



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY ) ORDER  
PROGRAMS AND BUDGET FOR FISCAL YEAR 2024 )  
- TRUE-UP, REVISED BUDGETS AND PROGRAM )  
CHANGES ) DOCKET NO. QO23040236

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Phillip J. Passanante, Esq.**, Atlantic City Electric Company  
**Dominick DiRocco, Esq.**, Elizabethtown Gas Company and South Jersey Gas Company  
**Tori Giesler, 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 April 30, 2024 public meeting, where the Board considered revisions to the Fiscal Year 2024 (“FY24”) budget for New Jersey’s Clean Energy Program (“NJCEP”) and revisions to the FY24 Programs.<sup>1</sup>

**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, among other things, 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 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

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<sup>1</sup> The budgets approved in this Order are subject to State appropriations law.

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 – FY24.<sup>2</sup> The Board established FY24 programs and budgets through a Board Order dated June 29, 2023.<sup>3</sup>

On March 6, 2024, 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 15, 2024. Public comments were accepted through March 27, 2024. The comments are summarized below.

**FY24 BUDGET TRUE-UP AND REALLOCATIONS**

**1. True-Up**

The FY24 NJCEP budget was established, in part, based upon an estimate of expenses expected to be incurred during Fiscal Year (“FY23”). 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 FY23 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 \$80,014,638 being available for the NJCEP, as shown in the tables below:

(In \$)

<i>FY23 Programs/Budget Line</i>	<i>FY23 Final Budget</i>	<i>FY23 Actual Expenses</i>	<i>FY23 Actual Year End Commitments</i>	<i>FY23 Actual Expenses plus Year End Commitments</i>	<i>FY23 Budget Less Actual Expenses and Commitments</i>
<b>Total NJCEP + State Initiatives</b>	<b>657,147,718</b>	<b>227,663,759</b>	<b>330,137,407</b>	<b>557,801,167</b>	<b>99,346,551</b>
<b>State Energy Initiatives</b>	<b>92,674,000</b>	<b>85,913,242</b>	<b>-</b>	<b>85,913,242</b>	<b>6,760,758</b>
<b>Total NJCEP</b>	<b>564,473,718</b>	<b>141,750,518</b>	<b>330,137,407</b>	<b>471,887,925</b>	<b>92,585,793</b>
<b>Energy Efficiency Programs</b>	<b>298,838,400</b>	<b>76,406,798</b>	<b>156,491,468</b>	<b>232,898,266</b>	<b>65,940,134</b>
<b>Distributed Energy Resources</b>	<b>23,771,608</b>	<b>5,767,195</b>	<b>11,675,669</b>	<b>17,442,864</b>	<b>6,328,744</b>
<b>RE Programs</b>	<b>35,463,696</b>	<b>6,003,231</b>	<b>28,667,175</b>	<b>34,670,406</b>	<b>793,290</b>
<b>EDA Programs</b>	<b>28,940,000</b>	<b>1,424,805</b>	<b>27,475,195</b>	<b>28,900,000</b>	<b>40,000</b>
<b>Planning and Administration</b>	<b>56,689,084</b>	<b>17,107,855</b>	<b>28,356,388</b>	<b>45,464,243</b>	<b>11,224,841</b>
<b>BPU Initiatives</b>	<b>120,770,931</b>	<b>35,040,634</b>	<b>77,471,513</b>	<b>112,512,147</b>	<b>8,258,784</b>

<sup>2</sup> 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.

<sup>3</sup> In re the Clean Energy Programs and Budget for Fiscal Year 2024, BPU Docket No. QO23040236, Order dated June 29, 2023.

<i>FY23 Estimated Uncommitted Carryforward</i>	<i>FY23 Budget Less Actual Expenses and Commitments</i>	<i>Difference Between FY23 Estimated Uncommitted Carryforward and Actuals</i>	<i>Other Revenues (Interest Payments, Application Fees, etc.)</i>	<i>Additional FY23 Carryforward and Other Revenues</i>
38,087,454	99,346,551	61,259,097	18,755,540	80,014,638

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”)<sup>4</sup>**

- a. Offshore Wind (“OSW”) - Increasing the budget by \$450,000 to ensure adequate funding to support programmatic needs associated with the fourth solicitation.
- b. BPU Program Administration – The additional budget of \$1,500,000 is needed to reflect additional full-time employees and administrative expenses.
- c. Program Evaluation/Analysis - Increasing the budget by \$12,688,754 to support a Memorandum of Understanding between BPU and the New Jersey Economic Development Authority for assistance with grant applications in connection with the Creating Helpful Incentives to Produce Semiconductors Act and the Inflation Reduction Act. Additionally, funding has been allocated to continue to support additional evaluations and related research to further the Energy Master Plan’s (“EMP”) strategies.
- d. Storage - Additional funding of \$6,500,000 is needed to reflect an anticipated need to cover incentive payments as part of the implementation of the New Jersey Storage Incentive Program.
- e. Plug In Electric Vehicle (“EV”) Incentive Fund – Increasing the budget by \$5,883,925 to reflect previous encumbrances.
- f. Charge Up New Jersey (“CUNJ”) Administrative Fund – The additional funding of \$500,000 is needed to reflect additional work under the existing contract with the Center for Sustainable Energy.
- g. EV Studies, Pilots, and Administrative Support – The budget decrease of \$1,500,000 reflects updated timelines for when funds will be needed.
- h. State Vehicle Fleet – Increasing the budget by \$2,500,000 to reflect previous encumbrances.
- i. Local Clean Fleet - Increasing the budget by \$3,500,000 to reflect previous encumbrances.
- j. Multi-Unit Dwellings (Chargers) - The additional \$8,000,000 reflects updated forecast of participation levels and previous encumbrances.

<sup>4</sup> More information about the programs administered by the Division of Clean Energy is included in NJCEP’s FY24 revised compliance filing (“DCE Compliance Filing”).

- k. E-Mobility Programs - The budget decrease of \$3,000,000 reflects updated forecast of participation levels.
- l. Electric School Buses – This addition of \$15,000,000 is to support a legislative mandate between BPU and New Jersey Department of Environment Protection (“NJDEP”) to fund electric school buses.
- m. Residential Customer Relief Initiative – The \$30,000,000 allocation will provide additional support for qualified customers in need of financial bill assistance.

**3. *Reallocations and Rationale for Programs Administered by TRC***<sup>5</sup>

- a. Commercial and Industrial Buildings – The decreased amount of \$3,648,940 reflects updated forecast of participation levels.
- b. Local Government Energy Audits - The budget increase of \$975,910 is to cover additional costs associated with auditing and performing benchmarking of State buildings.
- c. Direct Install - The decreased amount of \$1,495,487 reflects an updated forecast of remaining costs of projects.
- d. New Construction - The budget increase of \$20,000 reflects an updated forecast of costs associated with the proposed new program.
- e. Combined Heat and Power – Fuel Cell - The budget increase of \$1,779,919 is to accommodate upcoming projects for this program.
- f. Solar Registration – The additional budget of \$170,465 is to ensure sufficient funding is available to cover increased participation levels.
- g. Outreach, Website, Other – The budget increase of \$190,091 is to provide additional support to BPU program focused events.

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<sup>5</sup> More detail about the programs administered by TRC is included in TRC’s FY24 revised compliance filing.

**4. Reallocations and Rationale for the Comfort Partners Program<sup>6</sup>**

Staff is recommending the Comfort Partners' program budget funding be shifted between cost categories to align with expected need in these service areas.

FY24 Original 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 Performance 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	\$702,559.00	\$127,109.00	\$100,609.00	\$5,025,455.00	\$214,480.00	\$0.00	\$0.00
PSE&G- Elec	\$9,927,623.00	\$1,687,509.00	\$211,509.00	\$160,509.00	\$7,575,473.00	\$292,623.00	\$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	\$269,972.00	\$130,972.00	\$124,305.00	\$5,748,598.00	\$207,472.00	\$0.00	\$0.00
Elizabethtown	\$3,790,634.00	\$251,197.00	\$66,297.00	\$68,682.00	\$3,241,776.00	\$162,682.00	\$0.00	\$0.00
PSE&G-Gas	\$23,164,457.00	\$3,937,522.00	\$493,522.00	\$374,522.00	\$17,676,104.00	\$682,787.00	\$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
<b>TOTAL</b>	<b>\$56,978,000.00</b>	<b>\$7,539,503.00</b>	<b>\$1,173,818.00</b>	<b>\$968,349.00</b>	<b>\$45,468,171.00</b>	<b>\$1,828,159.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
PSE&G - Combined	\$33,092,080.00	\$5,625,031.00	\$705,031.00	\$535,031.00	\$25,251,577.00	\$975,410.00	\$0.00	\$0.00

FY24 Comfort Partners Budget with 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 Performance Incentives
ACE	\$3,166,694.00	\$270,897.00	\$56,175.00	\$54,225.00	\$2,674,979.00	\$110,418.00	\$0.00	\$0.00
JCP&L	\$6,021,172.00	\$541,099.00	\$127,249.00	\$100,749.00	\$5,032,455.00	\$219,620.00	\$0.00	\$0.00
PSE&G- Elec	\$9,801,263.00	\$1,068,249.00	\$220,809.00	\$169,809.00	\$8,040,473.00	\$301,923.00	\$0.00	\$0.00
RECO	\$408,400.00	\$70,600.00	\$15,600.00	\$15,600.00	\$280,000.00	\$26,600.00	\$0.00	\$0.00
NJNG	\$6,630,359.00	\$267,732.00	\$133,732.00	\$127,065.00	\$5,886,598.00	\$215,232.00	\$0.00	\$0.00
Elizabethtown	\$3,790,634.00	\$246,197.00	\$66,297.00	\$68,682.00	\$3,241,776.00	\$167,682.00	\$0.00	\$0.00
PSE&G-Gas	\$22,869,617.00	\$2,492,582.00	\$515,222.00	\$396,222.00	\$18,761,104.00	\$704,487.00	\$0.00	\$0.00
SJG	\$4,289,861.00	\$347,047.00	\$80,434.00	\$77,697.00	\$3,635,786.00	\$148,897.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$56,978,000.00</b>	<b>\$5,304,403.00</b>	<b>\$1,215,518.00</b>	<b>\$1,010,049.00</b>	<b>\$47,553,171.00</b>	<b>\$1,894,859.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
PSE&G - Combined	\$32,670,880.00	\$3,560,831.00	\$736,031.00	\$566,031.00	\$26,801,577.00	\$1,006,410.00	\$0.00	\$0.00

<sup>6</sup> More detail about the Comfort Partners Program is included in the Comfort Partners Program FY24 revised compliance filing.

**Revised Budget Table:**

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

**FY24 True-Up Budget (In \$)**

<i>FY24 Program/Budget Line</i>	<i>Initial FY24 Budget</i>	<i>Additional FY23 Carryforward and Other Revenue*</i>	<i>Line Item Transfers</i>	<i>Revised FY24 Budget</i>
<b>Total NJCEP + State Initiatives</b>	<b>660,108,841</b>	<b>80,014,638</b>	<b>-</b>	<b>740,123,479</b>
State Energy Initiatives	71,200,000	-	-	71,200,000
<b>Total NJCEP</b>	<b>588,908,841</b>	<b>80,014,638</b>	<b>-</b>	<b>668,923,479</b>
Energy Efficiency Programs	296,222,053	-	(4,148,516)	292,073,537
Res Low Income (Comfort Partners)	56,978,000	-	-	56,978,000
<b>C&amp;I EE Programs</b>	<b>83,217,851</b>	<b>-</b>	<b>(4,168,516)</b>	<b>79,049,335</b>
C&I Buildings	76,288,155	-	(3,648,940)	72,639,215
LGEA	5,362,042	-	975,910	6,337,952
DI	1,567,654	-	(1,495,486)	72,168
<b>New Construction Programs</b>	<b>60,571,611</b>	<b>-</b>	<b>20,000</b>	<b>60,591,611</b>
New Construction	60,571,611	-	20,000	60,591,611
<b>Energy Efficiency Transition</b>	<b>14,588,263</b>	<b>-</b>	<b>-</b>	<b>14,588,263</b>
State Facilities Initiative	61,597,550	-	-	61,597,550
Acoustical Testing Pilot	3,281,880	-	-	3,281,880
LED Streetlights Replacement	15,986,898	-	-	15,986,898
<b>Distributed Energy Resources</b>	<b>20,180,161</b>	<b>-</b>	<b>1,779,919</b>	<b>21,960,080</b>
CHP - FC	17,992,661	-	1,779,919	19,772,580
Microgrids	2,187,500	-	-	2,187,500
<b>RE Programs</b>	<b>23,895,254</b>	<b>450,000</b>	<b>170,465</b>	<b>24,515,719</b>
Offshore Wind	20,406,584	450,000	-	20,856,584
Solar Registration	3,488,670	-	170,465	3,659,135
<b>EDA Programs</b>	<b>37,912,044</b>	<b>-</b>	<b>-</b>	<b>37,912,044</b>
Clean Energy Manufacturing Fund	17,228	-	-	17,228
NJ Wind	25,400,942	-	-	25,400,942
R&D Energy Tech Hub	12,493,874	-	-	12,493,874
<b>Planning and Administration</b>	<b>68,093,398</b>	<b>12,180,713</b>	<b>2,198,132</b>	<b>82,472,243</b>
BPU Program Administration	5,585,000	1,500,000	-	7,085,000
Marketing	12,262,234	-	-	12,262,234
CEP Website	1,500,000	-	-	1,500,000
Program Evaluation/Analysis	42,354,552	10,680,713	2,008,041	55,043,306
<b>Outreach and Education</b>	<b>6,224,889</b>	<b>-</b>	<b>190,091</b>	<b>6,414,980</b>
Sustainable Jersey	889,000	-	-	889,000
NJIT Learning Center	1,155,632	-	-	1,155,632
Conference	405,257	-	-	405,257
Outreach, Website, Other	3,775,000	-	190,091	3,965,091
<b>Memberships</b>	<b>166,723</b>	<b>-</b>	<b>-</b>	<b>166,723</b>
<b>BPU Initiatives</b>	<b>142,605,931</b>	<b>67,383,925</b>	<b>-</b>	<b>209,989,856</b>
Community Energy Grants	5,574,034	-	-	5,574,034
<b>Storage</b>	<b>24,000,000</b>	<b>6,500,000</b>	<b>-</b>	<b>30,500,000</b>
Heat Island Pilot	2,500,000	-	-	2,500,000

<b>Electric Vehicle Program</b>	<b>84,200,000</b>	<b>30,883,925**</b>	-	<b>115,083,925</b>
Plug In EV Incentive Fund	31,700,000	5,883,925	-	37,583,925
CUNJ Administrative Fund	3,000,000	500,000	-	3,500,000
CUNJ Residential Charger Incentive	4,500,000	-	-	4,500,000
EV Studies, Pilots, and Administrative Support	3,000,000	-	(1,500,000)	1,500,000
State Vehicle Fleet	6,000,000	2,500,000	-	8,500,000
Local Clean Fleet	6,000,000	3,500,000	-	9,500,000
Multi-Unit Dwellings (Chargers)	15,000,000	8,000,000	-	23,000,000
EV Tourism	8,000,000	-	-	8,000,000
E-Mobility Programs	7,000,000	-	(3,000,000)	4,000,000
Electric School Buses	-	10,500,000	4,500,000	15,000,000
<b>Energy Bill Assistance</b>	<b>21,831,897</b>	<b>30,000,000</b>	-	<b>51,831,897</b>
Arrearage Relief	21,831,897	-	-	21,831,897
Residential Customer Relief Initiative	-	30,000,000	-	30,000,000
<b>Workforce Development</b>	<b>4,500,000</b>	-	-	<b>4,500,000</b>

\*Other revenue includes interest earnings from the Clean Energy Fund and revenue collected by Rutgers University as part of the DCE Clean Energy Conference held in October 2022.

\*\*The additional carryforward and other revenue allocated to the Electric Vehicle Programs represent previous encumbrances and are not new funding except for the Electric School Buses Program and the CUNJ Administrative Fund.

\*\*\*Numbers presented in the above three tables may not add up precisely to totals provided due to rounding.

