadline and for good cause shown.
 - a. If, due to impacts of COVID-19, the applicant is unable to provide the requisite twelve (12) months of representative data to demonstrate the project is achieving the required performance thresholds, the Program Manager is authorized to work with the applicant to develop and accept other reasonable methods for estimating or demonstrating whether or not the performance thresholds have been met.
2. Regarding the third incentive, if all other required performance thresholds are achieved:
 - a. And the total annual net kWh generated is $\geq 80\%$ of that specified in the Program-approved application, the full third incentive is earned.
 - b. But the total annual net kWh generated is $\geq 50\%$ but $< 80\%$, of that specified in the Program-approved application, the amount of the third incentive earned is reduced

proportionately by the ratio of actual total annual net kWh generated to the approved application total annual net kWh generated.

- c. But the total annual net kWh generated is <50% of that specified in the Program-approved application, no third incentive is earned.

Appendix C: Multifamily Decision Tree

Figure 1 ENERGY STAR Multifamily Guidelines Version 2.1



NOTES:

1. New construction can include significant gut rehabilitations if the building is able to meet all the program requirements.
2. The primary use of the building must be for a residential purpose. In a mixed-use building, the dwelling units and common space combined must exceed 50% of the building’s square footage. Parking garage square footage is excluded from this calculation. Common space includes any spaces in the building that serve a function in support of the residential part of the building, that is not part of a dwelling or sleeping unit. This includes spaces used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, residential recreation rooms, and dining halls, as well as offices and other spaces used by building management, administration or maintenance in support of the residents.
3. Assisted living and skilled nursing facilities that meet the definition of [Senior Care Communities](#) are not eligible for the MFNC program.
4. Townhomes may choose to use the Multifamily New Construction Checklists as well, but they must use the ERI Path and Single-Family New Homes Reference Design. A townhome is defined as a single-family dwelling unit constructed in a group of three or more attached units in which each unit extends from the foundation to roof and with open space on at least two sides.
5. As of September 16, 2014, multifamily buildings, with at least 1 year of actual, whole building energy use data are eligible to earn the ENERGY STAR using EPA’s Portfolio Manager. Portfolio Manager compares a multifamily building’s measured performance against a database of similar buildings to generate a 1-100 score. Buildings that score 75 or above earn the ENERGY STAR. For more information on how multifamily buildings can earn the ENERGY STAR with Portfolio Manager please visit [the eligibility criteria for the 1-100 ENERGY STAR score page](#).

New construction commercial facilities such as motels/hotels, nursing homes, and assisted-living facilities do not qualify under the Multifamily New Construction program, however, they may be eligible to earn the ENERGY STAR through the EPA’s commercial and industrial programs. To learn more about how these and other existing commercial buildings can earn ENERGY STAR certification, please visit the [Buildings and Plants](#) page. To learn more about the new construction program for commercial buildings visit www.energystar.gov/DesignToEarn.

January 2021

Appendix D: Program Budgets

<i>TRC FY23 (Trued-up)</i>		<i>FY23 Cost Category Budgets</i>					
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
Total TRC	\$168,467,385	\$12,394,414	\$3,952,545	\$161,500	\$148,720,321	\$3,238,605	\$0
EE Programs	\$139,630,936	\$9,761,035	\$365,460	\$111,500	\$127,916,366	\$1,476,575	\$0
<i>New Construction Program</i>	<i>\$44,316,692</i>	<i>\$3,922,043</i>	<i>\$121,820</i>	<i>\$74,000</i>	<i>\$39,615,096</i>	<i>\$583,733</i>	<i>\$0</i>
New Construction Program	\$44,316,692	\$3,922,043	\$121,820	\$74,000	\$39,615,096	\$583,733	\$0
<i>C&I EE Programs</i>	<i>\$95,264,244</i>	<i>\$5,838,992</i>	<i>\$243,640</i>	<i>\$37,500</i>	<i>\$88,251,270</i>	<i>\$892,842</i>	<i>\$0</i>
C&I Buildings	\$82,187,357	\$3,742,212	\$121,820	\$12,500	\$77,719,315	\$591,510	\$0
LGEA	\$5,481,302	\$1,230,771	\$121,820	\$25,000	\$3,819,333	\$284,378	\$0
DI	\$7,595,585	\$866,009	\$0	\$0	\$6,712,622	\$16,954	\$0
<i>Energy Efficiency Transition</i>	<i>\$50,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$50,000</i>	<i>\$0</i>	<i>\$0</i>
Energy Efficiency Transition	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$0
<i>Distributed Energy Resources</i>	<i>\$22,084,108</i>	<i>\$979,080</i>	<i>\$121,820</i>	<i>\$0</i>	<i>\$20,803,955</i>	<i>\$179,253</i>	<i>\$0</i>
CHP - Fuel Cell	\$22,084,108	\$979,080	\$121,820	\$0	\$20,803,955	\$179,253	\$0
<i>RE Programs</i>	<i>\$3,408,896</i>	<i>\$1,654,299</i>	<i>\$121,820</i>	<i>\$50,000</i>	<i>\$0</i>	<i>\$1,582,777</i>	<i>\$0</i>
Solar Registration	\$3,408,896	\$1,654,299	\$121,820	\$50,000	\$0	\$1,582,777	\$0
<i>Planning and Administration</i>	<i>\$3,343,445</i>	<i>\$0</i>	<i>\$3,343,445</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Outreach and Education</i>	<i>\$3,343,445</i>	<i>\$0</i>	<i>\$3,343,445</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Outreach, Website, Other	\$3,343,445	\$0	\$3,343,445	\$0	\$0	\$0	\$0

Appendix E: Program Goals and Performance Metrics

NJCEP FY23 Energy Savings Goals: Portfolio Summary					
<i>Program/Budget Line</i>	<i>Annual MWH Savings</i>	<i>Lifetime MWH Savings</i>	<i>MW Savings</i>	<i>Annual MMBTU Savings</i>	<i>Lifetime MMBTU Savings</i>
Total TRC	125,100	2,115,692	23.0	338,843	6,315,859
EE Programs	77,276	1,278,907	17.3	165,620	3,284,502
C&I EE Programs	67,433	1,094,308	14.5	93,277	1,843,440
C&I Buildings	62,377	1,018,622	13.4	80,773	1,629,126
C&I Retrofit	24,409	383,956	5.6	(2,880)	(53,228)
P4P EB	13,633	215,122	4.5	46,281	1,013,558
LEUP	21,872	380,805	2.9	30,097	541,712
Customer Tailored EB	2,463	38,739	0.4	7,275	127,085
LGEA	0	0	0.0	0	0
DI	5,056	75,686	1.1	12,504	214,314
New Construction Programs	9,843	184,599	2.8	72,343	1,441,062
Residential	6,103	122,058	1.7	69,746	1,394,917
C&I	3,740	62,541	1.1	2,597	46,145
Distributed Energy Resources	47,824	836,784	5.7	173,223	3,031,357

Appendix F: Cost-Benefit Analysis

Cost-effectiveness analysis compares the costs and benefits of energy efficiency and renewable energy measures, programs and portfolios of programs. Estimates of both costs and benefits are relative to those that would otherwise have been incurred had “baseline” or “standard” equipment, building systems and/or energy using practices been purchased or remained in place. A measure, program, or portfolio is considered cost-effective if the benefit-cost ratio is 1.0 or greater.

TRC, in collaboration with the Center for Green Building of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, conducted a cost-benefit analysis (“CBA”) for residential, commercial, and industrial NJCEP EE programs.

Cost-Benefit Tests

Benefit cost ratios for each of the five traditional cost-effective tests were developed. The five tests are: Participant Cost Test, Program Administration Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test and Societal Cost Test.²² In addition, a benefit cost ratio was also developed using the New Jersey Cost Test.

Participant Cost Test: The measure of the quantifiable benefits and costs to the customer attributed to participation in a program. The participant benefits are equal to the sum of any participant incentives paid, any reductions in bills, and any federal or state tax deductions or credits. Participant costs include any out-of-pocket costs associated with the program.

Program Administrator Cost Test: The costs of a program as a resource option based on the costs incurred by the program administrator including incentive costs and excluding any costs incurred by the participant. The benefits are the avoided supply costs of energy and demand and the reduction in capacity valued at marginal costs for the periods when there is a load reduction. The costs are the program costs incurred by the administrator, the incentives paid to the customers, and the increased supply costs for the periods in which load is increased.

Ratepayer Impact Measure Test: Measure of what happens to customer bills or rates due to changes in revenues and operating costs caused by the program. The benefits equal the savings from avoided supply costs, including the reduction in capacity costs for periods when load has been reduced and the increase in revenues for periods in which load has increased. The costs are the program costs incurred by administration of the program, the incentives paid to the participant, decreased revenues for any periods in which load has been decreased and increased supply costs for any periods when load has increased.

Total Resource Cost Test: The costs of a program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. This test represents the combination of the effects of a program on both the participating and non-participating customers. The benefits are the avoided supply costs, federal tax credits, and the reduction in generation and capacity costs valued at marginal cost for the periods when there is a load reduction. The costs

²² California Standard Practice Manual. Economic Analysis of Demand-Side Programs and Projects. (October 2001).

are the program costs paid by the utility and participants plus the increase in supply costs for the periods in which load is increased.

Societal Cost Test: Attempts to quantify the change in the total resource costs to society as a whole rather than only to the utility and its ratepayers. Costs include all consumer, utility and program expenses. Benefits associated with the societal perspective include avoided power supply costs, capacity benefits, avoided transmission and distribution costs, and emissions savings. It has been assumed that wholesale electricity prices account for the national sulfur dioxide and nitrogen oxide allowance. Therefore, the societal cost test includes only emissions savings accrued from carbon dioxide. Federal tax credits are not included.

New Jersey Cost Test: In accordance with the Board’s Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, Docket Nos. QO19010040, QO19060748 & QO17091004 (June 10, 2020) (“Framework Order”), this test uses the California Standard Practice Manual’s (“CSPM’s”) Total Resource Cost Test, which includes consideration of certain non-energy impacts. Its avoided cost values are based upon the Rutgers University Center for Green Building Technical Memo, Energy Efficiency Benefit-Cost Analysis Avoided Cost Assumptions for 2019 BCA, March 2021, Updated May 6, 2021. In the future, and after considering any stakeholder input, this test may be revised to include additional non-energy impacts.

[Space Intentionally Left Blank]

The table below includes the results of the benefit cost modeling.

NJCEP FY23 Prospective Benefit Cost Analysis						
<i>Program/Budget Line</i>	<i>PCT</i>	<i>PACT</i>	<i>RIM</i>	<i>TRC</i>	<i>SCT</i>	<i>NJCT</i>
Total TRC	3.3	2.0	0.3	0.9	1.3	2.2
EE Programs	3.0	1.5	0.3	0.8	1.1	1.9
<i>C&I EE Programs</i>	3.1	1.7	0.3	0.9	1.3	2.1
C&I Buildings	3.1	2.1	0.3	1.0	1.3	2.2
<i>C&I Retrofit</i>	2.6	2.1	0.4	0.9	1.2	2.0
<i>P4P EB</i>	4.6	3.5	0.4	1.8	2.3	3.9
<i>LEUP</i>	2.7	1.4	0.3	0.7	1.0	1.7
<i>Customer Tailored EB</i>	4.9	3.2	0.3	1.5	2.1	3.5
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
DI	3.6	1.0	0.3	0.9	1.2	2.0
<i>New Construction Programs</i>	2.7	0.9	0.3	0.6	0.8	1.3
Residential	2.7	0.9	0.2	0.6	0.7	1.3
C&I	2.7	0.8	0.3	0.6	0.8	1.4
Distributed Energy Resources	4.1	7.1	0.3	1.2	1.7	2.9

**New Jersey's Clean Energy Program Fiscal Year 2023 Program
Descriptions and Budgets**

Utility Residential Low Income Comfort Partners Program

Proposed Program Description and Budget

April 2023

Residential Low-Income Program “New Jersey Comfort Partners”

The Residential Low-Income Program known as Comfort Partners (“Comfort Partners” or “Program”), managed by Atlantic City Electric (“ACE”), Jersey Central Power & Light (“JCP&L”), New Jersey Natural Gas (“NJNG”), Elizabethtown Gas (“Elizabethtown”), Rockland Electric Company (“RECO”), Public Service Electric & Gas (“PSE&G”), and South Jersey Gas (“SJG”) (collectively referred to as “Utilities”) is primarily designed to reduce the high cost of energy and lower energy bills by maximizing lifetime energy savings (kWh and therms) per dollar spent. This Program is also designed to improve energy affordability for low-income households through energy education, efficiency, and conservation. To achieve this objective, several market barriers must be overcome. Key among these are: (1) lack of information on either how to improve efficiency or the benefits of efficiency; (2) low-income customers do not have the capital necessary to upgrade efficiency or even, in many cases, keep up with regular bills; (3) low-income customers are the least likely target of market-based residential service providers due to perceptions of less capital, credit risk and/or high transaction costs; and (4) split incentives between renters and landlords. The Program addresses these barriers through:

- Direct installation of cost-effective energy efficiency measures;
- Comprehensive, personalized customer energy education and counseling; and
- Installation of health and safety measures, as appropriate.