**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:

Program / Budget Line	Total Budget	FY24 Detailed Budget - Cost Category Budgets (\$)					
		Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
<b>Total NJCEP</b>	<b>444,887,727</b>	<b>24,421,220</b>	<b>13,078,156</b>	<b>35,562,929</b>	<b>301,070,344</b>	<b>-</b>	<b>70,755,078</b>
<b>Energy Efficiency Programs</b>	<b>95,434,591</b>	<b>8,752,958</b>	<b>-</b>	<b>-</b>	<b>86,681,633</b>	<b>-</b>	<b>-</b>
<i>Energy Efficiency Transition</i>	14,568,263	8,752,958	-	-	5,815,305	-	-
<i>State Facilities Initiatives</i>	61,597,550	-	-	-	61,597,550	-	-
<i>Acoustical Testing Pilot</i>	3,281,880	-	-	-	3,281,880	-	-
<i>LED Streetlights Replacement</i>	15,986,898	-	-	-	15,986,898	-	-
<b>Distributed Energy Resources</b>	<b>2,187,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,687,500</b>	<b>-</b>	<b>500,000</b>
<i>Microgrids</i>	2,187,500	-	-	-	1,687,500	-	500,000
<b>RE Programs</b>	<b>20,856,584</b>	<b>1,475,000</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>9,381,584</b>
<i>Offshore Wind</i>	20,856,584	1,475,000	-	-	10,000,000	-	9,381,584
<b>EDA Programs</b>	<b>37,912,044</b>	<b>768,927</b>	<b>-</b>	<b>32,062,929</b>	<b>-</b>	<b>-</b>	<b>5,080,188</b>
<i>Clean Energy Manufacturing Fund</i>	17,228	17,228	-	-	-	-	-
<i>NJ Wind</i>	25,400,942	127,005	-	20,193,749	-	-	5,080,188
<i>R&amp;D Energy Tech Hub</i>	12,493,874	624,694	-	11,869,180	-	-	-
<b>Planning and Administration</b>	<b>78,507,152</b>	<b>8,924,335</b>	<b>12,328,156</b>	<b>-</b>	<b>2,211,355</b>	<b>-</b>	<b>55,043,306</b>
<i>BPU Program Administration</i>	7,085,000	7,085,000	-	-	-	-	-
<i>Marketing</i>	12,262,234	1,839,335	10,422,899	-	-	-	-
<i>CEP Website</i>	1,500,000	-	1,500,000	-	-	-	-
<i>Program Evaluation/ Analysis</i>	55,043,306	-	-	-	-	-	55,043,306
<i>Outreach and Education</i>	2,449,889	-	405,257	-	2,044,632	-	-
<i>Sustainable Jersey</i>	889,000	-	-	-	889,000	-	-
<i>NJIT Learning Center</i>	1,155,632	-	-	-	1,155,632	-	-



Conference	405,257	-	405,257	-	-	-	-
<b>Memberships</b>	<b>166,723</b>	-	-	-	<b>166,723</b>	-	-
<b>BPU Initiatives</b>	<b>209,989,856</b>	<b>4,500,000</b>	<b>750,000</b>	<b>3,500,000</b>	<b>200,489,856</b>	-	<b>750,000</b>
<i>Community Energy Plan Grants</i>	5,574,034	-	-	-	5,574,034	-	-
<i>Energy Storage</i>	30,500,000	-	-	-	30,500,000	-	-
<i>Heat Island Pilot</i>	2,500,000	-	-	-	2,500,000	-	-
<i>Electric Vehicle Programs</i>	115,083,925	3,500,000	750,000	-	110,083,925	-	750,000
Plug In EV Incentive Fund	37,583,925	-	-	-	37,583,925	-	-
CUNJ Administrative Fund	3,500,000	3,500,000	-	-	-	-	-
CUNJ Residential Charger Incentive	4,500,000	-	-	-	4,500,000	-	-
EV Studies, Pilots, and Administrative Support	1,500,000	-	750,000	-	-	-	750,000
State Vehicle Fleet	8,500,000	-	-	-	8,500,000	-	-
Local Clean Fleet	9,500,000	-	-	-	9,500,000	-	-
Multi-Unit Dwellings (Chargers)	23,000,000	-	-	-	23,000,000	-	-
EV Tourism	8,000,000	-	-	-	8,000,000	-	-
E-Mobility Pilot Programs	4,000,000	-	-	-	4,000,000	-	-
Electric School Buses	15,000,000	-	-	-	15,000,000	-	-
<b>Energy Bill Assistance</b>	<b>51,831,897</b>	-	-	-	<b>51,831,897</b>	-	-
Arrearage Relief	21,831,897	-	-	-	21,831,897	-	-
Residential Customer Relief Initiative	30,000,000	-	-	-	30,000,000	-	-
<b>Workforce Development</b>	<b>4,500,000</b>	<b>1,000,000</b>	-	<b>3,500,000</b>	-	-	-

## 6. **Program Changes**

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

### **CRA and DCE, TRC, and Comfort Partners Compliance Filings**

The CRA, DCE Compliance Filing, TRC Compliance Filing, and Comfort Partners Compliance Filing have been updated to reflect previously approved developments and pending Board actions. Additionally, the detailed budgets in the respective compliance filings have been revised, so that they are consistent with the aforementioned reallocations. Lastly, the TRC Compliance Filing has been revised to provide program rules and details regarding the proposed New Construction Program (“NCP”).

### **DPMC/BPU DPL**

Due to updated timelines and cost projections, \$150,000 has been reallocated in the DPMC/BPU DPL.

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

On March 6, 2024, Staff posted on the NJCEP website and distributed to the listservs a Notice regarding the proposed FY24 True-Up, budget revisions, and program changes. Comments were accepted through March 27, 2024. Written comments were submitted by: Anthony Harrington, Briana Morales, ChargEVC-NJ, Christine Liaukus, Danielle Serronico, EAM Associates, Energy Efficiency Alliance of New Jersey (“EEA-NJ”), Heather E. Deese of Dandelion Energy (“Dandelion Energy”), Hilary Padget, Iljoong Kim, Jacob Brown, Jason Battles of Fluence (“Fluence”), Joan Maccari, Joseph Graham, Justin Taylor, Kelley Energy Management, LLC, MaGrann, Matthew Ahearn, Michael Bianchi, Michael Winka, Mikhail Sagal of TSRGrow (“TSRGrow”), New Jersey Chapter of the Sierra Club, New Jersey Division of Rate Counsel (“Rate Counsel”), New Jersey League of Conservation Voters (“NJLCV”), New Jersey Natural Gas Company (“NJNG”), ReVireo, Ryan Dougherty of Geothermal Exchange Organization (“Geothermal Exchange Organization”), Tad Everhart, Ticiana Jardim Marini, and William Amann of USGBC (“USGBC”) and are summarized below, along with Staff’s responses.

#### **General Comments**

**Comment:** NJLCV commented that it supported the additional funding being allocated to the BPU Program Administration budget line to hire new staff and the increase to the Program Evaluation and Analysis budget line, which will be used to apply for federal funding opportunities and work related to implementing the EMP. NJLCV also expressed interest in using additional funding to analyze the effectiveness of the outreach to community members as it relates to participation in the Multi-Unit Dwelling (“MUD”) Program and Whole House Pilot Program.

**Response:** Staff agrees that additional funding is needed to continue to support the hiring of additional staff. Additionally, Staff thanks the commenter for their support and will take their recommendations under consideration as these programs are further evaluated in future budgets.

**Comment:** NJLCV commented that it appreciated Staff extending the comment period to allow for more time for stakeholders to review the proposed documents but suggested allowing a minimum of 10 days for comment submittal. NJLCV also recommended that Staff provide more detail during the informational session to explain the proposed reallocations and allow for a question-and-answer portion to help clarify certain issues.

**Response:** Staff notes that additional time was added previously for comment review based on feedback from stakeholders. While Staff would prefer to provide commenters more time, Staff is working under a budget and fiscal year timeline that does not always allow for more time. Staff thanks the commenter for its suggestions and will continue to look for ways to improve the budget process to allow for great transparency and understanding of the proposed changes.

**Comment:** Rate Counsel alleged that the proposed budget allocations do not provide sufficient detail on the plans for spending increases, the impacts on ratepayers, the ways in which prior years' budgets have informed the current budget, and the benefits to New Jersey residents. Also, due to the number of large clean energy initiatives that the Board has been tasked with implementing, Rate Counsel stressed the importance of transparency in the budget process. Additionally, Rate Counsel commented that they continue to support a multi-year funding proposal rather than budgeting one (1) year at a time.

**Response:** Staff respectfully disagrees with Rate Counsel's comments regarding a lack of detail to explain the proposed increases. Staff has continued to look for ways to increase the transparency of the true-up process. Staff began holding an informational session to walk through the details of the proposed changes a few years ago and will continue to look for ways to better engage with stakeholders. With respect to the commenter's support for a multi-year funding proposal, Staff notes that the Board determined in 2012 that the CRA and NJCEP budget should be adjusted to better align with the State's annual budget. In addition, this annual approach to developing the CRA and NJCEP budget allows for greater stakeholder input and for Staff to better assess changes that impact program needs. The NJCEP is a dynamic program, with frequent changes needed from year to year and this requires a certain degree of flexibility to effectively meet the State's ambitious clean energy goals.

**Comment:** Rate Counsel noted that it needs additional time to review the budget documents and also more opportunities to ask questions about the details of the proposed changes.

**Response:** Staff notes that an extension was provided this year to provide additional time for review based on previous feedback from stakeholders. Additionally, Staff is ready, willing, and able to meet with stakeholders to further discuss budget proposals, which they have done previously. Staff appreciates Rate Counsel's suggestions and will continue to look for ways to improve the process.

### **New Construction Program**

**Comment:** Ticiana Jardim Marini submitted comments in support of the proposed NCP. Ms. Marini indicated that Passive House incentives are "right on track" and thanked the Board for including them. Ms. Marini requested that embodied carbon analysis be included as part of the Garden State Challenge ("GSC") Pilot Program. Recognizing this would add another layer of criteria to the program, Ms. Marini stated her belief that it would be a useful step in getting a full carbon account of new construction. Ms. Marini provided links to two (2) resources from the Carbon Leadership Forum Website detailing the importance of recognizing and accounting for embodied carbon.

**Response:** Staff appreciates the support and will further investigate the concept of embodied carbon prior to the launch of this program.

**Comment:** Ryan Dougherty, on behalf of Geothermal Exchange Organization, wrote a letter to support inclusion of Geothermal Heat Pumps (“GHP”) in the NCP. The Geothermal Exchange Organization suggested that the Board and TRC should support GHP’s by including geothermal professional development courses within the pre-approved workforce development courses listed for the NCP. The courses suggested to be included were the IGSHPA Accredited Installer course and the IGSHPA Certified GeoExchange Designer course.

Commenters suggested that the Program be modified to, “allow building developers to receive both NCP incentives and Utility Energy Efficiency Incentives.” Commenters stated that the Board should revise this guideline to make exception for GHPs based on the significant grid, emissions, and energy savings benefits of geothermal systems. Further, commenters suggested avoiding double counting of incentives. In addition, the commenters proposed that the Board “require energy modeling under the compliance pathways to exclude the GHPs from the performance calculations, allowing the GHP system to receive the energy efficiency program rebate while the rest of the building receives the NCP incentive based upon the remaining performance features of the building. This will provide important flexibility to builders in choosing their heating, ventilation, and air conditioning (“HVAC”) systems and will maximize the synergies between the energy efficiency and NCP programs.”

**Response:** The proposed Workforce Development component of the NCP allows courses not listed to be incentivized with prior program approval. Staff will investigate the suggested courses for inclusion on the pre-approved list.

Regarding the comment on incentives, Staff would like to clarify that any HVAC built in connection with a new construction project may receive incentives through the new construction programs and cannot also receive incentives through the Utility programs. Additionally, the proposed NCP is designed to reward overall building efficiency and performance and does not incentivize any one specific technology over another. Having said that, Staff recognizes the benefits of ground source heat pumps and will discuss internally what additional funding opportunities may be developed specific to this technology. We look forward to Geothermal Exchange Organization’s future input on this effort.

**Comment:** Heather E. Deese submitted comments on behalf of Dandelion Energy, supporting the proposed NCP and suggesting some modifications, as follows: 1) the program should add the GHG reduction bonus for residential building types, 2) make the GHG reduction bonus calculation/tool publicly available, and 3) for the Bundled Pathway, increase value of points for ground source heat pump (“GSHP”), specifically for schools/education and warehouse/storage facility types.

**Response:** Staff thanks Dandelion Energy for their support and recognizes the benefits of ground source heat pump technology. Regarding the suggested modifications, Staff would like to clarify that the GHG reduction bonus already applies to the residential sector projects that participate in the High-Performance Pathway and that the GHG conversion methodology and associated calculator will be publicly available along with other program documents ahead of program launch. Finally, the points outlined for the Bundled Pathway were derived from American Society of Heating, Refrigerating and Air-Conditioning Engineers (“ASHRAE”) 90.1-2019, Addendum AP and no modifications were made to the point values. Only minimum point targets were set by the program. Therefore, at this time, Staff would not recommend modifying point values so as to not

conflict with the ASHRAE Addendum and the work that went into developing those values.

**Comment:** Michael Winka stated that the revised compliance filing is a significant upgrade over the initial draft and provides comments intended to assist in the transition to 100% net zero energy in the New Construction market in New Jersey. Mr. Winka suggested the BPU take an approach to manage programs for integrated whole buildings, rather than managing programs for EE, EV, and solar separately. Mr. Winka stated that, in general, all New Construction pathways should be expanded to include the objectives of Grid-Interactive Efficient Buildings (“GEB”) to advance flexible load management. Furthermore, Mr. Winka commented that GEB will be included in the next IECC and ASHRAE building energy code updates after 2024. Mr. Winka suggested another pathway or a clean energy pilot be added to the NCP to support a fully clean energy integrated and holistic approach that requires and mandates above code high efficiency shell measures, above code building electrification, on-site solar, on-site storage, EV, EV charging, and GEB. Furthermore, Mr. Winka suggested that the Bundled Pathway should require at least one (1) non-energy conservation measure (“ECM”), the Streamlined Pathway should require at least one non-ECM, and that the High-Performance Pathway mandate the use of non-ECMs and suggested the ECMs that should include the following, “smart thermostat, lighting controls, daylighting or other wireless sensors and controls and/or building automation systems.”

**Response:** Staff appreciates the support and generally agrees that taking a holistic approach to programs makes a lot of sense. However, Staff believes that coordination and groundwork between the NJCEP and utilities and other State programs/agencies needs to occur before this can be achieved. For example, the installation of equipment that can be controlled by utilities to manage the grid requires the establishment of equipment standards which has not yet happened in New Jersey. A holistic approach will also require an analysis of existing program rules and incentives to ensure there is no double dipping between programs and that incentives are properly set.

Staff believes that the GSC offers an opportunity to further explore the potential benefits of including GEB measures in the NCP and for taking a more holistic approach to a program design that includes measures like solar and EV chargers rather than having these measures addressed in separate programs. Additionally, the NCP proposes to utilize proxies (nationally accredited programs) to meet requirements for eligibility, and it is our understanding that many, if not all, of the proxies are also working towards the same goals. Staff expects that smart thermostats, controls, building automation systems, etc., are or will start becoming a requirement for participation in these programs, especially with future iteration of energy codes.

**Comment:** William Amann, on behalf of the USGBC and separately on his own behalf, submitted comments supporting the new program proposal and the acceptance of Leadership in Energy and Environmental Design (“LEED”) Certification as a compliance path. The commenter also suggested that the language used in the filing in regard to submitting documentation that affirms buildings have met proxy requirements needs to state “proof of certification” should be submitted. This same comment was received in a letter dated March 27, 2024 submitted by Matthew Kaplan of ReVireo, and from EAM Associates, MaGrann and ReVireo in their joint letter of comments dated March 27, 2024.

**Response:** Staff appreciates the support and agrees that proof of certification should be required. Staff will coordinate with TRC to require proof of certification as a requirement in the Program Guidelines.

**Comment:** EEA-NJ expressed enthusiasm for the proposed improvements to the NCP that lower barriers to entry and increase EE and environmental performance. EEA-NJ supported the single point of entry, the utilization of a whole building approach across all three (3) pathways driving projects to pursue electrification and decarbonization measures, the GHG reduction bonus, the GSC, and the inclusion of the Workforce Development Reimbursement. EEA-NJ suggested that a definition of “square footage” (sqft) be introduced to ensure consistency or to consider a dollar per dwelling unit incentive rate.

**Response:** Staff appreciates the support and will add a definition to the Program’s rules that clearly outlines what is meant by “square footage” of a building as it pertains to incentive calculations.

**Comment:** NJNG supported the NCP’s redesigned goals and methods to increase EE and provided comments intended to enhance NCP by including more options to reduce GHG emissions and to provide more opportunities for the customer, developer, and contractor to achieve energy savings. NJNG emphasized the importance of ensuring NCP still encourages and provides robust incentives for comprehensive projects and for commercial and residential customers to maintain their right to choose efficient, affordable, and reliable direct use of natural gas as an energy source. NJNG stated that roughly 30-40% of NJNG residential customers rely on portable backup generators during power outages, with many more options for stand-by natural gas generators for home, business, and critical infrastructure back-up power. NJNG indicated that as one of the EMP goals is to increase New Jersey’s overall EE, the NCP should continue to include incentives for highly efficient gas equipment in all NCP pathways, including gas heat pumps. Finally, NJNG highlighted that the most recently updated International Energy Conservation Code edition (2024) still allows for natural gas equipment to be included and projects are still expected to show significant savings opportunities in residential (6.5%) and commercial buildings (10%).

**Response:** Staff appreciates the feedback and notes that only the Bundled Pathway excludes incentives for gas equipment. Both the Streamlined Pathway and High-Performance Pathway continue to incentivize high efficiency gas equipment within the larger building design. Staff believes this approach balances the State’s desire to start the transition towards carbon-free buildings while recognizing current market realities.

**Comment:** The New Jersey Chapter of the Sierra Club (“Sierra Club”) submitted a letter supporting the proposed NCP, citing they are happy to see the program aligns with Goals 3.1 and 4.1 of the 2019 EMP and that it supports the Governor’s Executive Order 316 targets. Sierra Club indicated that it was pleased to see the Workforce Development component added, citing that the most common comments received during their Building Electrification webinars are that it is hard to find knowledgeable HVAC professionals to complete the entire weatherization and electrification of a building project, and specifically stating that finding an HVAC vendor to bid a cold climate heat pump to provide whole house heat has been especially challenging. Sierra Club suggested that trainings provided through the NCP also support retrofit applications. Sierra Club specifically called out the length of time it takes to complete a retrofit and expressed hope that the Program can provide controls that limit the amount of time the work has to be completed. Furthermore, Sierra Club maintained that Zero Energy construction must become part of the building code and programs need to stop providing incentives for gas equipment. Lastly, Sierra Club proposed that the “New Construction Program should require electric readiness for all appliances, including electric heat pump space heaters and heat pump water heaters, and require that construction be both solar ready and EV ready.”

**Response:** The NCP Workforce Development component is intended to support the market for general success of the NCP and its offerings and includes or will include the types of training suggested. Staff notes that retrofit programs are currently managed by the utilities and will take the “retrofit” related comments into consideration in its review of the utility Second Triennium filings currently pending before the Board. The High-Performance Pathway supports the Department of Energy Zero Energy Ready Home and Passive House certifications which we understand have established goals for electric and EV readiness. Staff notes that comments regarding building codes are beyond the scope of this proceeding and are under the jurisdiction of the Department of Community Affairs; however, Staff will continue to explore the potential for making “electric readiness” for all appliances a future program requirement.

**Comment:** Matthew Kaplan of ReVireo suggested the use of GHG emissions as the metric the NCP should be using rather than site energy. Mr. Kaplan suggested that it is unclear if ENERGY STAR/DLC lighting certifications will be required and suggested they should not be considering the EPA phase out plan. Mr. Kaplan suggested a rebate for achieving ENERGY STAR Commercial Building based on benchmarking and a pre-design bonus, like the current Pay for Performance program. Mr. Kaplan opined that the Streamlined Pathway would confuse the marketplace, disconnect participants from energy consultants, and cannibalize participation in the High-Performance Pathway. Mr. Kaplan suggested the Sketchbox software should be used to predict savings for the pre-design bonus he suggested for the High-Performance pathway. Mr. Kaplan opposed the use of a simplified performance rating method as the basis for awarding incentives.