Target Market and Eligibility

The Program is targeted at low-income participants in the Universal Service Fund (“USF”) who have high energy usage. This target population is characterized by high-energy burdens based on their income. Program participation will be prioritized by energy use with the highest energy users being served first.

The Program is available to: households with income at or below 250% of the federal poverty guidelines. Households may also qualify, if they are located within a Low-Income designated census tract, via an income self-certification process detailed in the Location Based Eligibility section of this document. Customers who receive Supplemental Security Income, Home Energy Assistance, USF, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families, Section 8 Housing, Medicaid, Supplemental Nutrition Assistance Program, or General Assistance also may be eligible. Customers who could take advantage of Comfort Partners or engage with another State-sponsored energy saving implementation program, will not only directly benefit from the weatherization and health and safety measures, but will also help to reduce costs to all ratepayers.

A participant must be a customer of record with a separately metered electric or natural gas account and live in a single-family or multi-family residential building with 1-14 units; the residence must be their primary home. Customers who heat with fuel oil will be referred to the Department of Community Affairs’ Weatherization Assistance Program (“WAP”) for services in conjunction with a memorandum of agreement between Comfort Partners

and WAP. Customers who heat with fuel oil where WAP cannot reasonably provide critical services, such as repairing or replacing oil fired heating systems, may be considered for conversion to natural gas by Comfort Partners. In addition, customers who receive natural gas service from an investor- owned New Jersey natural gas utility and who receive electric service from a municipal electric company will also be eligible for all Comfort Partners electric and natural gas saving services. Ineligible customers will be referred to either WAP, a Utility-led Moderate Income Home Weatherization Program or Home Performance with Energy Star (“HPwES”) for services. Referrals will be made between Comfort Partners and WAP for measures not performed by either entity (e.g.: WAP may refer customers to Comfort Partners for evaluation of central air conditioning and freezer replacements.).

Location Based Eligibility

In an effort to reduce enrollment barriers into the Program, the Comfort Partners Working Group (“Working Group”) will utilize location-based eligibility (LBE). LBE will remove the burden of income verification and create more trust with interested, yet hesitant, potential customers in the communities we serve. This approach can create marketing/outreach efficiencies, achieve savings in less time, reduce administrative costs, and improve cost effectiveness.

Customers residing within the geographical boundaries of low- income census tract neighborhoods will be eligible to participate in Comfort Partners without providing income verification documentation. Customers will be required to self-certify their income by signing a program income verification statement. All other program eligibility rules remain in effect and must be verified by the vendor. If fraud is suspected, implementation vendors will follow the current CP Procedures Manual suspected fraud guidelines.

Utility-administered moderate-income weatherization programs are using a similar approach to eligibility verification in moderate-income neighborhoods. A collaborative and equitable relationship between the two programs with regards to outreach and enrollment will be critical, and this approach will help develop best practices.

Offerings and Customer Incentives

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of energy efficient thermostats; insulation up-grades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as needed. Removing barriers to installing energy efficiency measures, such as repair or replacement of a broken window, repair of a hole in a wall and/or roof, mold remediation or the installation of rain gutters may be considered on a case-by-case basis.

Failed or failing heating and/or cooling systems can be replaced for efficiency and/or health and safety reasons on a case-by-case basis. In the event of insufficient funding, or if Comfort Partners customers’ homes require more treatment than the Program is designed to deliver, the Utility Working Group will attempt to maximize and leverage available resources by entering into discussions with WAP. The goal of such discussions will be to determine their interest in

accepting Program referrals to install heating systems and perform other needed work for energy efficiency and/or health and safety reasons.

Measure Selection

Energy efficiency measures and other reasonable repairs required to install those measures may be installed in each home. The Program will review, on a case-by-case basis, the repair and installation of items that, in and of themselves, may not be considered energy saving technologies, but would be required in order to effectively install energy conservation measures, such as the repair of a roof prior to the installation of attic insulation. Cost-effectiveness will be assessed on a measure- and site-specific basis. All installed measures and energy education services will be provided free of charge. The selection of measures designed to reduce heating and cooling will be guided by a spending calculation based on past energy consumption, and is a guide for contractors, not an absolute or prescriptive target or cap. If the site needs are greater than the calculated spending guideline, the contractor will confer with the appropriate utility after documenting reasons for requesting to exceed the spending guideline. The utility will decide to what extent additional work can be performed.

Refrigerator or freezer replacement will be based upon on-site monitoring of the energy use of the existing unit. Consumption thresholds for cost-effective replacement vary according to size. Any refrigerator or freezer with measured consumption above the threshold values is eligible for free replacement with a new energy-efficient model. These values and procedures will be updated periodically to reflect changes in refrigerator costs and/or efficiency.

The cost-effective installation of energy-efficient lighting products will be based upon the wattage and the estimated average daily run time for the existing lamp.

Domestic hot water and other custom measures will be installed according to program guidelines.

The costs associated with home repairs, such as the repair of a roof, will be excluded from the cost effectiveness test used to determine measure eligibility.

Delivery Methods

Electric and natural gas utilities with overlapping service territories will jointly deliver efficiency, health and safety, and education services so that customers receive both natural gas and electric efficiency measures simultaneously. Selection of program delivery contractors and program delivery costs are shared between the participating natural gas and electric utilities. Currently, there are a total of six (6) installation contractors and one (1) quality assurance contractor that are under contract with the Utilities to perform the work in customer homes.

The Program will continue its efforts to address mold/moisture remediation, roof repairs, electrical repairs, and asbestos. Remediation will be considered on a case-by-case basis with the implementation contractors who will contract directly with the appropriate organizations, or approved subcontractors, following utility approval.

This fiscal year, the Utilities will continue to use the JCP&L web-based LEEN System as the statewide platform to track all program participants, measures and energy savings. The system is used by all Utilities, BPU Staff, multiple program installation vendors, an inspection vendor, a program evaluation vendor, and State WAP agencies. Maintenance and enhancements to the system will be paid for by JCP&L and are incorporated in the JCP&L administrative budget in Appendix A.

This fiscal year, the Utilities are targeting the development of a new web-based system to replace LEEN and are jointly working to procure a vendor for same. PSEG Services Company will be the Contract Administrator of the ultimate contract with that vendor. The projected costs of that vendor and for administrative services offered by PSEG Services Company will be paid for by PSE&G and are included in PSE&G's administrative budget in Appendix A.

Quality Assurance Provisions

A minimum of 15% of randomly selected, treated homes will be subject to verification and inspection by an independent contractor(s) hired by the Utilities. Quality assurance processes will be continually reviewed and enhanced as required.