**Response:** Staff believes that using GHG emission reductions as a metric for designing programs and incentives is a concept that merits further consideration. However, transitioning from metrics based on energy savings to ones based on GHG emissions requires thoughtful consideration of many of the current building blocks such as the Technical Resource Manual (“TRM”), which includes formulas for estimating energy savings, cost effectiveness tests, forecasts of future grid emission levels and importantly, may require legislative changes since current law sets targets based on reductions of retail sales of electricity and natural gas. Staff notes that the Streamlined and High-Performance pathways of the proposed Program include incentive bonuses for reaching set GHG reduction targets.

Staff will take Mr. Kaplan’s suggestions regarding requirements such as lighting certifications into consideration in the development of Program Guidelines.

Mr. Kaplan recommended revising the program to include pre-design and post benchmarking bonuses similar to what is included in the existing P4P-NC program. The current program design which includes pre- and post-bonuses results in a multistep process that can take several years from the submittal of an initial application until the final incentive is paid. The NCP was designed to simplify this process and to shorten the time for completing an application. Staff notes that the proposed incentives in the NCP result in a single payment that is designed to exceed the total of the three incentive payments in the current program in most, if not all cases.

Mr. Kaplan opined that the proposed Streamlined Pathway would confuse the marketplace, disconnect participants from energy consultants and cannibalize participation in the High-Performance Pathway. Staff disagrees. The Streamlined Pathway is intended to offer a pathway to C&I projects that have historically not participated in the NCP. Staff believes that projects that have historically participated in the High-Performance Pathway (i.e., the legacy P4P-NC program) will continue to do so due to the significant increase in incentives a project would get by moving up from the Streamlined Pathway to the High-Performance Pathway. The intent is that the

Streamlined Pathway will result in projects participating in the Program that would not have participated absent this pathway, and for the Program through training and coaching to encourage projects to consider the increased benefits of participating in the High-Performance Pathway. Staff will monitor the impacts of the Streamlined Pathway and evaluate whether to continue it into the future and, if so, whether it should be revised in light of those impacts. Staff notes that based on comments made at the July 2022 stakeholder meeting, the proposed NCP was modified such that residential projects are not eligible for the Streamlined Pathway.

**Comment:** EAM Associates, MaGrann, and ReVireo jointly submitted comments for consideration. The commenters were in favor of the size-based limitations for calculating incentives for the single-family and townhome units. The commenters suggested that multifamily units have the same restriction and suggested using 1,000 sqft for a multifamily unit. The commenters also suggested a definition of “total building eligible sqft” be included and that a definition of affordable housing be further clarified in certain respects, such as where there is a mixed income profile or “workforce housing.” With respect to the proposed GHG reduction bonus, which the commenters were in favor of, the commenters suggested the use of the Home Energy Rating System CO2 calculation, which is based on American National Standards Institute Standard ICC301 2022, Addendum B. The commenters also emphasized the need to ensure that electric resistance equipment is not disproportionately incentivized through this bonus and suggest exploring the Carbon Index or similar approaches. The commenters recommended that the expiration date for multifamily buildings be changed to 3-years with the ability to add two (2) 6-month extensions due to the very long design and construction timelines and the increasingly complex financing package developments and approvals. The commenters suggested that the Board consider claiming attributions associated with code and market impacts in its evaluation of program cost-effectiveness, such as commissioning of systems and the like. The commenters provided a link to a paper written about how Massachusetts has successfully been able to do so. The commenters strongly urged a proactive approach associated with future code updates allowing the Partners at least 90-days from the date which modifications to the code are finalized before requiring them to switch.

**Response:** Staff appreciates the detailed feedback provided and notes that, due to the proposed incentive design, which is essentially on a \$/sqft basis, it is harder to limit the size of units in multifamily buildings since many of these buildings will also have non-residential spaces that need to be captured for incentive calculations. Adding a restriction to the size of each unit will make the computation of the eligible sqft of the building more difficult and add a layer of risk in miscalculation of the building. Staff concurs with the other comments and will coordinate with the Program Manager to evaluate and potentially include more detailed requirements in the Program Guidelines, such as a methodology for calculating GHG emissions, a more detailed definition of sqft, and a more detailed definition of affordable housing. Staff concurs with the comments suggesting claiming savings associated with code and market impacts and is currently in discussions with the evaluation and measurement and verification (“EM&V”) Working Group and others to explore potential NCP components and evaluations needed to claim such savings. Staff will consider the comment requesting a 90-day grace period subsequent to the implementation of any new building code at the time any new codes are adopted based, in part, on the specific requirements of any new code.

Staff concurs with the comment that the incentive commitment expiration date for multifamily buildings be changed to three years, and, given the desire to have all projects submit applications early in the design process, recommends that the currently pending proposed FY24 TRC revised compliance filing be modified to provide an incentive commitment expiration date three years from the date of approval for all projects in the High-Performance Pathway.



**Comment:** Rate Counsel included a comment to the effect that it is unclear how the existing programs will transition over to the NCP without duplications and overlapping costs.

**Response:** If the NCP is approved by the Board, Staff will coordinate with the Program Manager to develop specific dates for when the program will start accepting applications for the new program and cease accepting applications for the existing programs. Staff will work with the Program Manager to develop notices to industry participants announcing these dates. The intent is to provide projects currently under development with sufficient time to submit an application before the old program is closed to new applications. Consistent with long-standing Board policy, existing program incentives/rules in place on the date an application is submitted will remain with the project for the duration of the application. TRC, the current Program Manager, will manage both the old and new programs and its fees for managing the programs will be consistent with its existing contract. As such, Staff does not anticipate any “overlapping” costs.

**Comment:** EAM Associates, MaGrann, and ReVireo expressed concerns about prevailing wages restricting participation for buildings taller than 4-stories, citing the total project cost could increase by 30-50%, far outweighing the incentives offered by the program. The commenters suggested exemptions for residential buildings of all types up to 6-stories be added to help maximize the energy cost savings for an increasing segment of New Jersey renters.

**Response:** The exemption that is the subject of the comments is set forth in a statute and is limited to “multi-family home[s] of four stories or less.” N.J.S.A. 48:2-29.47. The Board does not have the authority to amend a statute and therefore will not be implementing this comment.

### **Passive House**

**Comment:** Michael Bianchi, Joan Maccari, Jacob Brown, Joseph Graham, Anthony Harrington, Hilary Padget, Danielle Serronico, Christine Liaukus, Iljoong Kim (AIA, LEED-AP), Justin Taylor, Briana Morales, and Matthew Ahearn expressed their support for the NCP, especially the incentives it provides related to Passive House certification and related training reimbursement. The commenters noted that Passive House is one of the most effective means to reducing residential energy usage without compromising safety and comfort. Many of the commenters cited that similar pathways and incentives programs in New York, Massachusetts, and Colorado are already resulting in safer, more energy efficient and resilient buildings. Mr. Harrington and Ms. Padget are both architects and teach courses on Passive House at the New Jersey Institute of Technology (“NJIT”). Mr. Kim is an Architect and LEED Accredited Professional. Mr. Taylor works as an Architectural Project Manager and Energy Modeler. Mr. Ahearn is a certified Phius Verifier.

**Response:** Staff appreciates the support.

**Comment:** Tad Everhart suggested including EnerPHit Standard as a passive house method of compliance.<sup>7</sup>

**Response:** It is Staff’s understanding that EnerPHit is for retrofit projects only. The NCP is limited to new construction and gut rehabilitation projects with other retrofit projects served by the utility programs. Staff will investigate further whether EnerPHit is a reasonable certification that should be included in a future modification to the program.

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<sup>7</sup> The EnerPHit Standard is a Passive House Standard intended for refurbishment projects, allowing for more flexibility than the traditional Passive House Standard to accommodate retrofitting challenges.

### **Garden State Challenge**

**Comment:** Justin Taylor, an Architectural Project Manager and Energy Modeler, included a comment supporting the GSC, indicating he believes that providing funding early in the schematic design phase has the potential to spur innovation in the marketplace. Mr. Taylor suggested that the student classification requirement be amended to include young professionals, under 30, that have graduated from a New Jersey higher education institution stating that, “architecture school is often arduous and students wouldn’t have the time to fully participate in a professional project until the summer.” Mr. Taylor stated, “If the student category could be expanded, it could prove very beneficial for young professionals to participate in all parts of an architectural project early in their careers and would be another incentive for them to learn about Passive House building strategies.”

**Response:** Staff appreciates these comments and will consider them when developing specific guidelines regarding the student participation, which might, among other things, include recent graduates being treated as “students.”

**Comment:** Michael Winka suggested that the GSC Pilot project must specifically include high efficiency shell measures, building electrification technology and equipment, on-site distributed energy resources (“DER”) solar, on-site DER storage, EV, EV charging, and GEB in a holistic and integrated approach.

**Response:** Staff will take these comments into consideration in developing specific Program Guidelines. However, an important concept of the program design is to allow applicants to propose any measures or combination of measures that meet program objectives.

**Comment:** In the joint letter submitted by EAM Associates, MaGrann, and ReVireo, the commenters indicated that they support this initiative and have clients who have indicated they would be interested in participating. The commenters collectively offered the following for consideration. The commenters expressed concern that it may be difficult for customers to commit to the first or second rounds of the GSC without knowing the certainty of passing onto the subsequent rounds. The commenters also expressed concerns with the deadlines set forth in the proposed GSC, claiming 18-months with two (2) 6-month extensions for the construction phase would not work for multifamily, especially affordable housing because of the complexity of the financial packages. They commenters further suggested at least 24 months with up to two (2) 6-month extensions would be necessary to adequately incentivize potential participants and commented that it would be even simpler to simply set the construction schedule at three years from the date of approval. The commenters also suggested another category be established specifically for low- and moderate-income (“LMI”)/affordable housing and that the projects be automatically approved for \$650,000 in rounds 1-3 with threshold that must be met to advance from round one to the next, “but once you’re in, you’re in.”

**Response:** The GSC is a competitive pilot program. Staff believes the competitiveness will encourage the design teams to think outside the box or develop new processes to reduce construction periods. Staff will research and consider recommendations for longer construction periods and for a separate, non-competitive track, for LMI/affordable housing.

### **Clean Energy Equity and Comfort Partners Program**

**Comment:** The NJLCV recommended that the Comfort Partners program work should include health and safety measures, and that it should incorporate goals for the meaningful reduction of energy burden in low-income households using a threshold that is appropriate for New Jersey residents. NJLCV also recommended partnering with community-based organizations to target marketing and outreach efforts to potentially eligible participants from households with limited English proficiency, renters, and both younger and older demographics. Additionally, NJLCV requested an explanation for the much greater allocations by utilities to gas services versus electric services.

**Response:** Staff appreciates the comments from the NJLCV and support for the Comfort Partners program work. Staff will consider energy burden reduction targets appropriate for New Jersey's low-income residents, as well as targeted outreach campaigns to less accessible communities that could benefit from an increased awareness of the program. Staff notes that the Comfort Partners program currently incorporates health and safety work, which is reflected in the program budget. The DCE is also administering a pilot program for customers who are deferred from Comfort Partners due to health and safety work that may fall outside of the scope of the program and/or exceed budget limitations.

With respect to the funding allocations, Staff notes that these were developed based on a historic mix of measures and that funds can be shifted to address program needs that arise during the year. Recent trends suggest that gas measures tend to outpace electric measures. The split between gas and electric measures in the budget is pre-determined to reflect this fact; however, allocations are shifted as actual costs for measures are known.

**Comment:** Rate Counsel commented that they do not object to the re-allocations of the Comfort Partners budget among utilities; however, they urged the Board to increase the total funding for the program to maintain the number of customers served.

**Response:** Staff appreciates Rate Counsel's lack of objection to the reallocation of budget among utility territories. Staff also appreciates the support for additional funding for Comfort Partners when available and notes that the Comfort Partners budget has increased in past years due to increases in costs for contractors, material, and equipment, leading to higher average job costs.

**Comment:** Rate Counsel expressed interest in learning more about the justification and detailed budget for the Heat Island Pilot.

**Response:** As Rate Counsel indicated in their remarks, DCE's Office of Clean Energy Equity anticipates working closely with the NJDEP to further develop the specific program requirements for this pilot and looks forward to engaging with the commenters in the future.

## **Energy Efficiency**

**Comment:** Rate Counsel commented that it would like to see more details regarding EE program design, implementation, and results, along with more detail on the transition of the programs to the utilities, to make their recommendation regarding budget proposals.

**Response:** Staff appreciates Rate Counsel's feedback, but notes that there has been extensive stakeholder engagement regarding changes to the EE programs. Staff looks forward to continuing to make the budget process more transparent and provide ample opportunities to work with Rate Counsel to meet the State's clean energy goals.

**Comment:** Rate Counsel questioned the need to maintain the existing level of funding in the Energy Efficiency Transition budget line given that many EE programs have now transitioned to the utilities.

**Response:** Although the EE programs have transitioned to the utilities, Staff has budgeted conservatively to cover any remaining costs that may still arise as part of the EE transition and the costs of projects that remain with NJCEP and are in the pipeline that need to be finalized. Staff expects this budget line to decrease significantly in FY25.

**Comment:** Rate Counsel requested clarity on how the \$72,639,215 in requested funds for C&I Energy Efficiency will be distributed between the Large Energy User Program ("LEUP") and the LEUP Decarbonization Pilot.

**Response:** The Program Manager has allocated \$15 million of the LEUP incentive budget to the Decarbonization Pilot. However, this amount is for internal planning purposes only and may be higher or lower depending on participation rates in the Pilot and in the other LEUP components.

**Comment:** Fluence commented that the proposed Bundled Pathway incentive rate would provide a significantly lower incentive to growers compared to the current C&I New Construction Horticultural Lighting incentive, while also requiring these customers to include additional measures. While Fluence indicated that it is not opposed to a \$/sqft incentive rate, it suggested that the proposed program incentive would need to be about \$10/sqft to provide comparable incentives to the current C&I New Construction Horticultural Lighting incentive. Additional recommendations from Fluence included changing the points system so this sector could qualify for incentive with only a lighting project.

TSRGrow also commented expressing concern for lack of lighting-only incentives for horticulture spaces and stated that the incentives for high energy use spaces are too low. TSRGrow further asserted that incentives be included for integrated controls.

Kelley Energy Management, LLC ("Kelley") expressed similar concerns to Fluence and TSRGrow that the \$/sqft rate is too low to encourage facilities to install high-efficiency lighting. Additionally, Kelley indicated that it believes the \$/sqft incentive structure will be detrimental to these types of facilities as many of them grow vertically rather than horizontally and the current proposed incentive structure does not consider this. Kelley provided an example where they have a 2,500 sqft facility that designs a single-tier grow area and may use 100 light fixtures, whereas a two-tier may use 200 light fixtures, and a three-tier would use 300 light fixtures, but the incentive stays the same because it is based on the 2,500 sqft of the facility. Kelley noted that indoor agriculture facilities are unique such that they can use vertical space and be more efficient than building a larger sqft building.

**Response:** Staff appreciates input from Fluence and TSRGrow with respect to the horticulture market. The existing incentive programs have been in place for over 15 years and have evolved over time to include new technologies and savings opportunities. The proposed NCP considers current market trends, such as electrification and decarbonization, which strive for a comprehensive “whole building” approach to EE. Staff would like to clarify that indoor agriculture is not limited to the Bundled Pathway but can also apply for the Streamlined and High-Performance Pathway, which includes bonus incentives for GHG reductions and enhanced incentives for high energy intensive use building types.

Staff acknowledges the gap between the proposed NCP incentives and the current C&I New Construction Horticultural Lighting incentive; however, Staff believes that additional research is required prior to recommending revised incentives for this market sector. Staff will review current available market information on horticulture lighting and will review the suggestions proposed above to determine what adjustments, if any, should be made to the proposed Program. Consideration will be given to the value of Design Lights Consortium (“DLC”) certification in ensuring installation of quality products, over cheaper or less efficient options. The intent is to conduct this additional research quickly so that any proposed changes can be included in the TRC Compliance Filing for FY25, which Staff expects to provide to the Board for review in approximately June 2025, so that any changes could be made prior to any transition from current programs and incentive levels.

### **State Facilities Initiative**

**Comment:** Rate Counsel commented that it would like to see further details on the projects funded from the State Facilities Initiative budget line. Rate Counsel also expressed concerns over the lack of energy savings and cost effectiveness data from the projects that are funded from this program.

**Response:** The State Facilities Initiative is funded by the BPU Clean Energy fund and implemented by the Treasury Division of Property Management and Construction (“DPMC”). Since these projects utilize state procurement and follow applicable public contracting laws, the BPU projects go through the seven (7) phases of the DPMC Project Life Cycle. As a result, projects can be in progress for several years before completion. As part of the scope development for projects post transition, the Architect or Engineer is required to track energy savings through a spreadsheet developed by Clean Energy’s program administrator. Staff anticipates that as these projects approach completion, the data that concerns Rate Counsel will become available.

### **Acoustical Testing Pilot**

**Comment:** Rate Counsel commented on the need to see more information regarding the use and impact of the funding that was provided over the last few fiscal years to support the Acoustical Testing Pilot Incentive Program. While Rate Counsel stated its support for this program, which provides grants to water utilities and towns to deploy acoustic monitoring technology to enable them to more efficiently and effectively locate water leaks to save water and energy for their residents, Rate Counsel also questioned why the subprogram is continued into FY24 since in Rate Counsel’s opinion, there has been lack of applicants, progress reports or cost benefit analyses to allow the Board to learn from the pilot program.

**Response:** Staff thanks Rate Counsel for its remarks. Staff have been working closely with the grantees as part of this program to develop final reports, which will provide robust data to determine the efficacy of this Pilot. Due to some unforeseen delays with the water utilities and

townships receiving the necessary approvals to begin the work for these projects, there has been a need to provide extensions, so that there is enough time for them to collect the necessary data to account for seasonal variations in water leakage. Staff look forward to sharing this information once it becomes available.