Budgets

A detailed budget for the Program is attached in Appendix A. Allocation of costs in different cost categories may appear to be inconsistent among Utilities. As an example, PSE&G covers the cost of statewide printing of Comfort Partners materials and the development of a new web-based system to replace LEEN, and JCP&L covers the cost of maintaining the LEEN System, until its retirement, and administering program evaluation. The Program spending allowance guidelines continue to be evaluated for Comfort Partners to be consistent with other low-income State weatherization programs.

The Utilities will request BPU Staff to review budget modifications as outlined in Docket No. EO13050376V ("February Order").¹ No budget modification shall be deemed approved until BPU Staff notifies the Utilities of approval. Budget modifications will be subject to all pertinent language reflected in the February Order, which includes the following:

1. Funds may be reallocated between Utilities and line items within the Program budget provided the overall Board-approved Program budget remains unchanged, and the overall statewide administrative costs for the Program are not increased;
2. Up to 10% of the Program budget may be reallocated within the Program during any 60-day period; and
3. The Program budget may be reduced if it appears unlikely that the Program budget will be exhausted. The Program budget may be determined to be underperforming, after a review of commitments, Program goals, participation levels, performance trends and other relevant factors. The Program budget reductions shall be limited

¹ In re the Clean Energy Programs and Budget for Fiscal Year 2014; Revised Fiscal Year 2014 Budget and Delegation of Limited Budget Authority, BPU Docket No. EO1305376V, Order dated February 4, 2014.

to 10% within any 60-day period. The Program budget shall not be reduced by more than 25% within any 180-day period.

For Fiscal Year 2023, the Comfort Partners program statewide budget increased by \$8.57M from the previous fiscal year. This increase can be attributed to multiple factors. An anticipated \$5.5M of the total proposed budget increase is attributed to projected costs associated with the ongoing implementation effort to replace the existing program data tracking, reporting and invoicing system, LEEN. The remaining \$3.07M additional proposed budget is attributed to greater customer demand in part due to the introduction of location-based eligibility verification, available capacity amongst installation vendors and the program average cost per job increasing. Average cost per job increase is associated to greater health and safety needs and increased materials/equipment pricing due to inflationary pressures and supply chain issues.

Currently, the Program continues to experience these contributing factors at a greater rate than was projected at the start of this fiscal year. This has led Program administrative staff to request \$2.48M in additional funding be added to the overall Program budget to ensure a steady continuation of Program services through the remainder of this fiscal year.

Additionally, the aforementioned LEEN system replacement implementation is now further in development. At this point, with greater clarity regarding the extent of this effort, Program administrative staff anticipate unused funding, initially reserved for this project within PSE&G's Admin budget. Given the projected impact, it was determined that the Program should shift the anticipated unused funding from the PSE&G's Admin budget into PSE&G's Incentives budget to be utilized on customer projects.

Goals and Energy Savings

Goals

In the Fiscal Year 2023 Comfort Partners Program Compliance filing, the target for the number of electric service customers to be served and committed is 6,041 on a twelve-month basis from July 1, 2022 through June 30, 2023. The target for the number of natural gas service customers to be served and committed is 5,749 on a twelve-month basis from July 1, 2022 through June 30, 2023. Currently, the Comfort Partners Program Utility Working Group expects to achieve 95% of the production targets for Fiscal Year 2023. This would change the targets to 5,739 for electric service customers and 5,462 for gas service customers. Inflationary pressures have significantly increased program costs, especially with regards to the program's higher cost measures such as refrigerators and heating/cooling equipment, which are priced as cost plus markup measures in our vendor contracts. Comfort Partners has also experienced greater health and safety spending than anticipated and a greater number of projects with large scopes than initially projected.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest protocols approved by the BPU on December 2, 2020, in Docket No. QO20090584.² Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 3,602 MWH of electric and 29,535 MMBTU of natural gas during

² In re New Jersey's Clean Energy Program – Fiscal Year 2021 Protocols to Measure Resource Savings, BPU Docket No. QO20090584, Order dated December 2, 2020.

Fiscal Year 2023, with a lifetime savings of approximately 48,532 MWH of electric and 516,487 MMBTU of natural gas.

Appendix A

Fiscal Year 2023 Comfort Partners Budget

July 1st 2022 - June 30th 2023 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$2,842,694.00	\$269,897.00	\$50,175.00	\$48,225.00	\$2,374,979.00	\$99,418.00	\$0.00	\$0.00
JCP&L	\$6,170,212.00	\$697,659.00	\$127,109.00	\$105,509.00	\$5,025,455.00	\$214,480.00	\$0.00	\$0.00
PSE&G- Elec	\$9,927,625.00	\$1,238,410.00	\$230,988.00	\$267,722.00	\$7,891,560.00	\$298,945.00	\$0.00	\$0.00
RECO	\$311,200.00	\$68,800.00	\$13,800.00	\$13,800.00	\$190,000.00	\$24,800.00	\$0.00	\$0.00
NJNG	\$6,481,319.00	\$319,046.00	\$130,046.00	\$123,379.00	\$5,702,302.00	\$206,546.00	\$0.00	\$0.00
Elizabethtown	\$3,790,632.00	\$251,195.00	\$66,297.00	\$68,682.00	\$3,241,776.00	\$162,682.00	\$0.00	\$0.00
PSE&G-Gas	\$23,164,457.00	\$2,889,624.00	\$538,971.00	\$624,684.00	\$18,413,640.00	\$697,538.00	\$0.00	\$0.00
SJG	\$4,289,861.00	\$352,047.00	\$80,434.00	\$77,697.00	\$3,635,786.00	\$143,897.00	\$0.00	\$0.00
TOTAL	\$56,978,000.00	\$6,086,678.00	\$1,237,820.00	\$1,329,698.00	\$46,475,498.00	\$1,848,306.00	\$0.00	\$0.00
PSE&G - Combined	\$33,092,082.00	\$4,128,034.00	\$769,959.00	\$892,406.00	\$26,305,200.00	\$996,483.00	\$0.00	\$0.00



Charge Up New Jersey

Fiscal Year 2023 Compliance Filing



Center for
Sustainable
Energy®

April 12, 2023

(this page intentionally left blank)

Table of Contents

- I. Introduction
- II. Program Purpose and Strategy Overview
- III. Program Description
- IV. Eligibility for the Vehicle Incentive
 - Applicant Eligibility
 - Vehicle Eligibility
 - Incentives for Eligible Vehicles
- V. Program Requirements
 - Application Process
 - Applicant Responsibilities
 - Dealership Participation Requirements
 - Failure to Adhere to Program Requirements
 - Changes to Program
 - Appeal Process
 - False Statements
 - Incentive Application Submission
 - Ineligible Vehicles
 - Dealership or Showroom Location, FY23 Program Registration, Vehicles Offered, and Timing of Application Submission
- VI. Electric Vehicle Charger Incentive
 - Applicant Eligibility
 - Equipment Eligibility
 - Incentives for Eligible Equipment
 - Required Documentation
- VII. Call Center Coordination
- VIII. Quality Control Provisions

I. Introduction

This Fiscal Year 2023 (“FY23”) Compliance Filing provides the program description for the Charge Up New Jersey Program (the “Program”), administered by the New Jersey Board of Public Utilities (“BPU” or the “Board”) and its Division of Clean Energy (“DCE”). The Charge Up New Jersey Program was developed in accordance with S-2252, [L. 2019, c. 362](#), codified at N.J.S.A. 48:25-1 to -11 (“EV Act”), and amending, in relevant part, N.J.S.A. 48:3-60(a)(3), which directed the Board to establish and implement a program to incentivize the purchase or lease of new light-duty plug-in electric vehicles (“EV”) in the State of New Jersey, as well develop an incentive for residential, at-home EV charging equipment.

II. Program Purpose and Strategy Overview

The Program was mandated by the signing of S-2252 into law on January 17, 2020 by Governor Murphy. The Program has been developed to serve the public in three phases. Phase One of the Program enabled New Jersey residents who purchased or leased an eligible EV between January 17, 2020 and December 15, 2020 to apply for an incentive post-purchase. This FY23 Compliance Filing covers Phases Two and Three of the Program. Following Board approval and contingent upon Legislative appropriation of funding, the FY23 Program will take effect in the Summer of 2022. The vehicle incentive is supported by the 10-year, non-lapsing Plug-in Electric Vehicle Incentive Fund in the amount of \$30 million annually, funded by the societal benefits charge (“SBC”). Phase Three, the Electric Vehicle Charger Incentive, is anticipated to launch in FY22 as well.

Phase One – The Post-Purchase Vehicle Incentive: Phase One of the Charge Up New Jersey Program covered individuals who purchased or leased an EV from January 17, 2020 through December 15, 2020. The post-purchase portal closed on March 15, 2021. During Phase One, applicants applied directly to the Center for Sustainable Energy (“CSE” or “Program Administrator”) for the incentive, at the official Program website, following the purchase or lease. Incentives were processed on a first-come, first-served basis by the Program Administrator and issued to eligible applicants in a single payment via check. All incentives were subject to availability of funds. All eligible applicants who applied by March 15, 2021 and were approved were paid an incentive based on the Terms and Conditions of Year One of the Program. Some applicants, due to the availability of funding, were paid at the start of FY22.

Phase Two – The Point-of-Sale Vehicle Incentive: In the Summer of 2021, Phase Two launched, following Board approval and Legislative appropriations. Phase Two was designed to further simplify the process for applicants, so that the applicant benefits from the incentive at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive is applied in full directly at the time of the point-of-sale (“POS”) or transaction, and all documentation is facilitated by the salesperson or representative at the dealership or showroom. The incentives are paid by the Program Administrator to the dealership or showroom to reimburse them in full for the incentives paid to consumers. The total amount of this portion of the FY23 Charge up New Jersey Program is approximately \$35 million.

Phase Three – The Electric Vehicle Charger Incentive: L. 2019, c. 362 authorized the BPU to develop and launch an incentive of up to \$500 for at-home, residential EV charging equipment, funded through the SBC. As a result of feedback received during the stakeholder process for the Charge Up New Jersey Program, the Phase Three incentive amount will be \$250. The FY23 budget is estimated at \$5.5 million for this program, which includes the \$3 million provided in FY22.

III. Program Description

The intent of the Charge Up New Jersey Program is to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State and assist New Jersey residents with making the switch to driving electric, consistent with N.J.S.A. 48:25-4(a). The Fiscal Year 2023 (“FY23”) Charge Up New Jersey Program (“FY23 Program”) addresses the key market barrier of vehicle cost by offering a financial incentive at the point-of-sale – the time at which at the applicant takes possession of the vehicle. Eligible applicants that have purchased or leased an eligible vehicle on or after the launch of the FY23 Program can receive the incentive at the time of the transaction at participating New Jersey dealerships or showrooms (“Dealerships or Showrooms”). Eligible FY22 Program applicants that have ordered an eligible vehicle on or after the launch of the FY23 Program can receive the incentive at the time they take possession of the vehicle and complete the sales or lease transaction. Specifically, they will receive their incentives as a line item deduction on their purchase or lease contract that directly reduces the price they pay for the vehicle. The Dealership or Showroom will then apply for reimbursement from the Program Administrator who will process such applications on a first-come, first-served basis and reimburse Dealerships and Showrooms for the cost of the incentives they provided to eligible recipients.

The FY23 Program will follow the guidelines set by the EV Act (L. 2019, c. 362) and utilize best practices from similar incentive programs in other states.

The EV Act sets goals for the State related to transportation electrification. It established the Plug-in Electric Vehicle Incentive Fund and mandated the Board to establish and implement an incentive program for new light-duty plug-in EVs. It also granted the Board the authority to establish and implement an incentive program for at-home, residential EV charging equipment. [N.J.S.A. 48:25-4](#) and [N.J.S.A. 48:25-6](#). The following State goals are related to transportation electrification for light-duty vehicles, as described in [N.J.S.A. 48:25-3](#):

1. There must be at least 330,000 registered light-duty, plug-in EVs in New Jersey by December 31, 2025, and at least 2 million EVs registered in New Jersey by December 31, 2035.
2. At least 85% of all new light-duty vehicles sold or leased in New Jersey shall be plug-in EVs by December 31, 2040.

The BPU advances this Program with an aim of fulfilling these State goals and propelling the State forward toward transportation electrification, while decreasing greenhouse gas emissions.

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The Program seeks to support New Jersey residents who purchase or lease an eligible EV by providing an incentive at the POS. Applicants must meet the following requirements in order to be eligible to receive the vehicle incentive. The eligibility requirements will be checked by the dealer or showroom representative prior to completing the transaction to ensure the applicant meets the criteria to receive a POS incentive.

The applicant must:

1. Be a resident of the State of New Jersey at the time of vehicle purchase or lease, which will be verified via a current New Jersey Driver’s License. Only a New Jersey Driver’s License is eligible for residency verification. Utility bills, tax documentation, and other items with the applicant’s address will **not** be accepted.