### **LED Streetlight Replacements**

**Comment:** Rate Counsel expressed its support for the overall goals of the light emitting diode (“LED”) Streetlight Replacements Program but had concerns over the amount of money being allocated to this program and the current development of a Straw Proposal without a better understanding of the program details. Rate Counsel also expressed concerns about the potential for stranded costs associated with the replacement of existing streetlights that have not reached the end of their useful lives.

**Response:** Staff appreciates the commenter’s continued interest in this program and looks forward to engaging with stakeholders on the details of this program following the release of the Straw Proposal. Staff thanks the commenter for their overall support for this program and agrees with them on the potential benefits it can provide to New Jersey communities. Staff believes that the commenter’s concern regarding stranded costs can be addressed as part of program development.

### **Distributed Energy Resources**

**Comment:** Michael Winka’s letter suggested the DER program needs to develop and implement a thermal energy storage and phase change material incentive program, especially for campus settings. Furthermore, Mr. Winka suggested enhanced incentives for renewable fuels and lower incentives for non-renewable fuel and suggests they should not be equally incentivized. Mr. Winka also suggests that “the DER program should provide an incentive, to gasify organic waste to generate renewable natural gas to fuel the CHP or FC systems.” Lastly, Mr. Winka suggested that the Board manage all DER initiatives under one program, including the DER solar program and the DER storage program under development as a program of the Storage Incentive Program.

**Response:** Staff appreciates these comments and notes that the current CHP-FC program offers up to a 30% bonus incentive for projects fueled by a Class I Renewable Fuel Source, as defined by N.J.A.C. 14:8-2.5. As noted above, Staff has commenced an internal review of this program and will take these suggestions under consideration as part of this review.

**Comment:** The NJLCV supported the increase to the CHP-FC budget, noting that these efficient technologies generate electricity and can function as microgrids, providing resiliency to the grid. Noting a report issued by the Board in 2023 that stated New Jersey is well positioned to serve as a regional hydrogen hub, NJLCV stated that the Board should only use hydrogen that is produced through electrolysis that utilizes renewable fuels. NJLCV encouraged the State to continue exploring ways to bring more alternative fuels into the state through mechanisms such as a low carbon fuel standard. In addition, the commenter recommended that the Board consider creating incentive structures that encourage a facility’s utilization of alternative, lower-carbon emitting fuel types that would lower emissions and have in-community air quality benefits.

**Response:** Staff appreciates the NJLCV’s support for the increase in the CHP-FC program budget. Staff is currently exploring potential modifications to the CHP-FC program, including the potential to provide incentives designed to stimulate the development of a renewable fuels market

that would include hydrogen. Staff will consider the NJLCV's comments as it develops related recommendations for potential program modifications. Regarding NJLCV's recommendation of incentives for lower carbon emitting fuel types, Staff notes the Board's recent approval of a Decarbonization Pilot that will target universities; the goal of the Pilot is to achieve many of the benefits suggested by the NJLCV, and it provides incentives for any measure that reduces on-site carbon emissions, including switching to a lower carbon fuel.

**Comment:** Rate Counsel stated that the proposal to add \$1,779,919 to the budget for CHP-FC "to accommodate upcoming projects" lacks sufficient information. In addition, Rate Counsel expressed concerns about providing ratepayer funding for these technologies on the grounds that they are mature technologies that use fossil fuels and can cause increased emissions and other adverse impacts to already overburdened communities. Rate Counsel recommended that the Board limit this program.

**Response:** The CHP-FC program is a low volume/high incentive program, which means the program sees on average 10-12 new applications per year. Of those new applications, several have incentives over \$500,000. The amount of time needed to approve these larger applications varies, and therefore, additional funding was added to account for pending applications nearing approval.

Staff appreciates Rate Counsel's reservations about incentivizing a fossil fuel technology, but notes that in general, projects in the CHP-FC program demonstrate overall efficiencies greater than those from current electric utility generation. The projects result in energy and GHG reductions at a customer's site. Staff is currently reevaluating this program and will take Rate Counsel's recommendations into consideration.

**Comment:** ChargEVC-NJ commented that the amount of funding allocated to the energy storage program line has been unspent for several years and that more information needs to be provided on the timing of establishing the New Jersey Storage Incentive Program ("NJ SIP"). ChargEVC-NJ indicated that the additional funding proposed for NJ SIP should instead be allocated to the CUNJ Program to support additional electric vehicle rebates.

**Response:** Staff has been working closely with a contractor to develop a revised straw proposal for NJ SIP based on a thorough and thoughtful review of stakeholder feedback. Staff anticipates releasing the revised straw proposal by the end of the second Quarter ("Q2") of 2024 and presenting a final recommendation for program design to the Board by the end of 2024. Staff carefully considers potential future program needs as well as current ones in determining how funds are allocated. In addition, the funding allocated to this budget line is not only for NJ SIP; it also includes \$14 million to meet a state match requirement for a 40101(d) grant through the United States Department of Energy that will focus on improving the resilience of the grid, especially at State Facilities. The details of the resiliency efforts, including the locations, are still in the process of being developed by Staff with help from the Board's sister agencies.

### **Whole House Pilot Program**

**Comment:** EEA-NJ expressed support for the continued funding of the Whole House Pilot Program, stating that it saw this pilot program as having great promise to reduce barriers to entry for other EE programs by addressing health and safety hazards in single and multi-family residences occupied by low- to moderate-income residents. EEA-NJ also commented during the past year and half, they have not seen publicly available updates on the pilot's progress. EEA-NJ urged the Board to provide regular updates on the program's progress.

**Response:** Staff appreciates and shares the commenter's enthusiasm for the Whole House Pilot Program. Staff agrees that this pilot is instrumental to informing the creation of a permanent statewide program focused on addressing health and safety barriers that prevent implementation of energy efficiency measures in New Jersey's disadvantaged communities. As Staff continues to develop framework and shape elements of the program that enable meaningful progress, Staff is exploring avenues to update stakeholders with progress on a regular basis, which could be done through monthly EE stakeholder meetings or otherwise.

### **Electric Vehicles**

**Comment:** ChargEVC-NJ commented on the Plug In EV Incentive Fund Budget which was adjusted to reflect previous encumbrances (\$5,883,925). Given the start/stop cycles in the CUNJ Program, ChargEVC-NJ suggests the nearly \$6 million in the program should allow it to open again before the close of the fiscal year. The commenter also referenced its previous comments on the FY24 Budget, in which it advocated for increased overall funding, higher incentives, and "several discrete and well-defined 'windows' over FY2024" that the market could rely upon.

**Response:** The previous encumbrances reflected in the budget reflect funds for already reserved incentives from FY22, FY23 and FY24. As was noted in the response to ChargEVC-NJ's comments on the original FY24 budget, the funding needs of the Plug In EV program must be balanced against many other important NJCEP programs, while the recommended funding level reflects Staff's analysis of the impact of reductions on both the longevity of funding and on total EV adoption.

**Comment:** ChargEVC-NJ commented that the adjustment to the CUNJ Administrative Fund Budget to support additional work under the existing contract with the Center for Sustainable Energy (\$500,000) was made with no visibility into whether their repeated recommendations for program design changes and transparency regarding data have been considered as part of "additional work."

**Response:** This funding includes Board approved contract extensions and modifications to the contract with the Center for Sustainable Energy; these extensions were granted to administer the programs and to provide additional research and consultative work, including on long term Clean Transportation programs.

**Comment:** ChargEVC-NJ commented that no information has been provided for the EV Studies, Pilots, and Administrative Support and asked for the details of EV Studies and pilots.

**Response:** Funding was moved to other EV programs that required funding, including the school bus program and the Administrative Fund, as CSE provides research and consultative work on long-term Clean Transportation programs.

**Comment:** ChargEVC-NJ commented that it is unaware of any E-Mobility programs that have been made.

**Response:** No program has been proposed at this time. These funds were moved to address immediate needs in the school bus program and to allow Staff to continue work on E-mobility programs.

**Comment:** NJLCV commented that as the EMP establishes e-mobility as a goal and New Jersey municipalities have shown a strong interest in e-mobility and e-bikes, NJLCV questions the



reduction in this budget line from \$7 million to \$4 million. The commenter stated the Electric School Bus pilot to which the funds were transferred could instead have been funded from the \$60 carried over from the previous year's budget.

**Response:** The funding needs of the clean transportation programs must be balanced against many other important NJCEP programs, and as such, this budget reflects that balance.

**Comment:** Rate Counsel inquired about the need for additional funding being provided to EV programs, especially the reallocations that will support the MUD Charger and the State Vehicle Fleet programs. Rate Counsel questioned whether the funding will be spent before the end of the fiscal year; it also encouraged DCE to utilize all available federal funding to avoid ratepayer impacts.

**Response:** Staff has indicated in this true-up proposal that the additional funding provided to these EV programs is intended to cover carryforward commitments that have been previously made against these budgets. To ensure funds are available when needed and to align with the State's budgeting practices, funds must be encumbered once a formal commitment has been made even if they are not paid out before the end of the fiscal year. With respect to utilizing available funding, Staff with the assistance of TRC continues to look for ways to maximize the use of all funding sources, including recent money made available under the Infrastructure Investment and Jobs Act ("IIJA") and Inflation Reduction Act ("IRA").

### **Energy Bill Assistance**

**Comment:** Rate Counsel supported maximizing the use of funds to benefit ratepayers but expressed concern regarding the creation of new programs and the limited information available for the proposed Residential Customer Assistance Initiative. Rate Counsel commented that the allocation of \$21.8 million for the Arrearage Relief Program carried over from FY23 has not yet been distributed to customers in need, and that the associated MOU with DCA appears to have been abandoned. Noting that the revised Compliance Filing indicated the original budgeted amount for the Arrearage Relief Program as well as an additional \$30 million would go towards the new initiative, Rate Counsel pointed to the end of the Memorandum of Understanding ("MOU") as evidence of the difficulty of setting up new programs. Rate Counsel proposed that the \$51.8 million in funds allocated to the new initiative instead be transferred to the Universal Service Fund ("USF") to ensure timely assistance to customers in need.

**Response:** Staff appreciates Rate Counsel's support of DCE's efforts to utilize funds to maximize benefits to ratepayers. Staff also appreciates Rate Counsel's suggestion to direct \$51.8 million in funds allocated to the Residential Customer Assistance Initiative to the existing USF. The Board will continue to consider all options to get timely relief to residential customers most in need without establishing new programs. The Board anticipates providing more information about the Residential Customer Assistance Initiative as it continues to develop and additional information becomes available.

**Comment:** NJLCV commended the Board for allocating \$30 million in additional funding from last year's budget to the energy bill assistance Program Residential Customer Relief Initiative. Noting the importance of long-term solutions, NJLCV also encouraged the Board to use this program as an additional opportunity to communicate with low-income customers about programs that will provide long-term relief, such as the Comfort Partners Program or, when it becomes available statewide, the Whole Home Pilot Program.

**Response:** Staff appreciates the commenter’s suggestion and will work with the utility companies and program partners to ensure that customers who receive this help will also receive information about the Board’s programs that can reduce their energy burden through EE, reduce their carbon footprint, and increase health and safety in the home.

### **Workforce Development**

**Comment:** Rate Counsel commented “that although the March 2024 DCE’s Comprehensive Energy Efficiency & Renewable Energy Resource Analysis notes the intention to ‘include a particular focus on outreach and education to ensure equity in access to EE and development of a diverse EE workforce,’” no information is available on actual spending or the efficacy of any workforce development that has occurred.

**Response:** Staff notes that the Board has not yet spent funding on workforce development, due in large part to limited staff capacity and resources to develop BPU-led workforce development initiatives. That said, in the past few months, Staff has found opportunities to engage in deeper and more sustained collaboration with the New Jersey Department of Labor and Workforce Development (“DOL”) toward the end of leveraging and coordinating each other’s knowledge and resources to advance the EE workforce, including through State-sponsored workforce development initiatives. The Board has set aside funding for State workforce development initiatives to be developed, funded, and implemented in partnership with multiple State agencies, including DOL, and the NJ Economic Development Authority (“EDA”).

**Comment:** Rate Counsel also questioned whether there is sufficient coordination between workforce development programs administered by the BPU and the DOL regarding federal funding opportunities for workforce development.

**Response:** The BPU’s Energy Efficiency Workforce Development Working Group includes members from the DOL, as well as EDA and other partners and stakeholders. BPU, DOL, and EDA have been outlining shared State resources for EE workforce development toward the end of leveraging and coordinating each other’s resources. Most recently, the agencies have been working closely together throughout the process of applying for the federal Training for Residential Energy Contractors (“TREC”) grant, made available through the IRA, from initial concept development to proposal to ongoing implementation planning. BPU anticipates that this funding can be used to advance technical training on energy efficiency and electrification statewide in a way that is complementary to initiatives led by the utilities and other State agencies. In addition, BPU is currently working with the DOL’s Industry Partnerships team to co-convene a Business and Industry Leadership Team (“BILT”) convention in June with NJIT (BPU’s academic contractor). This event will bring together training centers, employers, unions, and community-based organizations. The goal is to develop an efficient pathway for contractor trainees to receive training, mentoring, wraparound support, entrepreneurship, and job opportunities. BILT will also focus on training and retaining trainers.

**Comment:** Rate Counsel asked for information on how this budget will be used in conjunction with the utilities’ energy efficiency filings, since those filings also contain workforce development programs. In addition, Rate Counsel asked why there was no mention of federal funding under IRA Section 50123 in the March 2024 CEP materials, given that New Jersey has been allocated \$3,517,680 in two (2) installments of \$1,758,840 pursuant to that grant. The commenter also noted that the DOL FY23 Clean Energy Employment and Training (“CEETP”) Grant is a \$1,500,000 competitive grant available from April 2023 through September 2024.

**Response:** Please see Staff's previous response. The Board applied for the above-referenced TREC grant in January 2024. These funds aim to advance technical training on energy efficiency and building decarbonization throughout New Jersey. This initiative will complement existing EE workforce programs led by utilities and other state agencies. In addition, BPU is collaborating with the DOL's Industry Partnerships team to co-host a BILT convention in June with NJIT (BPU's academic partner). This convention will bring together training centers, employers, labor unions, and community organizations, fostering coordination with utility workforce development programs. Staff also anticipates a competitive process to distribute TREC funding broadly across New Jersey's training centers. This will enhance and align training infrastructure with industry standards and best practices, building upon existing State and utility programs. As to the questions regarding grants, the DOL is best suited to answer the question related to the CEETP Grant.

### **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 FY24 Budget Revisions include the true-up, reallocations, and detailed budgets.

Staff recommends that the Board adopt and approve the Proposed FY24 Budget Revisions and the revised CRA, DCE Compliance Filing, TRC Compliance Filing, Comfort Partners Compliance Filing, and the DPMC/BPU DPL attached hereto.

### **DISCUSSION AND FINDINGS**

Staff distributed the Proposed FY24 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.

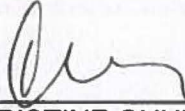
Having reviewed and considered the revised compliance filings, the Board **FINDS** that budget revisions will benefit customers and are consistent with the goals of reducing energy usage and associated emissions. Therefore, the Board **HEREBY APPROVES** the revised CRA, DCE Compliance Filing, TRC Compliance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

The Board has reviewed the FY24 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 FY24 Budget Revisions and programs recommended by Staff.

This Order shall be effective on April 30, 2024.

DATED: April 30, 2024

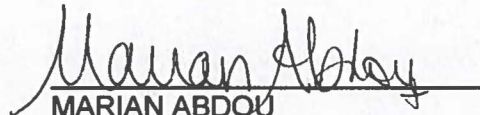
BOARD OF PUBLIC UTILITIES  
BY:




CHRISTINE GUHL-SADOWY  
PRESIDENT



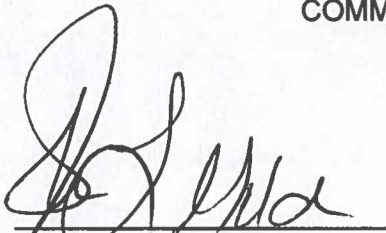
DR. ZENON CHRISTODOULOU  
COMMISSIONER



MARIAN ABDOU  
COMMISSIONER



MICHAEL BANGE  
COMMISSIONER



SHERRI L. GOLDEN  
SECRETARY

ATTEST:

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 2024 – TRUE-UP,  
REVISED BUDGETS AND PROGRAM CHANGES

DOCKET NO. QO23040236

SERVICE LIST

**New Jersey Division of Rate Counsel**

Brian O. Lipman, Esq., Director  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

**TRC Energy Solutions**

317 George Street, Suite 520  
New Brunswick, NJ 08901

Michael Ambrosio  
[mambrosio@trccompanies.com](mailto:mambrosio@trccompanies.com)

Thomas A. Kowalczyk  
[tkowalczyk@trccompanies.com](mailto:tkowalczyk@trccompanies.com)

**New Jersey Division of Law**

Department of Law & Public Safety  
Division of Law  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625-0112

David Apy, Assistant Attorney General  
[david.apy@law.njoag.gov](mailto:david.apy@law.njoag.gov)

Daren Eppley, Section Chief, DAG  
[daren.eppley@law.njoag.gov](mailto:daren.eppley@law.njoag.gov)

Pamela Owen, Assistant Section Chief, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

**Atlantic City Electric Company**

500 N. Wakefield Drive  
Newark, DE 19714

Philip J. Passanante, Esq.  
[philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

Heather Hall  
[heather.hall@pepcoholdings.com](mailto:heather.hall@pepcoholdings.com)

Marisa Slaten, Esq.  
Director, Regulatory Initiatives  
Pepco Holdings  
5 Collins Drive  
Carneys Point, NJ 08069  
[marisa.slaten@exeloncorp.com](mailto:marisa.slaten@exeloncorp.com)

**New Jersey Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

Sherri L. Golden, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Robert Brabston, Esq., Executive Director  
[robert.brabston@bpu.nj.gov](mailto:robert.brabston@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Taryn Boland, Chief of Staff  
[taryn.boland@bpu.nj.gov](mailto:taryn.boland@bpu.nj.gov)

Curtis Elvin, Chief Fiscal Officer  
[curtis.elvin@bpu.nj.gov](mailto:curtis.elvin@bpu.nj.gov)

Division of Clean Energy

Veronique Oomen, Director  
[veronique.oomen@bpu.nj.gov](mailto:veronique.oomen@bpu.nj.gov)

Stacy Ho Richardson, Deputy Director  
[stacy.richardson@bpu.nj.gov](mailto:stacy.richardson@bpu.nj.gov)

Matthew Rossi, Clean Energy Budget Policy Manager  
[matthew.rossi@bpu.nj.gov](mailto:matthew.rossi@bpu.nj.gov)

Judith Augustin, Budget Analyst 2  
[judith.augustin@bpu.nj.gov](mailto:judith.augustin@bpu.nj.gov)

Counsel's Office

Michael Beck, General Counsel  
[michael.beck@law.njoag.gov](mailto:michael.beck@law.njoag.gov)

Rachel Boylan, Senior Legal Specialist  
[rachel.boylan@bpu.nj.gov](mailto:rachel.boylan@bpu.nj.gov)

**Elizabethtown Gas Company**

520 Green Lane  
Union, NJ 07083

Thomas Kaufmann  
[tkaufmann@sjindustries.com](mailto:tkaufmann@sjindustries.com)

Susan Potanovich  
[spotanovich@sjindustries.com](mailto:spotanovich@sjindustries.com)

Gina O'Donnell  
[vodonnell@sjindustries.com](mailto:vodonnell@sjindustries.com)

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs  
SJL Utilities, Inc.  
One South Jersey Plaza  
Folsom, NJ 08037  
[ddiocco@sjindustries.com](mailto:ddiocco@sjindustries.com)

**South Jersey Gas Company**

1 South Jersey Place Atlantic  
City, NJ 08401

Steven R. Cocchi, Esq.  
[scocchi@sjindustries.com](mailto:scocchi@sjindustries.com)

Karen J. Crispin, Senior Rate Analyst  
[kcrispin@sjindustries.com](mailto:kcrispin@sjindustries.com)

Carolyn A. Jacobs, Regulatory Compliance Specialist  
[cjacobs@sjindustries.com](mailto:cjacobs@sjindustries.com)

**Rockland Electric Company**

4 Irving Place Room 1815-S New  
York, New York 10003

Margaret Comes, Esq., Associate Counsel  
[comesm@coned.com](mailto:comesm@coned.com)

John Carley, Esq., Associate General Counsel  
[carleyj@coned.com](mailto:carleyj@coned.com)

Orange & Rockland Utilities, Inc.  
390 West Route 59  
Spring Valley, NY 10977

Charmaine Cigliano, Section Manager  
Customer Energy Services  
[ciglianoc@oru.com](mailto:ciglianoc@oru.com)

Donald Kennedy, Director Customer Energy Services  
[kennedyd@oru.com](mailto:kennedyd@oru.com)

**Jersey Central Power & Light Company**

Tori Giesler, Esq.  
FirstEnergy Service Company  
2800 Pottsville Pike  
Reading, PA 19612-6001  
[tgiesler@firstenergycorp.com](mailto:tgiesler@firstenergycorp.com)

300 Madison Avenue  
Morristown, NJ 07962

Mark Mader  
Director, Rates & Regulatory Affairs – NJ  
[mamader@firstenergycorp.com](mailto:mamader@firstenergycorp.com)

Tom Donadio  
[tdonadio@firstenergycorp.com](mailto:tdonadio@firstenergycorp.com)

James O'Toole  
[jotoole@firstenergycorp.com](mailto:jotoole@firstenergycorp.com)

Kurt Turosky  
76 South Main  
Akron, OH 44308  
[kturosky@firstenergycorp.com](mailto:kturosky@firstenergycorp.com)

Kent Hatt  
[khatt@firstenergycorp.com](mailto:khatt@firstenergycorp.com)

Lori Brightbill  
[llbrightbill@firstenergycorp.com](mailto:llbrightbill@firstenergycorp.com)

Lauren Lepkoski, Esq.  
First Energy Group  
2800 Pottsville Pike  
Post Office 16001  
Reading, PA 19612-6001  
[llepkoski@firstenergycorp.com](mailto:llepkoski@firstenergycorp.com)

**New Jersey Natural Gas Company**

1415 Wyckoff Road  
PO Box 1464  
Wall, NJ 07719

Andrew Dembia, Esq. Regulatory  
Affairs Counsel  
[adembia@njng.com](mailto:adembia@njng.com)

Anne-Marie Peracchio, Director  
Conservation and Clean Energy Policy  
[aperacchio@njng.com](mailto:aperacchio@njng.com)

**Public Service Electric and Gas Company**

80 Park Plaza, T-5  
P.O. Box 570  
Newark, NJ 07102

Matthew Weissman, Esq.,  
General State Regulatory Counsel  
[matthew.weissman@pseg.com](mailto:matthew.weissman@pseg.com)

Bernard Smalls  
[bernard.smalls@pseg.com](mailto:bernard.smalls@pseg.com)

Caitlyn White  
[caitlyn.white@pseg.com](mailto:caitlyn.white@pseg.com)

Stacy Mickles, Esq.  
[stacey.mickles@pseg.com](mailto:stacey.mickles@pseg.com)

Michele Falcao  
Regulatory Filings Supervisor  
[michele.falcao@pseg.com](mailto:michele.falcao@pseg.com)

# ***New Jersey's Clean Energy Program™***

## **FISCAL YEAR 2024 PROGRAM DESCRIPTIONS AND BUDGETS**



### **DIVISION OF CLEAN ENERGY**

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

**April 30, 2024**



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## Introduction

On January 27, 2020, the 2019 Energy Master Plan (“EMP”)<sup>1</sup> was unveiled following extensive 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. With the adoption of Executive Orders 315 (“EO 315”), 316 (“EO 316”), and 317 (“EO 317”), the State has accelerated the goal to reach 100% clean energy by 2035.<sup>2</sup> The 2024 EMP will reflect New Jersey’s updated climate goals and the impacts of recent state and federal policies in advancing New Jersey’s clean energy goals.

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 2024 (“FY24”) 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.

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<sup>1</sup> 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](https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf).

<sup>2</sup> Exec. Order No. 315, 316, and 317 (Feb. 15, 2023).

## **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 to provide incentives to 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, Pilots, 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, BPU Staff (“Staff”) proposes to use these funds to address the need to aggregate the data from charging stations funded by State and utility incentive programs to create an EV incentive portal for the State of New Jersey and provide administrative support for EVs and EV charging incentives.

#### 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. Beginning in February 2024, the Center for Sustainable Energy (CSE) will administer this program. All applications submitted prior to that time will be addressed by Staff.

#### *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 40 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 FY24 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, an incentive of up to 50% of the cost of the Make-ready for fleet chargers, up to \$5,000 of the cost of the Make-ready for level 2 chargers, and up to \$50,000 of that cost for DCFCs is available. In FY24, the Clean Fleet Program has been extended to non-profit organizations and will add a \$10,000 incentive for Class 2B – 6 vehicles for all eligible entities.

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 ("OBM"), 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 or lease of a new eligible battery EV and/or charging equipment. For charging equipment, eligible costs shall include the cost of the charger, taxes on the charger, delivery and activation fees and warranty for the charger. All applicants must complete all required forms within the deadlines as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased or have a payment made on a lease prior to submitting an application. Vehicles and chargers purchased between December 1, 2023 and May 1, 2024 may be eligible for awards if all other criteria are met. 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 paid for and received in order to submit for reimbursement.

All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, and a networked dual-port charger that is on a network pre-approved by the State. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. 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 the New Jersey Department of Environmental Protection's ("NJDEP") It Pay\$ to Plug In Program for the same charger.

#### Multi-Unit Dwellings (Chargers)

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 OBCs 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. In addition, 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 provided incentives for 757 chargers, funded with \$5,256,500 and in FY23, thus far, over \$1.5 million was committed to fund approximately 348 chargers.

The incentive provides \$4,000 for the cost of a Level 2 charger (up to the cost of the charger); maximum awards are based on the size of the development. Eligible chargers must be accessible to all residents and may be accessible to all visitors. All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, and a networked dual-port charger that is on a network pre-approved by the State. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. 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 the NJDEP 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.

Awards shall be in the form of a reimbursement, based on proof of purchase of charging equipment. For charging equipment, eligible costs shall include the cost of the charger, taxes on the charger, delivery and activation fees and warranty for the charger. All applicants must complete all required forms within the deadline as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

Grants will be reviewed by Staff, assessed, and awarded on a rolling basis contingent upon program funding. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus. For eligible applicants that are deed restricted, 100% affordable (low - and moderate-

income) housing may also be eligible for a 50 percent bonus. Applicants may only receive one bonus.

Beginning in February 2024, the Center for Sustainable Energy (CSE) will administer this program. All applications submitted prior to that time will be addressed by Staff.

### 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, in accordance with the Appliance Act, and be a networked dual-port charger that 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 the NJDEP's It Pay\$ to Plug In Program for the same charger.

Grants will be reviewed by Staff, assessed, and awarded contingent upon program funding, with priority given to applicants who would be adding their first charger to their location. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus.

Awards shall be in the form of a reimbursement, based on proof of purchase of eligible EV charging equipment. For charging equipment, eligible costs shall include the cost of the charger, taxes on the charger, delivery and activation fees and warranty for the charger. All applicants must complete all required forms within the deadlines as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97% of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

### E-Mobility Pilot Programs

In addition to moving towards zero emissions cars, the EMP calls for an overall reduction in vehicle miles traveled ("VMT") across the state, thus, reducing emissions overall and easing congestion, which often leads to concentrated emissions in more densely populated areas.

One way to effectuate this change is to provide alternatives to personal cars as a mode of transportation. In 2022, the BPU prepared a report on e-mobility that presented several

options that would help to address mobility deserts in low-income areas and which e-mobility options would be most impactful.

The DCE will use the findings of that report to inform Pilot programs to encourage e-mobility options in FY24. One such Pilot program would be an electric bicycle (“e-bike”) incentive program. E-bikes are becoming more widely adopted by governments and people who want affordable transportation options that reduce their carbon footprint, while completing essential commutes and errands. The intent of the program would be to encourage the purchase of new eligible class one and class two e-bikes, as designated by the State. Getting more e-bikes on roads will afford New Jersey a unique opportunity to reduce VMT in automobiles, help to improve public health – particularly in densely populated areas of the state, and contribute to reducing transportation emissions.

In addition, Staff will look at other pilot proposals included in the report that encourage e-mobility, some options outlined in the report were community ride-share charging hubs and additional residential home charging incentives for ride-share drivers who have an EV.

#### Electric School Bus Program

In August 2022, the legislature created a three-year program within the NJDEP to fund Electric School Buses. That Program was mandated to provide \$15 million each year for three years to “determine the operational reliability and cost effectiveness of replacing diesel powered school buses with electric school buses.”

In December 2023, the legislature dedicated \$15 million from the FY24 Clean Energy Fund to the NJDEP to fund the first year of the program.

### **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 8<sup>3</sup> called upon all State agencies with responsibility under the Offshore

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<sup>3</sup> Exec. Order No. 8 (Jan. 31, 2018).



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, to support the furthering of a vibrant offshore wind industry, 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 FY20<sup>4</sup> 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 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

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<sup>4</sup> 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.

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 projects from thirteen OSW transmission developers. In October 2022, after a review and evaluation period of more than one year by Staff, the consultant, and PJM, 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 targeted 1,200 to 4,000 MW. The final guidance document was issued in March 2023, with applications due in August 2023. On January 24, 2024, the Board awarded two projects totaling 3,742 MW, including Invenergy's 2,400 MW Leading Light Wind project and Attentive Energy's 1,342 MW Attentive Energy Project 2.

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 in New Jersey to support the state'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.

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 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; this module will have 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 the 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 was executed in October 2022 between the Board and the EDA to support the WIND Institute. The funds provided by the BPU supported the further development of proposed programs to enable New Jersey residents to participate in the OSW industry through the expansion of the Wind Institute Fellowship Program and University Initiatives; continued development and execution of OSW workforce and education programs; and development and execution of programs that spearhead research and innovation that unlock market potential and/or specifically address challenges facing New Jersey's OSW industry.

A fourth MOU for FY24 was executed in October 2023 between the Board and the EDA to support the WIND Institute. 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 New Jersey 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; 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 the 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 and FY23 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.

In FY24, funding is requested for additional specific activities, including retaining a consultant to assist Staff in the development of the fourth solicitation guidance document and evaluation of the proposals; continuing funding for the RUCOOL work; retaining a consultant to update the OSW Strategic Plan and a consultant to support the second SAA; continuing funding for a consultant to assist Staff in the SAA evaluation; and the ongoing WIND Institute activities.

## Solar

Pursuant to the Clean Energy Act of 2018<sup>5</sup> (“CEA”) (L. 2018, c. 17) and EMP Goal 2.3.2, the Board has transitioned 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 closure of the TI Program to new registrations, effective on August 27, 2021, and opened the new SuSI program. The SuSI program is 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 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. Following the closure of the TI Program, 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 until the Board announced the launch of the CSI Program. Updated incentive levels became effective for all market segments on March 13, 2023, following a one-year review.

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<sup>5</sup> Clean Energy Act, L. 2018, c. 17, [https://www.njleg.state.nj.us/2018/Bills/PL18/17\\_PDF](https://www.njleg.state.nj.us/2018/Bills/PL18/17_PDF).

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

<b>Market Segments</b>	<b>System Size MW (dc)</b>	<b>Incentive Values (\$/SREC-II)</b>	<b>*Public Entities (\$20 Adder)</b>
Net-Metered Residential	All Sizes	\$85	N/A
Small Net-Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects smaller than 1 MW (dc)	\$110	\$130
Small Net Metered Non-Residential Ground Mount	Projects smaller than 1 MW (dc)	\$90	\$110
Large Net Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects 1 MW to 5 MW (dc)	\$100	\$120
Large Net Metered Non-Residential Ground Mount	Projects 1 MW to 5 MW (dc)	\$85	\$105
Community Solar	Up to 5 MW (dc)	\$90	N/A
Interim Subsection (t) Grid	All Sizes	\$100	N/A

**ADI Capacity Blocks by Market Segment**

<b>Market Segments</b>	<b>System Size</b>	<b>MW (dc) Capacity Blocks</b>
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 offers incentives to qualifying grid supply solar and net metered solar installations over 5 MW in size. The CSI Program awards SREC-IIs through a competitive solicitation, with separate solicitations for four market tranches: basic grid supply projects, grid supply projects sited on the built environment; grid supply projects sited on contaminated sites and landfills; and net metered non-residential projects greater than five (5) MW. A fifth tranche allows for storage in combination with a grid supply solar award from tranche 1, 2 or 3. Following a pre-qualification review of eligibility criteria, projects submit a bid for an SREC-II award in their tranche, specified in dollars per MWh of solar electricity production; pre-qualified projects compete on bid price only. Megawatt procurement targets, totaling 300 MW, are as follows:

Tranche	Procurement Target (MW)
1. Basic Grid Supply	140
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites and Landfills	40
4. Net metered non-residential Installations larger than 5 MW	40
<b>Total</b>	<b>300</b>
5. Storage paired with Grid Supply Solar (Tranche 1, 2 or 3)	160 MWh

The first solicitation under the CSI Program took place in the first quarter of 2023. The Board declined to make any awards in the first solicitation, as all bid prices were above confidential price caps set by the Board. Following an in-depth analysis of the specific financial assumptions and external factors that inform setting the price caps for a given solicitation, the Board directed that the second solicitation in the CSI Program open on an expedited timeline. The solicitation window opened November 27, 2023 and closes on February 29, 2024. The total procurement for the second solicitation remains at 300 MW. Solicitations will take place on an annual basis going forward.

The Board established a non-refundable bid participation fee of \$1000 per MW, the proceeds of which will be used to defray costs of the program. The Board waived, in the second solicitation, the bid fee for developers who submit a substantially similar project (one with an overlapping footprint) to a project they submitted in the first solicitation.

### 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 has been converted to the permanent Community Solar Energy Program ("CSEP"), which is intended to target the development of at least 150 MW new community solar capacity annually. On March 30, 2023, Staff issued a straw proposal that sought stakeholder feedback on the design of the permanent program.

The Board established the permanent Community Solar Energy Program on August 16, 2023. The program uses a first-come, first-served registration process similar to the ADI Program, but with a tiebreaker based on subscriber savings should capacity fill quickly. A 225 MW capacity block opened on November 15, 2023. The tranche for PSE&G exceeded capacity during the initial registration period and projects were accepted based on the guaranteed bill credit discount for subscribers until the tranche was full. As of January 11, 2024, the tranches for JCP&L, ACE, and RECO remained open to new registrations. Pursuant to P.L.2023, c.200, signed by Governor Murphy on January 4, 2024, the Board will open an additional 275 MW of capacity during EY24.

### 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 December 2022 Board Order establishing the CSI Program includes a specific tranche providing incentives for 160 MWh of storage in combination with grid supply solar.

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 were received on the Straw Proposal. In 2024, Staff, with assistance from a consultant, will provide a recommendation to the Board for the final NJ SIP.

Also, the ES budget line includes funding for a possible State match of USDOE funding to improve resiliency at State facilities. The details of this potential funding are still being finalized by Staff and will be provided to the Board for further consideration.

### 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 may 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. The report contained nine recommendations. Draft rules were issued for public comment to implement four of the recommendations, and further stakeholder engagement is planned prior to implementation of the remaining recommendations.

Funding in FY24 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 prioritized, 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 public 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 EE programs that feature new ways of managing and delivering EE directly from public 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.<sup>6</sup>

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

In May and July 2023, the Board established the requirements for the second three-year program ("Triennium 2") cycle of EE programs offered by utility and State program administrators pursuant to the CEA, including new building decarbonization start-up programs and demand response programs. The Board is currently reviewing proposals from the public gas and electric utility companies for Triennium 2 EE programs for commencement on January 1, 2025.

#### 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 continue to closely examine the progress and efficacy of the first round of funding and utilize this information to determine recommendations to the Board for a possible second pilot year.

<sup>6</sup> See <https://njcleanenergy.com/transition> for more information about the EE transition.

## LED Streetlights Replacement

Staff, through collaboration with the Rutgers Center for Green Building (“RCGB”), 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 could allocate grant funding for municipalities to meet the upfront costs of the changeover. It could 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. In FY24, Staff will finalize the straw proposal and engage with stakeholders to finalize recommendations for this program.