- a. Active duty military members stationed in New Jersey, with permanent residency in another state, **will** qualify. Current military orders will be accepted as proof of residency documentation.
 - b. The Charge Up New Jersey Program is limited to individuals only. Businesses and other commercial entities, governments, and public entities are **not** eligible for this incentive.
2. Remain a resident of the State of New Jersey for at least two (2) years after the purchase or lease of the eligible EV that receives an incentive under the Program. This requirement does not apply to customers with permanent residency in another state who qualified for the incentive because they were active-duty military members stationed in New Jersey at the time they ordered, purchased, or leased their vehicle.
3. Acknowledge that the entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of the FY23 Point-of-Sale Program, and in the State of New Jersey at a participating Dealership or Showroom.
 - a. Vehicles ordered in advance of the launch of the FY23 Point-of-Sale Program will not be eligible for an incentive.
 - b. A vehicle ordered, purchased, leased, and/or delivered out-of-state is not eligible for the incentive, including vehicles ordered online and delivered outside of the State; any vehicle ordered online must be delivered in New Jersey to qualify for the incentive.
 - c. New Jersey residents, or active-duty military members stationed in New Jersey, who place an order with a participating New Jersey Dealership or Showroom to deliver a vehicle in New Jersey will be deemed to have placed that order in New Jersey regardless of whether they were physically in the State at the time.
4. Agree that the Program Administrator will deem a purchase or lease completed when the purchaser or lessee of the vehicle has executed and signed a purchase contract, lease, or security agreement. The applicant must commit to not modifying the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
5. Retain ownership, or an active lease agreement, and registration of the vehicle with the New Jersey Motor Vehicle Commission for a minimum of 36 consecutive months immediately after the vehicle purchase or lease date. Customers who lease their vehicle must ensure that their original lease agreement explicitly lists a term of 36 months or longer.
6. Acknowledge that applicants may receive only up to three (3) vehicle incentives from the Program throughout the 10-year period that the Program is active.

Vehicle Eligibility

Pursuant to [L. 2019, c. 362](#), an eligible vehicle for the Program is defined as:

- A new light-duty plug-in electric vehicle;
- With a Manufacturer Suggested Retail Price* ("MSRP") below \$55,000;
- The entirety of the purchase or lease, including the ordering, for an eligible vehicle must occur on or after the official launch of the FY23 Point-of-Sale Program;
- The order date shall be defined as the date which the customer places a down payment of any sort on the vehicle. Purchased or leased in the State of New Jersey at a participating Dealership or Showroom; and
- Registered in New Jersey to a New Jersey resident.

* In order to maintain a consistent and standardized approach to the MSRP cap under the Program:

- The MSRP and its impact on incentive eligibility will be taken into account only up to the point-of-sale. Any additions made to the vehicle thereafter that would otherwise alter the value of the vehicle will not alter the vehicle's eligibility for an incentive under the Program.
- The MSRP cap **will include** all line items on the purchase or lease agreement which relate to the value of the vehicle itself (including but not limited to battery upgrades, autonomous upgrades, wheel and tire packages, audio, and infotainment system). The MSRP cap **will not include** maintenance or vehicle care packages, additional vehicle accessories (i.e. first aid kits, floor mats, cargo nets, etc.), destination and delivery charges, tax, registration fees, title fees, and documentation fees since these line items do not relate to the value of the vehicle itself, but rather to the logistics, care, and maintenance of the vehicle.

Incentives for Eligible Vehicles

Staff is primarily focused on structuring the Program’s incentive amount to encourage buyers or lessors who might otherwise not have considered an EV due to cost concerns. Staff recognizes that the Program should prioritize “incentive-essential” customers. The FY23 structure is a result of reviewing best practices in other states and the stakeholder process. The resulting incentive tiers retain the spirit of the EV Act and allow the \$25 per mile of EPA-rated all-electric calculation to remain for most incentives.

As such, eligible electric vehicles, up to an MSRP of \$45,000, will have an incentive which equals \$25 per mile of EPA-rated all-electric range the vehicle possesses, up to a maximum of \$4,000. In order to increase the longevity of the funding and prevent vehicles with a higher MSRP from garnering a larger than necessary incentive, a second incentive tier will be available for eligible electric vehicles with an MSRP between \$45,001 and \$55,000. These vehicles will have an incentive calculation which equals \$25 per all-electric mile, up to a maximum of \$2,000.

Dealerships and Showrooms are expected to calculate the correct incentive. Neither the BPU nor Program Administrator are responsible for miscalculated incentive amounts. Dealerships and Showrooms may reach out to the Program Administrator for clarification regarding the MSRP and incentive amount prior to finalizing the vehicle transaction.

For the purposes of the FY23 Program, a vehicle’s “EPA-rated all-electric range” means the all-electric range that fueleconomy.gov lists for that vehicle.

Incentive Calculation	Determining Factor
\$25 per all-electric mile, maximum of \$4,000	Eligible Electric Vehicle, MSRP up to \$45,000
\$25 per all-electric mile, maximum of \$2,000	Eligible Electric Vehicle, MSRP between \$45,001 and \$55,000

Ineligible vehicles under the Program include:

- Aftermarket plug-in hybrid EVs;
- EV conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood or low speed EVs;
- Electric motorcycles, as well as other two or three wheeled EVs;
- Pre-owned plug-in EVs;
- Any vehicles purchased or leased outside the State of New Jersey;
- Any vehicles purchased, ordered, or leased prior to the launch of Year Two; and
- Any PHEV purchased, ordered or leased on or after January 1, 2023.

V. Program Requirements

Application Process

Phase One – The Post-Purchase Program: Eligible applicants for the Post-Purchase Program purchased their vehicles between January 17, 2020 and December 15, 2020. The application period for the Post-Purchase Program closed on March 15, 2021. FY23’s Charge Up Program does not include a post-purchase incentive.

Phase Two – The Point-of-Sale (“POS”) Program: Dealerships and Showrooms must enroll to participate in the Program by providing dealership and showroom contact and Automated Clearing House (“ACH”) information via the dedicated Program website in advance of the Program’s launch. Upon verification of information submitted through the enrollment application, representatives will gain access to a log-in portal to submit applications and check the status of existing applications on behalf of their customers. CSE provides dealerships with training on the incentive reimbursement application process and Program requirements.

For an individual to receive the incentive, they must purchase or lease an eligible EV from a participating Dealership or Showroom in the State of New Jersey. Dealership representatives will verify vehicle and applicant eligibility at the POS. After verifying eligibility, the representative will be required to reduce the contracted purchase or lease price by the full incentive amount. The incentive must be reflected as a clearly identifiable line item deduction in the contract. The representative will upload the required documentation to the Program application portal. Required documentation for each incentive application includes:

- New Jersey vehicle registration;
- Signed and executed vehicle contract;
- Proof of New Jersey Driver’s License or Military Orders; and a
- Signed copy of the Program Terms and Conditions.*

*At the time a representative applies for an incentive through the Program portal, the most current version of the Implementation Manual and the Terms and Conditions will apply. In addition, an electronic signature will be accepted and considered valid for the acknowledgement and signing of the Program Terms and Conditions.