During FY23, the BPU provided 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 was 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 E009030210. As of January 12, 2023, the City had 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 create the necessary internal organizational structure 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 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 OBMs that receive grants through the Community Energy Plan Grant (“CEPG”) Program and Community Energy Plan Implementation (“CEPI”) Grant Program (described further below).

### 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 is also continuing to update the materials and content that support the benchmarking certification program.

### Rutgers Center for Green Building

In addition to the RCGB EE evaluation work described below, they will continue their work analyzing cost-effective amendments to NJ energy codes and co-facilitating the NJ Energy Code Collaborative. The RCGB is also supporting BPU’s competitive federal grant applications for resilient and efficient codes implementation. 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, the Board approved New Jersey’s energy and water benchmarking program for large commercial buildings through which building owners and operators will provide their first submissions by October 1, 2023. In FY23, the Board provided a 90-day grace period for the first submissions to December 31, 2023. Additionally, Staff has been pursuing and supporting program implementation steps – including outreach, training, IT development, and rulemaking – to ensure that building owners are able to benchmark their buildings.

In FY24, RCGB will continue 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. In collaboration with RCGB, Staff will develop a comprehensive report for the results of the first reporting year.

Additionally, the Board recognized the need for the State to “lead by example” and benchmarking of State facilities over 25,000 sq/ft is being implemented on the same timeline as the commercial sector. Protocols were developed in FY23 for State facilities and benchmarking is underway for over 100 buildings. Many of the State’s eligible properties are located on a campus or master metered, which has resulted in the need to benchmark the entire campus as opposed to just the individual building.

#### **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’s anticipates that a redesigned New Construction Program 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), as well as a greenhouse gas bonus. The redesigned New Construction Program will be developed through ongoing input from public stakeholders prior to Staff presenting it to the Board for their consideration.

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. 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 the Division of State Energy Services (“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 FY24, **additional** funding has been provided to further upgrade State facilities. In addition, 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 NJDEP.<sup>7</sup> 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”).<sup>8</sup> 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 FY24 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 the role of agency energy manager. In order to make sure that Staff have the tools to implement energy savings plans, in FY23 the SFI offered 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 Energy Manager Training, SES was able to train agency energy managers on Local Government Energy Audit paperwork. This resulted in a substantial increase from less than ten applications in the previous year to almost 40 applications in FY23. For FY24, through the State Energy Manager training program, additional State entities will apply for energy audits, which will help shape what other projects will follow.

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<sup>7</sup> 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. QO17010075, Order dated February 22, 2017.

<sup>8</sup> 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. QO19101423, Order dated November 13, 2019.

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.<sup>9</sup>

In FY20, the BPU initiated Phase II of the program, which was open to all eligible 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

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<sup>9</sup> One participant withdrew from further consideration.

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.

### **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.

FY24 funding is requested to conduct a study to evaluate the design progress and evaluate barriers to Microgrid adoption.

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, through 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 Healthy Homes Initiative designed and launched New Jersey's Whole House Pilot Program ("WHPP") in Trenton. This program continues in FY24 to expand EE offerings and address 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. Additionally, the WHPP was recently expanded to include building electrification as an option for customers in Trenton. In FY24, this program continues to be funded by the State Energy Program ("SEP").

### **Community Energy Plan Grants**

Through the Community Energy Plan Grant ("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 BPU incentive programs or other State programs may help them move towards the goals of the EMP.

In 2021, the Board requested that the Office of Clean Energy Equity ("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 FY22 to remove barriers to participation from these communities with limited resources. First, OCEE simplified the application process for all municipalities. In addition, based on OBC census tracts data, and the New Jersey Department of Community Affairs ("DCA") Municipal Revitalization Index ("MRI"), the OCEE identified 48 OBCs. 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 OBC, 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. Prospect Park became the first municipality to adopt their community action plan in March and other municipalities are in the process of creating their plans.

In FY24, the Board approved a new round of grant funding for additional municipalities that have not yet participated in the program, with particular focus on OBMs. With this new round of funding, the Board expanded the criteria for qualifying OBMs to get participation from more towns and extend the geographical distribution of funds.

Also in FY24, the Board for the first time is offering grant funding to support municipalities' implementation of their completed community energy plans through creation of the Community Energy Plan Implementation (CEPI) Grant Program. This new offering provides funding necessary for towns to implement clean energy actions on a local level in support of clean energy goals identified in the EMP. The newly created CEPI Grant Program prioritizes funding for OBMs and offers them enhanced technical assistance.

### **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 will New Jersey's clean energy goals reduce the risk of climate change, they also present significant opportunities to increase jobs and strengthen the economy.

### **Economic Development Authority**

#### Clean Energy Manufacturing Fund

The EDA managed the Edison Innovation Clean Energy Manufacturing Fund ("CEMF"), which provided 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. In addition to developing the industry in New Jersey, CEMF provided 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 FY24. The loans and grants previously awarded through the programs have been paid.

Therefore, no funding is needed in FY24 to continue to monitor compliance with the funding agreements and collecting loan repayments.

### R&D Energy Tech Hub

In FY21, FY22, and FY23, 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. This initiative is designed to increase awareness, access, and utilization of the State's physical clean tech innovation-related assets, such as testing equipment and specialized fabrication equipment. FY23 funding included the addition of a new Clean Tech Pilot Demonstration Program.

In FY24, funding was approved to advance the BPU's continued support of EDA's clean tech programs, including a third round of the Clean Tech Seed Grant Program, a third round of the Clean Tech R&D Voucher Program, and a second round of the Clean Tech Pilot Demonstration Program, including the addition of a new Clean Tech Pilot Demonstration Program. This program 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 NJDEP, 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 were embedded with the DCE beginning in July 2023 and are applying their technical expertise to aid the advancement of

clean energy policy.

The DCE is in urgent need of additional capacity to develop and manage the growing suite of programs mandated by legislation and the goals established in the EMP. Additional funding in FY24 is requested to meet this capacity need.

### Marketing

The NJCEP Marketing Plan is designed to enhance knowledge and awareness among businesses, local government, and residents of energy efficiency, energy affordability, and other clean energy initiatives and programs. The NJCEP branding campaign, launched in April 2020, continues to build awareness among New Jerseyans and businesses of the clean energy resources available through NJCEP offerings, thereby increasing participation in NJCEP programs. Marketing efforts include consistent and dynamic social media, internet, television, and radio ads, and a sponsorship with the New York Jets.

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, burdens, and emissions to create a more sustainable and equitable 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.

## NJBPU Memorandum of Understanding with NJEDA for Contractor Assistance on Federal Clean Energy Grant Opportunities

The NJBPU entered into an MOU with the New Jersey Economic Development Authority ("NJEDA") for contractor assistance on federal clean energy grant opportunities. NJEDA contracted with McKinsey & Company, Inc. to assist the State of NJ and relevant agencies to explore and apply for federal grants in connection with IRA and CHIPS grant applications. NJBPU serves a key role in advancing clean energy in the State and leads on a variety of federal clean energy grant applications. It is in the best interest of the residents of the State of New Jersey for BPU to develop and submit applications for as many qualifying federal grant opportunities as possible, including those available under the Greenhouse Gas Reduction Fund, Grid Innovation, and HOMES/HEEHRA rebates grant programs. The FY24 Clean Energy Fund - Program Evaluation/Analysis budget line will be used to fund this transfer, based on the terms established in the attached MOU. The NJBPU has submitted over \$400 million worth of applications for federal funding.

### 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. In FY23, the BPU's EE EM&V Working Group – which the Board created during the EE Transition and which is led by the Statewide Evaluator – continued its work to evaluate utility- and State-run EE programs. The EE EM&V Working Group has developed a shared EM&V framework and schedule of studies applicable throughout each three-year period of utility-run EE programs.

Evaluation of EE programs assesses whether energy saving performance targets are met, including for hard-to-reach customer bases, such as multi-unit dwellers, income-eligible households, and small commercial customers. EE program evaluation supports EMP Goal 3.1.3, which is to establish strategic and targeted EE programs to increase energy reductions and customer engagement.

The EM&V Working Group also evaluates performance indicators, which may include revised utility-specific targets for reductions in energy consumption and peak demand that support the minimum reductions mandated by the CEA. This performance tracking directly aligns 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.

The evaluation studies are managed by the Statewide Evaluator and executed by the RCGB, an EE Evaluation Study Team ("EST") (contracted in FY23 by the BPU to conduct evaluation studies through FY25), and utility program evaluators. In FY22 and FY23, RCGB oversaw completion of several evaluation studies – including analysis of New Jersey commercial new construction industry standard practice, New Jersey non-residential and residential lighting market characterizations, and analysis of New Jersey 2020 and 2021 retail lighting sales. In

FY24, RCGB has continued to perform evaluation studies, including cost-benefit analyses and other evaluations of State-run EE programs, as well as supporting the EE EM&V Working Group.

In FY23, the EST started studies on Heat Pumps and Building Electrification, Incremental Measure Costs, Equivalent Full Load Hours, Net to Gross Factors, and Commercial and Industrial Baseline.

The independent program evaluators for the utilities, with oversight by the Statewide Evaluator, conduct ongoing impact and process studies. Impact studies evaluate quantitative performance metrics, such as participation rates and savings. Process studies are qualitative market research studies examining EE program operations, including customer and contractor satisfaction.

#### 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 the Integrated Energy Plan (“IEP”), a long-term forecasting model, to better inform the strategies set forth in the EMP. Specifically, the IEP modelled 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.

To assess ratepayer impacts, 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.

#### Rutgers University Facilitation of Dual-Use Solar Pilot

In July 2021, Governor Murphy, pursuant to EMP Goal 2.1.8, signed the Dual-Use Solar Energy Act of 2021 (L. 2021, c. 170, “Dual-Use Act”), which directs the Board to adopt rules

establishing a Dual-Use Solar Energy Pilot Program (“Pilot Program”) for the development of dual-use solar projects on productive farmland (also known as “agrivoltaics”). The Pilot Program is designed to encourage the development of dual-use solar facilities and the creation of a new segment of the solar industry in New Jersey that is compatible with the State’s rich agricultural heritage. Specifically, the Pilot Program seeks to demonstrate and study the compatibility of active agricultural or horticultural production and solar photovoltaic infrastructure on the same land/property. Staff engaged the Rutgers Agrivoltaics Program (“RAP”) at Rutgers University (“RU”) for providing crucial input into the design of the Pilot Program; on May 1, 2023, the Board approved and executed a three-year grant agreement with RAP to facilitate the development and implementation of a Pilot Program.

Throughout 2023, and in close collaboration with the New Jersey Department of Agriculture, the DEP, and other interested stakeholders, the Board conducted robust public engagement to gather input on the implementation of this law.

- On November 9, 2023, a Straw Proposal was issued for public comment, with a corrected version issued on November 21, 2023. Written comments were due on December 13, 2023.
- On November 14, 2023, Staff, in conjunction with RAP, presented an overview of the Straw Proposal at the New Jersey Farm Bureau’s annual conference, with approximately 80 attendees including stakeholders primarily from the agricultural community, academia, and federal, state, and local government.
- On November 29, 2023, Staff held and led a stakeholder meeting, with approximately 129 attendees and 14 participants who provided public comment during the meeting. Staff received 16 written comments, representing 22 entities.

In 2024, the Board will conduct a rulemaking for the Pilot Program and run the first solicitation to select dual-use projects.

## **Outreach and Education**

The BPU’s EE Marketing Working Group – which the Board also established during the EE Transition and currently meets on an ad hoc basis – 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 BPU, led by the Chief of Staff’s Office and DCE, and Rutgers University, 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, NJDEP



Commissioner Shawn LaTourette, Governor's Office on Climate Action and the Green Economy's Jane Cohen, and BPU Commissioners Mary-Anna Holden, Bob Gordon and Dr. Zenon Christodoulou, as well as over 25 other Staff, industry, state, and policy experts. This was the first Clean Energy Conference in nearly a decade. 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 working with the NJDEP and other State agencies on an initiative that seeks to implement strategies that would address the causes and reduce the impacts of excessive heat and the heat island effect. This initiative may offer incentives and identify clean energy alternatives in an effort to address several of the underlying factors that contribute to the heat island effect, with the added 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, Staff facilitated the distribution of approximately \$410 million in American Rescue Plan ("ARP") funding for utility bill arrearages through the programs administered by the DCA. 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 127,234 households were provided assistance through this effort.

Additionally, the BPU provides funding for the USF and PAGE programs. During the last program year, USF provided \$164,069,456 of assistance (an increase of 12%) to 222,182 households. 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 \$44 million to USF enrollees during the last program year, a decrease of 14 percent compared to the prior program year. The smaller, more moderate-income PAGE Program disbursed approximately \$3.5 million in 2023, a 13 percent increase compared to the prior year. PAGE grants were provided to 8,832 households in 2023.

In recognition of many customers' urgent and ongoing need for assistance, the Board appropriated approximately \$21 million in FY23 Clean Energy funds for utility bill relief. This funding will be awarded as supplemental funding for eligible applicants of the ARP program, USF, Low Income Home Energy Assistance Program ("LIHEAP") PAGE programs, or through the Residential Customer Relief Initiative.

In FY24, the Board initiated a new initiative called the "Residential Customer Relief Initiative". The intended purpose is to refund a portion of the Societal Benefits Charge to residential customers most in need of financial assistance. Through the Residential Customer Relief Initiative, approximately \$30 million dollars in relief will be disbursed to qualifying customers statewide.

### 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 funding a New Jersey EE and building decarbonization workforce study that is being conducted by the John J. Heldrich Center for Workforce Development at Rutgers University ("Heldrich Center"). BPU is also coordinating with the New Jersey Department of Labor and Workforce Development to explore the potential establishment of State-funded workforce development initiatives that support employment and training services for individuals interested in clean buildings careers through competitive grants to community-based organizations in partnership with utility companies. These grants could support the recruitment of eligible participants from New Jersey's overburdened communities to receive core employment and training services, such as workforce readiness and financial literacy instruction, wrap-around supportive services, job coaching, and job placement services to facilitate entrance into the clean energy workforce. These State-funded grants could also increase access to employment and training services, such as occupation skills trainings resulting in industry-recognized credentials and needs-based on-the-job training placements with employers intended to provide a bridge for participants into sustainable, unsubsidized employment. Utility companies are also exploring offering subsidized or no-cost training programs for workers to gain credentials, including certifications, which are

required for employment in EE and building decarbonization jobs.

In addition, in FY24, the BPU is working with RCGB, the Heldrich Center, and NJIT to develop and submit New Jersey's application for \$3.5 million in formula grant funding from the USDOE to train residential energy contractors to implement work supported by Inflation Reduction Act efficiency and electrification rebates. The development and implementation of these initiatives occurred while the BPU supported the Governor's Clean Building Working Group and are coordinated with the Workforce Development and Equity Working Groups (which include State agencies, community organizations, labor organizations, industry representatives, training providers, community colleges, colleges and universities, workforce development boards, utility companies, Rate Counsel, and other partners) established through the EE transition.

## Fiscal Year 2024 Program Budgets

The following table sets out a detailed FY24 budget for programs managed by the DCE:

FY24 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
<b>Total NJCEP</b>	<b>444,887,727</b>	<b>24,421,220</b>	<b>13,078,156</b>	<b>35,562,929</b>	<b>301,070,344</b>	<b>-</b>	<b>70,755,078</b>
<b>Energy Efficiency Programs</b>	<b>95,434,591</b>	<b>8,752,958</b>	<b>-</b>	<b>-</b>	<b>86,681,633</b>	<b>-</b>	<b>-</b>
<i>Energy Efficiency Transition</i>	14,568,263	8,752,958	-	-	5,815,305	-	-
<i>State Facilities Initiatives</i>	61,597,550	-	-	-	61,597,550	-	-
<i>Acoustical Testing Pilot</i>	3,281,880	-	-	-	3,281,880	-	-
<i>LED Streetlights Replacement</i>	15,986,898	-	-	-	15,986,898	-	-
<b>Distributed Energy Resources</b>	<b>2,187,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,687,500</b>	<b>-</b>	<b>500,000</b>
<i>Microgrids</i>	2,187,500	-	-	-	1,687,500	-	500,000
<b>RE Programs</b>	<b>20,856,584</b>	<b>1,475,000</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>9,381,584</b>
<i>Offshore Wind</i>	20,856,584	1,475,000	-	-	10,000,000	-	9,381,584
<b>EDA Programs</b>	<b>37,912,044</b>	<b>768,927</b>	<b>-</b>	<b>32,062,929</b>	<b>-</b>	<b>-</b>	<b>5,080,188</b>
<i>Clean Energy Manufacturing Fund</i>	17,228	17,228	-	-	-	-	-
<i>NJ Wind</i>	25,400,942	127,005	-	20,193,749	-	-	5,080,188
<i>R&amp;D Energy Tech Hub</i>	12,493,874	624,694	-	11,869,180	-	-	-
<b>Planning and Administration</b>	<b>78,507,152</b>	<b>8,924,335</b>	<b>12,328,156</b>	<b>-</b>	<b>2,211,355</b>	<b>-</b>	<b>55,043,306</b>
<i>BPU Program Administration</i>	7,085,000	7,085,000	-	-	-	-	-
<i>Marketing</i>	12,262,234	1,839,335	10,422,899	-	-	-	-
<i>CEP Website</i>	1,500,000	-	1,500,000	-	-	-	-
<i>Program Evaluation/Analysis</i>	55,043,306	-	-	-	-	-	55,043,306
<i>Outreach and Education</i>	2,449,889	-	405,257	-	2,044,632	-	-
<i>Sustainable Jersey</i>	889,000	-	-	-	889,000	-	-

NJIT Learning Center	1,155,632	-	-	-	1,155,632	-	-
Conference	405,257	-	405,257	-	-	-	-
<b>Memberships</b>	<b>166,723</b>	-	-	-	<b>166,723</b>	-	-
<b>BPU Initiatives</b>	<b>209,989,856</b>	<b>4,500,000</b>	<b>750,000</b>	<b>3,500,000</b>	<b>200,489,856</b>	<b>-</b>	<b>750,000</b>
<i>Community Energy Plan Grants</i>	<i>5,574,034</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5,574,034</i>	<i>-</i>	<i>-</i>
<i>Energy Storage</i>	<i>30,500,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>30,500,000</i>	<i>-</i>	<i>-</i>
<i>Heat Island Pilot</i>	<i>2,500,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,500,000</i>	<i>-</i>	<i>-</i>
<b>Electric Vehicle Programs</b>	<b>115,083,925</b>	<b>3,500,000</b>	<b>750,000</b>	<b>-</b>	<b>110,083,925</b>	<b>-</b>	<b>750,000</b>
Plug In EV Incentive Fund	37,583,925	-	-	-	37,583,925	-	-
CUNJ Administrative Fund	3,500,000	3,500,000	-	-	-	-	-
CUNJ Residential Charger Incentive	4,500,000	-	-	-	4,500,000	-	-
EV Studies, Pilots and Administrative Support	1,500,000	-	750,000	-	-	-	750,000
State Vehicle Fleet	8,500,000	-	-	-	8,500,000	-	-
Local Clean Fleet	9,500,000	-	-	-	9,500,000	-	-
Multi-Unit Dwellings (Chargers)	23,000,000	-	-	-	23,000,000	-	-
EV Tourism	8,000,000	-	-	-	8,000,000	-	-
E-Mobility Pilot Programs	4,000,000	-	-	-	4,000,000	-	-
Electric School Buses	15,000,000	-	-	-	15,000,000	-	-
<b>Energy Bill Assistance</b>	<b>51,831,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,831,897</b>	<b>-</b>	<b>-</b>
Arrearage Relief	21,831,897	-	-	-	21,831,897	-	-
Residential Customer Relief Initiative	30,000,000	-	-	-	30,000,000	-	-
<b>Workforce Development</b>	<b>4,500,000</b>	<b>1,000,000</b>	<b>-</b>	<b>3,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>



***New Jersey's Clean Energy Program™***  
**Fiscal Year 2024 Program Descriptions and Budget**

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




**FY24 Compliance Filing**

**April 30, 2024**

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## Introduction

This Fiscal Year 2024 (“FY24”) compliance filing (“Compliance Filing”) presents the program plans, budgets, and anticipated savings of those initiatives of *New Jersey’s Clean Energy Program*<sup>TM</sup> (“NJCEP”) administered by TRC.<sup>1</sup>

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 administered by TRC can be found in [Appendix C, Program Budgets](#).<sup>2</sup>

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 administered by TRC can be found in [Appendix D, Program Goals and Performance Metrics](#).