Funding will be reserved upon application submission. Dealers shall submit incentive applications through the Dealer Web Portal at <https://chargeup.njcleanenergy.com>. Dealerships and Showrooms will have 14 calendar days from the transaction date to apply for a reimbursement of the incentive from the Program. Applications started more than 14 calendar days after the vehicle transaction is completed will be blocked from submitting an application. Once an application is started, representatives will have 14 calendar days to complete the application and submit for review by the Program Administrator. The BPU will reserve the incentive funds once the application is submitted. If the application is cancelled due to inactivity or improper documentation, the representative will need to reapply. The representative will work directly with the CSE to submit or resubmit required documents, as necessary, to meet Program requirements. Approved applications will be batched at least monthly for ACH payment issued directly to the Dealerships or Showrooms.

Applicant Responsibilities

Point-of-Sale applicants must obtain the incentive directly from the Dealership or Showroom via a deduction of the full incentive amount on their purchase or lease contract. Incentives will not be issued post-purchase or lease. Applicants must adhere to the Vehicle Eligibility and Applicant Eligibility requirements defined in Section IV above and agree to the Program Terms and Conditions in place at the time of application submission.

Dealership Participation Requirements

Participating Dealerships and Showrooms shall only apply incentives to eligible applicants and vehicles in accordance with Terms and Conditions. Participating Dealerships and Showrooms must notify eligible customers of the existence of the incentive at the point-of-sale. Participating Dealerships and Showrooms must communicate to customers that the line item deduction on the purchase or lease contract is a function of the Charge Up New Jersey Program. Dealerships and Showrooms must deliver cars to customers prior to completing applications. No further actions, such as additional charges, vehicle mark-ups, payment contingencies or holds, shall be taken against the customer for the incentive. The full incentive is to be applied at the point-of-sale. Incentives may not be held until the application is approved, nor issued as a check after the transaction is completed. Dealerships and Showrooms may not recuperate the value of the incentive from a customer in the event that an application is cancelled due to Dealership or Showroom error or penalty.

(Example: The Program Administrator denies an incentive reimbursement application because the Dealership or Showroom submitted/completed the application past the fourteen (14) calendar day deadline or any other deadline established by the Program Administrator in accordance with the Terms and Conditions. In this scenario, the Dealership or Showroom is prohibited from clawing back or attempting to claw back the value of the incentive from the customer.)

In order to ensure consumer confidence in the Program and prevent price gouging, dealers must provide fair, transparent pricing details. Price markups that diminish the value of the State's incentive for the consumer are not permitted. Dealers may not include mark-ups or market price adjustments for which there is no specific line item or additional underlying value. The Program Administrator may therefore deny any incentive reimbursement application when the total pre-incentive price paid by the customer exceeds the MSRP without justification. For example, the Program Administrator may deny an incentive reimbursement application for a vehicle sold above MSRP when there are no line items demonstrating that the customer received additional product or service options in exchange for paying a pre-incentive price that exceeds MSRP. The Program Administrator may likewise deny an application when line item charges for additional product or service options appear to significantly exceed their typical market value.

Dealerships and Showrooms shall be required to provide weekly order data and estimated delivery dates to the Program Administrator. Dealers are encouraged to collect all supporting documentation required for an incentive at the time of order.

Dealerships and Showrooms that violate the Terms and Conditions risk denial of incentive reimbursements to which they would otherwise be entitled. CSE may bar such Dealerships and Showrooms from continuing to participate in the FY23 Program or future program years.

Failure to Adhere to Program Requirements

If a vehicle for which an incentive payment was issued is sold, returned, or traded in, a lease is transferred or assumed by another party, or the applicant leaves the state, prior to the expiration of the minimum ownership period or lease agreement in Section IV(5) or the minimum post-purchase or lease residential period in Section IV(2), the purchaser or lessee may be required to reimburse the Program. Exemption from the 36-month period in Section IV(5) or the 2-year residential requirement in Section IV(2) may be allowed if necessitated by unforeseen or unavoidable circumstances, such as military relocation outside the State of New Jersey, death of an applicant, or determination by the Program Administrator that the vehicle has been totaled.

To qualify for an exemption, applicants will be required to submit a written request to the CSE and include official documentation demonstrating proof of one of the above-noted circumstances. The CSE will review all submitted exemption requests and respond back with either an approval, denial, or request for additional documentation within 14 days of submission. All exemption requests will be stored with the original application in the incentive processing platform. To request an exemption for a special circumstance other than those listed above, an applicant can submit a written request explaining the circumstances along with any official corresponding documentation. The CSE will review the appeal request with BPU to determine if the requirements for an exemption have been met.

Changes to the Program

In the event the federal government establishes a new incentive or tax credit for EVs effective during the FY23 Program, Board Staff may reduce the amount of the Program incentive by up to 50 percent to ensure the efficacy and solvency of the Program.

Appeal Process

Dealerships and Showrooms must email their appeals to BPU Staff at issues@njcleanenergy.com within 45 calendar days of the date the Program Administrator notified them that it was denying their application or reimbursement application. Dealerships' and Showrooms' written appeal must include their contact information, a copy of the FY23 Program application or reimbursement application they submitted, and a copy of the required documents submitted with the application. The written appeal must also set forth the basis for the appeal by describing the relevant issue(s) in detail and explaining why the applicant or Dealership or Showroom believes BPU Staff should grant the appeal. BPU Staff will review the submitted documentation and respond as soon as possible. BPU Staff will acknowledge receipt of appeals within five (5) business days of submission. If, after five (5) business days, an applicant or a Dealership or Showroom has not received an acknowledgment, they should contact the BPU Program Administrator at EV.Programs@bpu.nj.gov. After acknowledging receipt of an appeal, BPU Staff will review the submitted documentation and provide a substantive response as soon as possible.

False Statements

An applicant, Dealership, Showroom, or vehicle manufacturer providing a false statement in any of the information submitted to the FY23 Program may be criminally liable in accordance with applicable state or federal statutes, and any such false statement could result in incentive denial or incentive reimbursement denial and/or removal from the Charge Up New Jersey Program.

Incentive Application Submission

The Program Administrator will process all eligible incentive reimbursement applications. The Program Administrator will directly reimburse the Dealership or Showroom for the cost of providing the incentive once the Program Administrator determines that the applicant was eligible to receive it.

Ineligible Vehicles

As stated in Part IV.3., vehicles ordered, purchased, or leased prior to the FY23 Program's effective date of July 25, 2022 are not eligible for an incentive. Dealerships and Showrooms shall be responsible for making this point clear at the time the vehicle is ordered or purchased, and shall require the vehicle buyer or lessee to provide written acknowledgement that this information was disclosed to them.

Dealership or Showroom Location, FY23 Program Registration, Vehicles Offered, and Timing of Application Submissions

To participate in the point-of-sale program, a Dealership or Showroom must be located in the State of New Jersey and offer new, incentive-eligible vehicles for purchase or lease. In addition, dealerships and showrooms must register with the Program Administrator and enroll in the FY23 Program to be recognized as an eligible New Jersey Dealership or Showroom capable of offering the incentive at the point-of-sale (“Dealers,” or “Dealership or Showroom”).

Dealers shall submit incentive reimbursement applications through the Dealer Web Portal at <https://chargeup.njcleanenergy.com>. Dealers shall have fourteen (14) calendar days from the Vehicle Transaction Date to submit the application, including the required documents outlined in the Terms and Conditions. The BPU will reserve the incentive funds once the Dealer submits the application. CSE will cancel any applications not submitted and/or updated within fourteen (14) calendar days of the Vehicle Transaction Date, and the BPU will release any funds reserved for the canceled application. CSE will notify the Dealer of the cancellation via email. Dealers are responsible for ensuring that they receive and review these email communications.

VI. Electric Vehicle Charger Incentive

Phase Three of the Program, the Electric Vehicle Charger Incentive, launched in July 2022.

Applicant Eligibility

Applicants must meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive (“Charger Incentive”) offered by the Program. The eligibility requirements will be checked by the CSE.

Equipment Eligibility

Under the Charger Incentive of the Charge Up New Jersey Program, only a Level-Two EV charger capable of capturing data (also known as a “smart” or “networked” charger) intended for residential use that has been pre-approved by the State of New Jersey and is Energy Star certified is eligible for an incentive. The pre-approved eligibility list shall be provided on the Charge Up website and shall be updated regularly.

Incentives for Eligible Equipment

The Charger Incentive will utilize the same platform as Phase One of the Charge Up New Jersey vehicle incentive and operate as a post-purchase incentive. The incentive amount will be \$250. The incentive will not cover the associated installation costs, permitting fees, etc., though utilities may offer incentives to install the “make ready” infrastructure for residential chargers. To be eligible for the incentive, applicants would need to upload scanned copies of all required documents.

Required Documentation

- Proof of purchase and installation of an eligible Level-Two smart charger, either a digital or scanned hard copy, with the date of purchase clearly visible;
- Scanned photo of the serial number on the charging equipment itself; and
- New Jersey Driver’s License as proof of residence and a unique identifier;

- One charger incentive per NJ address (including one per apartment in a Multi-Unit Dwelling); and
- Each applicant (tracked by their New Jersey Driver's License) may receive up to two (2) charger incentives throughout the duration of the 10-year Charge Up New Jersey Program, but no more than one per address. Applicants may only receive one (1) charger incentive per EV registration (tracked by VIN number).

VII. Call Center Coordination

The CSE maintains a call center for the Program, which employs 30 individuals trained in processing light-duty EV incentives. The call center has a dedicated toll-free phone number and program specific email for applicant inquiries. The CSE has been working closely with the New Jersey Clean Energy Program main call center in order to create a seamless pathway for customer inquiries and Program information.

VIII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all Program participants. Staff at the CSE will verify and ensure all applications for adherence to eligibility requirements and technical information contained within this FY23 Compliance Filing. Applicant and representative information, supplied via the secure program platform, will be housed in the program database, and electronic files will be maintained containing all application documents. The State Contract Managers for the Program will perform internal quality assurance reviews on monthly program reports.

The CSE has guiding program documentation, including Standard Operating Procedures, Implementation Manuals, and quality control procedures to ensure that a rigorous standardized process is adhered to by all incentive processing specialists. The State Contract Managers for the Program will evaluate the CSE's quality control activities based on the processes documented in an approved Program Management Plan.

**BPU and DPMC Designated Project List
State Facilities Initiative Funds FY23ⁱ**

Agency	Contract	FY23 Total BPU Fundsⁱⁱ	Detail
Ag	Pabil Bug Lab	\$5,200,000.00	HVAC
DCA	Ashby Bldg.	\$4,250,000.00	HVAC
DHS	Ancora Psychiatric Hospital	\$3,010,000.00	ECMs
DHS	Greenbrook Regional	\$1,845,000.00	ECMs
DHS	Greystone Psychiatric Hospital	\$2,500,000.00	ECMs
DHS	Trenton Psychiatric Hospital	\$2,620,000.00	ECMs, Switch gear upgrades
DHS	Woodbine Developmental	\$1,500,000.00	ECMs
DHS	Kohn Training Center	\$537,000.00	Lighting, Chillers
DMAVA	Menlo Park	\$510,000.00	ESIP ECMs
DMAVA	Glen Gardner Vet Haven North	\$1,500,000.00	HVAC
DMAVA	Vet Haven South	\$279,000.00	HVAC
DMAVA	Paramus	\$530,000.00	ECMs
DOC	NJ State	\$3,000,000.00	Feeder Upgrades
DOC	Southwoods	\$2,565,000.00	ECMS
DOE	Jackson Regional School	\$3,700,000.00	HVAC
DOE	Katzenbach School	\$3,000,000	HVAC, VAV
DOL	Labor Bldg.	\$1,300,000.00	HVAC

Homeland Security	Horizon Center	\$1,400,000.00	Various
JJC Law & Public Safety	JJC Johnstone Campus	\$800,000.00	HVAC
NJ Transit	Hilton Garage	\$10,000,000.00	EV Infrastructure
NJDEP	DEP HQ	\$4,467,000.00	Controls Upgrade
NJDEP	Parks Upgrades	\$50,000.00	ECMs
OIT	OIT Hub	\$700,000.00	Data Center
Treasury	State Legislature Bldg.	\$850,000.00	Various
Treasury	State Library	\$1,190,000.00	ECMs
Treasury	Capital Complex CHP	\$550,000.00	CHP
Treasury	225 West State Street	\$900,000.00	Heat Exchangers, BMS
Treasury	Sensors, Submetering Pilot	\$50,000.00	Master Metered Campus
Treasury	State Facility Under 250 kw	\$500,000.00	Lighting Upgrades
BPU	State Energy Report	\$20,000.00	University Assistance
	Total Project Funding	\$59,323,000.00	

ⁱ Table may not sum to line item due to timing differences, such as carryforward of project funds and payments.