## Cost-Benefit Analyses

Cost-benefit analyses for the programs administered by TRC can be found in [Appendix E, Cost-Benefit Analysis](#).

## New Jersey's Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act.<sup>3</sup> The law called for a significant overhaul of New Jersey’s clean energy systems by building sustainable infrastructure 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 (“IOUs”) 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.

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<sup>1</sup> 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.

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

<sup>3</sup> N.J.S.A. 48:3-87.8 et al.

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 most have been transferred to the IOUs.

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

1. The New Construction Program (“NCP”).
2. Large Energy Users Program (“LEUP”).
3. Local Government Energy Audit (“LGEA”) Program.
4. Combined Heat and Power – Fuel Cells (“CHP-FC”).
5. Solar Registration Programs (“Solar Programs”).

Complete descriptions of the above-described programs and their incentives are set out in **Part 1** of this Compliance Filing.

The NCP will in large part replace the following legacy programs: Residential New Construction (“RNC”); and Commercial and Industrial (“C&I”) Buildings which has 3 sub-programs – 1) New Construction (“SmartStart NC”); 2) C&I Buildings: Pay for Performance - New Construction (“P4P NC”); and C&I Buildings: 3) Customer Tailored Energy Efficiency Program for new construction (“CTEEP NC”) (collectively, “Legacy Programs”). The transition from the Legacy Programs to the new NCP will take place on a schedule provided to stakeholders and the public through means other than this Compliance Filing. To the extent applicable during FY24 and beyond, complete descriptions of the Legacy Programs and their incentives are set out in **Part 2** of this Compliance Filing.

Certain other programs and/or program components identified in Appendix C, Program Budgets, will continue to operate and expend NJCEP funds only for applications received during prior fiscal years (“FYs”) in accordance with the applicable program rules in place during the applicable FY(s). In addition, the “EE Transition” Budget Line at Appendix C, Program Budgets, is for the purpose of making payments during FY24 for any applications and/or appeals from rejected applications regarding programs that closed during or prior to FY23 (e.g., the now-closed residential HVAC Program).

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## **PART 1 (Active Programs)**

# Commercial and Industrial Energy Efficiency Programs

## *General Overview*

The NJCEP C&I Energy Efficiency (“EE”) Programs (“C&I 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: 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 non-hospital 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 Energy Master Plan (“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 (“GHG”) 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;<sup>4</sup>
- Review and approval/rejection of all submitted Final Energy Efficiency Plan (“FEEP”) 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, i.e., a budget used to fund only that entity (e.g., a utility authority); (2) Public Schools: having distinct and separate budgetary authority, i.e., a budget used to fund only that entity (e.g., a school district); and (3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey, consistent with the May 3, 2013 Order in Docket No. EO07030203.<sup>5</sup>
- Further, in order to be considered for incentives, the billed peak demand of each facility included in the DEEP/FEEP must meet or exceed 400 kW and/or 4,000 dekatherms (“Dth”).<sup>6</sup>
- Finally, the limitations/restrictions listed below, including, among others, the exclusion of hospitals, apply.

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.

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<sup>4</sup> Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEEP.

<sup>5</sup> In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 Through 2012 Clean Energy Program – Revised 2012-2013 Programs & Budgets – Revised Rebate Approval Process, BPU Docket No. EO07030203, Order dated May 3, 2013 (“May 3, 2013 Order”).

<sup>6</sup> A dekatherm is a unit of heating value equivalent to 1,000,000 British Thermal Units.

### ***Submittal Requirements for Fund Commitment***

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

### ***Program Standards***

1. All energy conservation measures (“ECMs” and each, an “ECM”) must meet Minimum Performance Standards, which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
  - a. Appendix A to the Large Energy Users Program Guide; and
  - b. ASHRAE 90.1-2019;
  - c. Local code; and
  - d. Appendix A, C&I and DER Incentive Caps and General Rules.
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. Hospitals are not eligible for this LEUP.
3. Incentive will be limited to EE measures. The following shall not be included as part of this program:
  - a. Renewable energy; and
  - b. Maintenance energy saving projects
4. 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.
5. 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.
6. 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 IOU are not allowed. The total of federal, state, and LEUP funding shall not exceed 100% of total project cost.

7. 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 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); and
- \$4,000,000 per entity per FY, determined by summing the commitments associated with each FEEP approval made during the applicable FY.

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/FEETs 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.

## ***C&I Buildings: LEUP Decarbonization Pilot***

### **Program Purpose and Strategy Overview**

The purpose of the Decarbonization Pilot is to gauge the potential for energy programs to encourage certain New Jersey non-residential customers to reduce GHG emissions. This proposed pilot is offered as an enhancement to NJCEP’s LEUP, which program allows large utility customers to submit a wide range of complex self-directed projects through a single program framework, maximizing the program’s effectiveness while minimizing the administrative burden on the customer. However, whereas the LEUP only allows energy efficiency projects, the Decarbonization Pilot will incentivize a broader scope of work such as energy efficiency, beneficial electrification, electric vehicle (“EV”) chargers, storage, and combined heat and power, among others. Unlike traditional energy efficiency programs, the Decarbonization Pilot is designed to explicitly target GHG emissions reductions. Prospective projects will be required to include a significant portion of non-energy efficiency measures within their overall scope to ensure that the pilot evaluates a broad range of decarbonization technologies.

### ***Support for Energy Master Plan Goals***

The Decarbonization Pilot will directly support many of the State’s EMP strategies and goals, including, among others, the following:

<b>EMP Code</b>	<b>EMP Goal</b>	<b>Technology</b>
Primary Goal 1.1	Decarbonize the transportation sector	EV Chargers; Other Alternative Fuel Types
Primary Goal 2.3	Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050	On-Site Renewables; CHP/FC
Primary Goal 3.1	Increase New Jersey’s overall energy efficiency	Energy Efficiency
Primary Goal 4.2	Start the transition to electrify existing oil- and propane-fueled buildings	Beneficial Electrification

Through this pilot, the program aims to:

- Gain better understanding of the effort and cost needed to develop and implement a Decarbonization Plan.
- Analyze the effectiveness of the incentive framework to encourage customers to reduce GHG emissions.
- Determine GHG reduction potential by use case scenario and by technology deployed.
- Determine customer receptivity to decarbonization solutions.
- Provide a qualitative analysis of the pilot and its potential as a program with a broader mandate.

## **Program Description**

Incentives are awarded to customers that satisfy the pilot's eligibility and requirements for investing in self-directed energy projects that result in GHG reductions, as measured in terms of tons of carbon dioxide equivalent ("tCO<sub>2</sub>e").<sup>7</sup> The pilot relies on eligible customers and their technical consultants to identify and develop qualifying projects that they believe will be beneficial for their operations.

## **Target Markets and Eligibility**

The pilot will focus on higher education (colleges/universities) customers because their campuses offer a wide range of building types and energy use cases, including, among others, large multi-unit residential (dormitory); one- to four-unit residential housing; classrooms; cafeterias; coffee shops; gymnasiums; student centers; laboratories/research facilities; offices; garages; libraries; auditoriums, vehicle fleets. Higher education customers also allow for opportunities to make deep system changes that could potentially be harder to model in a different setting. This could include more cross-category projects such as Demand Response/renewables/EVs, whose combined impact would be more difficult to gauge for projects that are not at a contiguous site.

Due to the limited number of customers in the target market sector, this pilot will be open to all existing college/university customers that are accredited<sup>8</sup> institutions that have a multi-building campus. To be eligible, any submission must encompass the entire campus or, if there is more than one campus, may encompass the entire collection of campuses owned or operated by the college/university.

## **Program Standards**

- Eligible customers are required to submit to the Program Manager a Decarbonization Plan, which may be done through a preferred technical consultant. The plan must encompass the entire campus (or collection of campuses if the applicant owns or manages more than one campus) and include all decarbonization solutions that can reasonably be implemented within a 3-year period. Additional longer-term solutions may also be included at the customer's discretion.
- Each included decarbonization solution must meet the Minimum Performance Standards ("MPS") of its specific equipment category. The relevant MPS for each such category shall be the most stringent of:
  - Appendix A to the Large Energy Users Program Guide, or
  - ASHRAE 90.1-2019.
- Upon receipt of the Decarbonization Plan, the Program Manager will have sixty (60) days to review the submittal and provide comments to the applicant. In addition to reviewing

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<sup>7</sup> The method for calculating tCO<sub>2</sub>e will be set forth in the Program Guide or other program documents.

<sup>8</sup> Please refer to this site for a list of New Jersey's accredited institutions:  
[https://www.nj.gov/highereducation/colleges/schools\\_sector.shtml](https://www.nj.gov/highereducation/colleges/schools_sector.shtml)

the anticipated magnitude of GHG reduction, the Program Manager will evaluate the Decarbonization Plan as to the breadth and variety of the proposed scope of work, the expected useful life of the projects within that scope, and general cost effectiveness.

- Upon completion of its review, the Program Manager will reject or approve the Decarbonization Plan, and, if approved, commit the incentive.
- Decarbonization measures must be fully installed no later than three years from the approval of the Decarbonization Plan. The commitment may provide for one or more progress payments to be made during this timeframe to accommodate work as it is completed.
- Up to two extensions may be granted for a period of up to six months for good cause shown. If measures are not completed within the specified timeframe, the related incentive commitment will be forfeited.
- The Program Manager may, in its discretion, conduct site inspections of sites covered by a pending or approved application, including, among others, a pre-inspection and inspections at 50% completion and 100% completion.
  - The Program Manager may, in its discretion, require participants to submit monitoring and verification (“M&V”) data and to otherwise reasonably cooperate with the Program Manager’s evaluation of the participant’s project and the pilot more generally.

### **Limitations/Restrictions**

- Only those decarbonization measures implemented at existing buildings are eligible for incentives.
- Decarbonization Plans must address more than a single category of equipment (i.e., may not address an energy efficiency only project, a solar only project, an EV only project, etc.).
- Solar photovoltaic (“PV”) systems may be considered as part of a Decarbonization Plan for the purpose of meeting program requirements, but any financial incentives for solar must be applied for through only the solar programs (i.e., not this Decarbonization Pilot).
- Limitation on lighting savings will be the same as stipulated in LEUP.
- Incentives shall only be available for solutions set forth in the approved Decarbonization Plan. However, for good cause shown, the Program Manager may allow solutions to be added after the initial approval of the Decarbonization Plan.
- Measures already installed or under construction prior to the approval of the Final Decarbonization Plan will not be considered for incentives and shall not be included in the Decarbonization Plan.
- For electric generating equipment, such as CHP, GHG reduction credit will be given only for energy produced and consumed on-site.
- While eligible customers are allowed to participate in other NJCEP or utility programs, it is recommended that all decarbonization solutions be included comprehensively through this pilot. Should a customer choose to participate in another NJCEP or utility program

such customer cannot and will not receive incentives from this pilot for the same equipment.<sup>9</sup> Should a customer nonetheless receive incentives or grants for GHG reductions from another NJCEP or utility program, the customer will nonetheless be required to quantify and report those reductions to the Program Manager of this Decarbonization Pilot.

- The Board and its contractors reserve the rights in their absolute discretion to deny applications they deem for any reason or no reason to be unsuitable for this pilot.
- In the event this pilot receives more applications than permitted by the allocated budget, the Board and its contractors reserve the right to prioritize applications based on geographic location so that participation is spread across the state's investor-owned utilities service territories.

### **Program Offerings and Incentives**

The pilot will offer two incentives:

1. An incentive to offset 100% of the cost of developing the Decarbonization Plan.
  - a. This incentive is variable and will require a submission of a Proposal, whether from the applicant or its preferred technical consultant, outlining the proposed fees and any other relevant costs associated with developing the Decarbonization Plan. The proposal and final incentive amount are subject to screening and approval by the Program Manager.
  - b. Proposals already accepted and/or underway at the time of application to NJCEP are not eligible for this incentive.
2. \$1,000 per tCO<sub>2</sub>e first year reductions based on the amounts set forth in the Decarbonization Plan.
  - a. This incentive is paid at completion of the approved decarbonization solutions.
  - b. As mentioned above, the commitment may in the Program Manager's discretion provide for one or more progress payments.
  - c. The incentive will be capped at the lesser of:
    - i. 75% of total project(s) cost (estimated or actual, whichever is less). Total project costs include material, labor, and generally accepted soft costs such as engineering and design, or
    - ii. \$5,000,000 per entity per FY for this pilot, determined by summing the commitments associated with each approved Decarbonization Plan made during the applicable FY.

Incentives are available on a first come, first served basis so long as funding is available.

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<sup>9</sup> For the avoidance of doubt: (a) any and all solar projects shall be eligible to receive incentives only through the Board's solar program, not through this Decarbonization Pilot and (b) this Decarbonization Pilot does not in any way restrict its participants' ability to seek or receive federal incentives, tax credits, or loans.



## **Quality Control Provisions**

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all program participants. All Decarbonization Plans are reviewed upon receipt to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of decarbonization measure qualification and 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. 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.

## ***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 eligible applicants consisting of 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 Energy Master Plan 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 Goal 3.3.5 (Improve energy efficiency in, and retrofit state buildings to, a high performance standard).
- 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 audit<sup>10</sup>;
  - ASHRAE Level II audit; and
  - Add-on scope audits as provided for in the LGEA Program Guide or application materials (e.g., a more detailed review of an existing or potential RE system, a deeper feasibility assessment for rooftop PV system, or certifying a building as having met ENERGY STAR requirements).<sup>11</sup>

Each level of audit would also include a high-level feasibility assessment for 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).

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<sup>10</sup> 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.

<sup>11</sup> 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.

- 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.
- In order to provide compatibility with the ESIP, the energy audit scope will include an evaluation of energy related water conservation measures (which may also be included in standard audit scopes), demand response potential, and estimated GHG 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.<sup>12</sup>
- 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”).

### **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

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<sup>12</sup> The Tax ID is provided to TRC by the New Jersey Department of Treasury (“Treasury”), which Treasury uses to qualify the State Agency or Department.

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 metering or campus metering arrangement on-site, where average demand of any single building is unknown; or
3. The unavailability or 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

## New Construction Energy Efficiency Program

### *New Construction Program*

#### **Program Purpose and Strategy Overview**

The New Construction Program is designed to increase energy efficiency and environmental performance, as well as simplify the customer experience and application process for all new construction buildings in New Jersey, including single family homes, townhomes, multifamily dwellings, commercial buildings, and industrial buildings. The NCP’s long-term objective is to transform the new construction market into one in which most new buildings in the State will be “net zero energy.”<sup>13</sup>

NJCEP’s new construction programs that existed prior to the launch of the present NCP<sup>14</sup> consisted of different programs for each market segment. This created confusion in the marketplace and barriers to participation, especially for multipurpose buildings. The NCP will replace NJCEP’s legacy new construction programs on a reasonable, predetermined schedule, which will be provided to stakeholders and the public in an effort to ensure an orderly and smooth transition.

The NCP is designed to:

1. **Broaden and Expand the Scope of Energy Savings:** Introduces Passive House Institute (“PHI”) and Phius standards.<sup>15</sup> Eliminates single-measure incentives and instead requires a bundle of at least two ECMs to drive deeper energy savings. Includes a rigorous and sophisticated High-Performance Pathway.
2. **Support Electrification and the Reduction of GHG Emissions:** Introduces a GHG reduction initiative that is easy to understand and participate in and which will, among other things, help prepare the market for electrification and decarbonization as outlined in the EMP. This in turn will encourage participation in the Solar Programs.
3. **Create a Single Point of Entry and Eliminate Market Gaps:** Implements a new streamlined program for all new construction buildings that, among other things, eliminates potentially confusing overlaps in the multifamily market and eliminates the need for multiple program applications for mixed-use buildings. Provides an entry point for every

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<sup>13</sup> A net zero energy building is one that generates sufficient clean renewable energy to meet its total energy consumption need.

<sup>14</sup> I.e., the RNC, SmartStart NC, P4P-NC, and CTEEP NC Programs. This NCP section will hereinafter refer to each of those expiring programs as “Legacy” programs, e.g., the “Legacy RNC Program.”

<sup>15</sup> Passive House Institute is an independent research institute whose mission is to further the development of the Passive House concept. The Passive House concept is described in more detail in the Passive House subsection of the Program Description and Strategy Overview section below. Phius is an organization that certifies building professionals, standards, buildings, and products as Passive House. See <https://www.phius.org/>.

type of project from single-family homes incorporating a small bundle of ECMs, to large industrial buildings incorporating many ECMs, calculated through sophisticated modeling.

4. **Optimize Program Process Flow:** In addition to the benefits of the single point of entry described above, the use of well-known, widely used standards and programs sponsored by third parties, such as Leadership in Energy and Environmental Design (“LEED”) and USEPA’s ENERGY STAR<sup>®</sup>, often referred to collectively as “Proxies,” simplifies and will increase participation because the processes they use have been refined over the years and because many program participants, their contractor/consultants, or both, are familiar with those processes.
5. **Increase Equity and General Participation:** Provides equitable access to programs for projects located in Low- and Moderate-Income (“LMI”) census tracts, income-qualified Affordable Housing,<sup>16</sup> and Urban Enterprise Zones/Opportunity Zones (“OZs”) through enhanced incentives, targeted outreach, and other initiatives.<sup>17</sup> Promotes and supports professional growth, especially with regard to LEED and Passive House projects.
6. **Inform Code Development and Support Code Compliance:** By encouraging program participants to achieve deeper energy savings and GHG reductions than do current building energy codes, and by gathering data and experience regarding same, the new program may help to inform and advance the development of future codes.

### ***Support for Energy Master Plan Goals***

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

- 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).

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<sup>16</sup> See the following webpages for the identification of and more information about UEZs, and OZs: [New Jersey Opportunity Zones Resource Center \(nj.gov\)](http://www.nj.gov/energy/uezs/), and [NJ Division of Taxation - Urban Enterprise Zone](http://www.nj.gov/taxation/uezs/). “Affordable Housing” means any housing that an official document identifies as participating in a federal, state, or local affordable housing program. This may also include official documents showing identification from the New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

<sup>17</sup> LMI is defined in consultation with Board Staff and is set forth in the Program Guide, applications, and/or other program documents.

In addition, the NCP will support the Executive Order 316 target to install zero-carbon emission space heating and cooling systems in an additional 400,000 homes and 20,000 commercial properties, and to make an additional 10% of all LMI properties electrification-ready by 2030.<sup>18</sup>

## Target Market and Eligibility

New construction or buildings undergoing substantial renovation (also known as “gut rehab”) of all types (e.g., single family, townhome, multifamily, commercial, and industrial) are eligible to participate in the NCP, so long as their utility bills include or will include contributions to the Societal Benefits Charge (“SBC”).

The target market for the NCP is builders, developers, and program partners (e.g., program-approved energy consultants, architects, engineers, and Raters,<sup>19</sup> collectively, “Partners”).

Any EE measures included in, or as part of, an application to the NCP will not be eligible for incentives under any other NJCEP energy efficiency or New Jersey utility-sponsored EE programs.

A substantial renovation project may be eligible for a utility-sponsored energy efficiency program, including for this NCP. In those circumstances, the applicant will be able to choose which program it will utilize. The applicant submitting such a project will be able to choose only one program to cover a specific ECM or piece of energy efficient equipment, e.g., the applicant can choose to receive an incentive for a heat pump hot water heater from either this NCP or a utility-sponsored program, not from both programs.

## Program Description and Delivery Methods

The NCP offers three pathways to earn incentives: **Bundled**, **Streamlined**, and **High-Performance**. Each pathway includes a different set of Program requirements, and each will provide incentives for projects meeting those requirements. The incentives will largely be calculated based on the square footage of the building covered by the applicant’s submission to this NCP. Immediately below is a summary of the requirements for each pathway:

1. The **Bundled Pathway** requires the implementation of a bundle of relatively typical above-code ECMs. Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient building envelope<sup>20</sup> and insulation measures.
2. The **Streamlined Pathway** encourages deeper energy savings than the Bundled Pathway but requires less time and expense than the High-Performance Pathway described below. Although it requires some modeling of ECMs, the modeling is performed in a web-based

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<sup>18</sup> Exec. Order No. 316 (Feb. 15, 2023), 55 N.J.R. 510(a) (Mar. 20, 2023).

<sup>19</sup> A “Rater” is an energy professional who oversees the energy efficiency work completed by participating builders and developers. Raters are typically certified by third party organizations. By way of example, a Rater may be certified (a) as a Home Energy Rating System (“HERS”) Provider approved by an EPA-Approved Verification Oversight Organization (“VOO”), or (b) as a Modeler approved by an EPA-Approved Multifamily Review Organization (“MRO”).

<sup>20</sup> “Building envelope” is the part of a building that separates conditioned from unconditioned spaces; it includes things such as doors, windows, walls, and siding.



user interface that requires minimal inputs and generates quick and accurate projected savings.

3. The **High-Performance Pathway** encourages the deepest energy savings by requiring that applicants take a whole-building approach and either exceed code requirements by a certain percentage or meet one of several sets of stringent technical standards set by Proxies for new construction. This pathway largely replaces the Legacy RNC and P4P NC Programs.

Not all pathways are available to all building types. Building types are determined by using the EPA Multifamily New Construction (“MFNC”) Program Decision Tree, located in [Appendix B, Multifamily Decision Tree](#). If a building does not fall into the Single-Family New Homes (“SFNH”) or MFNC categories, the project will be considered Non-residential for all purposes relevant to this NCP section. The table below outlines which pathway(s) may be used by which building type(s):

*Table 1: Eligibility for Pathways by Building Type*

New Construction Program - Eligibility			
Program Pathways	Building Type		
	Residential		Non-Residential
	Single Family or Townhome	Multifamily	Non-residential
Bundled	n/a	n/a	Y
Streamlined	n/a	n/a	Y
High-Performance Pathway <i>Non-Proxy</i>	n/a	n/a	Y
High-Performance Pathway <i>LEED V4.1</i>	n/a	n/a	Y
High-Performance Pathway <i>ENERGY STAR</i>	Y	Y	n/a
High-Performance Pathway <i>DOE Zero Energy Ready Home</i>	Y	Y	n/a
High-Performance Pathway: <i>PHIUS Core, Zero or Core REVIVE 2021; PHI V10 Classic, Plus, or Premium</i>	Y	Y	Y

In addition to the above-described pathways, the NCP includes a **Workforce Development** component, described in more detail below. The Workforce Development component provides incentives for the recruitment and training of new energy professionals and Partners to oversee the energy efficiency work completed by participating developers and builders, as well as designers and tradespeople with the specialized training and skills to design and install the ECMs.

Applicants must submit their applications prior to commencing the construction or installation of the measures covered by their applications. Applicants are encouraged to apply prior to or during the early design stage, which will provide a meaningful opportunity for the Program to work with the applicant to achieve deeper savings.

### ***Partner Network***

This market-based Program relies on a network of Partners. Partners work under contract with builders and developers, acting as their “energy expert,” and are required to strictly follow Program requirements. Partners must be reviewed and approved by the Program Manager to be allowed to work within the Program. They may be approved to work under a single or several pathways.

### ***Program Requirements***

The NCP’s three pathways provide New Jersey’s builders and developers with a range of participation options to suit different levels of effort and experience with energy efficient design. Minimum energy performance requirements across all pathways are measured from IECC 2018/2021 or ASHRAE 90.1-2016/2019<sup>21</sup> energy code baselines. Therefore, the pathways all result in energy performance better than that required by the applicable IECC or ASHRAE code, i.e., the applicable New Jersey energy codes. The following sets out additional details regarding each pathway.

#### **Bundled Pathway**

Applicants applying through this pathway must select from a list of prescriptive measures set forth in the applicable Table 2 or Table 3 below.<sup>22</sup> Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient envelope and insulation measures. To qualify for an NCP incentive, an applicant must select a minimum of two measures from the Bundled Pathway Credits Table applicable to its Climate Zone (“CZ”) and meet or exceed the applicable Minimum Points Required for its building type, as set forth in the applicable table. The Program Manager may modify either or both of the foregoing requirements for any type of building for which only a single type of measure (e.g., only a heat pump water heater) can be implemented.

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<sup>21</sup> Unless otherwise expressly set forth in this NCP section, 2018/2021 and 2016/2019 means whichever is applicable dependent on the date of the project’s building permit.

<sup>22</sup> A similar table applicable to Indoor Agriculture is under development. Subject to the approval of Board Staff, such table may be posted on the NJCEP website and included in other Program materials, and the Program Administrator may provide incentives described in this Compliance Filing to applicants that satisfy the criteria in that table.

Table 2: Bundled Pathway Credits, CZ 4A

Bundled Pathway Credits, Climate Zone 4A											
Measure ID	Energy Credit Abbreviated Title	Addendum AP Section	Dormitory or Retirement	Healthcare	Hotel or Motel	Office	Restaurant	Retail	School or Education	Warehouse or Storage	Other
			Minimum Points Required								
			30	13	12	14	31	24	12	27	13
E02	UA reduction (15%)	C406.2.1.2	24	3	8	7	19	36	4	62	20
E03	Envelope Leakage Reduction	C406.2.1.3	47	6	14	8	24	44	0	77	28
H02	Heating Efficiency ( <i>electric only</i> )	13.5.2.2.2	4	3	1	2	5	7	2	14	5
H03	Cooling Efficiency	13.5.2.2.3	4	7	7	6	5	7	9	1	5
H05	Ground-Source Heat Pump	13.5.2.2.5	10	11	6	10	13	18	6	x	11
W01	SHW Preheat Recovery	13.5.2.3.1(a)	21	2	7	2	10	7	3	3	7
W02	Heat-Pump Water Heater	13.5.2.3.1(b)	33	1	12	2	8	2	2	1	8
W04	SWH Pipe Insulation	13.5.2.3.2	3	1	2	1	x	x	1	x	2
W05	Point-of-Use Water Heaters	13.5.2.3.3 (a)	x	x	x	3	x	x	2	x	3
W06	Thermostatic Balancing Valves	13.5.2.3.3 (b)	1	1	1	1	1	1	1	1	1
W08	SHW Distribution Sizing	13.5.2.3.5	22	x	8	x	x	x	x	x	x
W09	Shower Drain Heat Recovery	13.5.2.3.6	19	x	6	x	x	x	2	x	9
L06	Light Power Reduction	13.5.2.5.6	2	8	2	8	4	10	9	13	6
Q01	Efficient Elevator Equipment	13.5.2.7.1	5	2	4	5	1	5	6	5	4
Q02	Efficient Kitchen Equipment	13.5.2.7.2	x	x	x	x	27	x	x	x	x

1. Heat pumps providing both space heating and space cooling that meet program requirements may be eligible for credit in both H02 and H03 categories above.
2. "x" means the applicable type of building earns no points for the applicable measure.

Table 3: Bundled Pathway Credits, CZ 5A

Measure ID	Energy Credit Abbreviated Title	Section	Dormitory or Retirement	Healthcare	Hotel or Motel	Office	Restaurant	Retail	School or Education	Warehouse or Storage	Other
			Minimum Points Required								
			33	13	11	16	29	22	12	32	15
E02	UA reduction (15%)	C406.2.1.2	30	4	9	10	26	45	3	74	25
E03	Envelope Leakage Reduction	C406.2.1.3	65	7	19	13	33	56	1	92	36
H02	Heating Efficiency ( <i>electric only</i> )	13.5.2.2.2	5	4	2	5	8	10	3	21	7
H03	Cooling Efficiency	13.5.2.2.3	3	5	5	4	3	4	6	1	3
H05	Ground-Source Heat Pump	13.5.2.2.5	13	11	8	15	14	19	7	x	13
W01	SHW Preheat Recovery	13.5.2.3.1 (a)	22	2	8	2	11	7	3	2	7
W02	Heat-Pump Water Heater	13.5.2.3.1 (b)	36	1	13	2	9	2	2	1	8
W04	SWH Pipe Insulation	13.5.2.3.2	3	1	2	1	x	x	1	x	2
W05	Point-of-Use Water Heaters	13.5.2.3.3 (a)	x	x	x	2	x	x	3	x	3
W06	Thermostatic Balancing Valves	13.5.2.3.3 (b)	1	1	1	1	1	1	1	1	1
W08	SHW Distribution Sizing	13.5.2.3.5	23	x	8	x	x	x	x	x	x
W09	Shower Drain Heat Recovery	13.5.2.3.6	20	x	7	x	x	x	2	x	10
L06	Light Power Reduction	13.5.2.5.6	2	8	2	8	3	8	9	11	6
Q01	Efficient Elevator Equipment	13.5.2.7.1	5	2	4	5	1	5	6	4	4
Q02	Efficient Kitchen Equipment	13.5.2.7.2	x	x	x	x	26	x	x	x	x

1. Heat pumps providing both space heating and space cooling that meet program requirements may be eligible for credit in both H02 and H03 categories above.
2. "x" means the applicable type of building earns no points for the applicable measure.

By way of example, an applicant constructing a dormitory in CZ 4A and implementing only Measure ID E03 (Envelope Leakage Reduction) would earn 47 points but would not qualify for an incentive because it failed to select the required minimum of two measures. However, if the applicant added Measure ID H02 (Heating Efficiency (*electric only*)), it would qualify because it was implementing the required minimum of two measures and earning 51 points, an amount greater than the 30 Minimum Points Required.

The NCP incorporates, by reference, the requirements for each measure as set forth in ASHRAE 90.1-2019, Addendum AP (“Addendum AP”),<sup>23</sup> the document from which the above Tables were drawn.<sup>24</sup>

#### Streamlined Pathway

For an applicant utilizing this pathway, the Program will provide access to, through an online portal or similar means, a relatively simple modeling tool, Sketchbox, to enter data about its project and the project’s ECMs.<sup>25</sup> The applicant will be eligible for NCP incentives if Sketchbox calculates that the ECMs will achieve site energy savings at least 5% above code.

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<sup>23</sup> As approved by the ASHRAE Standards Committee on July 20, 2022; by the ASHRAE Board of Directors on August 15, 2022; by the Illuminating Engineering Society on September 8, 2022; and by the American National Standards Institute on September 9, 2022. If Addendum AP is updated or otherwise revised, the relevant sections of this Compliance Filing (including, without limit, the tables above) may, with the approval of Board Staff, be revised to reflect such updates or other revisions.

<sup>24</sup> The Tables in this Compliance Filing do not include every measure included in Addendum AP. For the avoidance of doubt, NCP incentives will not be paid for measures that are not included in the Tables in this Compliance Filing. In addition, the applicable Program Guide may further limit the scope of equipment eligible for incentives.

<sup>25</sup> Sketchbox estimates performance by incorporating select rules from both ASHRAE 90.1-2016/2019, Section 11 (Energy Cost Budget Method) and Appendix G of ASHRAE 90.1-2016/2019 (Performance Rating Method).

The following types of buildings are currently capable of being entered into Sketchbox and are thereby potentially eligible for incentives through this pathway<sup>26</sup>:

*Table 4: Building Types Eligible for Streamlined Pathway*

Automotive facility	Manufacturing facility
Convenience store	Motel
Convention center	Museum
Dining: bar lounge/leisure	Office
Dining: cafeteria/fast food	Parking garage
Dining: family	Penitentiary
Exercise center	Performing arts theater
Gymnasium	Religious building
Health-care clinic	Retail
Hospital	School/university
Hotel	Transportation
Library	Warehouse

Further, the Program Guide<sup>27</sup> and/or other Program documents may limit eligibility beyond the requirements set forth in this Compliance Filing. By way of example, buildings with more than three building shells and/or with different types of HVAC systems are required to seek and obtain the Program Manager’s approval to participate in this pathway, and certain conditions may be imposed on the application. In addition, the Program documents may impose stricter requirements for certain ECMs than those set forth in this Compliance Filing, including, among others, those related to natural gas equipment.

Eligible measures in this pathway include, for example, reduced lighting power density, improved HVAC equipment efficiency, improved vertical fenestration U-value, air-side economizer, depth of vertical fenestration overhangs, and demand-controlled ventilation.

Each project must address each of the following building systems: envelope, heating, cooling, and lighting. The Program Manager may, however, grant exceptions to substantial renovation projects for which the applicant establishes that it considered measures for the subject system but reasonably determined it would not be practicable to implement any measures for that system. The

<sup>26</sup> If Sketchbox is updated or otherwise revised, the table of eligible building types may, with the approval of Board Staff, be revised to reflect such updates or other revisions.

<sup>27</sup> The Program Guide is a document that provides guidance regarding applying to and complying with the program; it can be accessed through <https://njcleanenergy.com/>.

Program Manager may also except buildings that are not heated from the requirement to include a heating measure and buildings that are not cooled from the requirement to include a cooling measure.

#### High Performance Pathway

Applicants applying through this pathway must either (a) perform whole-building energy modeling to demonstrate savings beyond code (“ASHRAE Modeling Approach”) or (b) have their project building certified through well-known, nationally recognized Proxies, all as described in more detail below.

#### **ASHRAE Modeling Approach (aka “non-Proxy”)**

The ASHRAE Modeling Approach requires applicants to optimize a project’s design by using approved energy modeling software to evaluate the savings from ECMs as compared to a design that merely meets the applicable baseline building code. The list of approved software will be based on the software requirements outlined in ASHRAE 90.1, Section 11 or Appendix G of ASHRAE 90.1, it may also include other software approved by the Program Manager.

An applicant must develop a Proposed Energy Reduction Plan (“ERP”) for each project. The Proposed ERP must detail a set of measures that will achieve the minimum performance target; it is subject to review and approval by the Program Manager. After the ERP is approved, the applicant must construct its project and provide an As-Built ERP, along with a Commissioning Report,<sup>28</sup> to demonstrate that the ERP measures are installed and functioning.

The minimum performance target is 5% site energy savings compared to the baseline. The model baseline is established using Appendix G of ASHRAE 90.1-2016/2019. Measures must be modeled as interactive improvements to the baseline in Appendix G of ASHRAE 90.1-2016/2019.

Each project must address each of the following building systems: envelope, heating, cooling, and lighting. The Program Manager may, however, grant exceptions to substantial renovation projects for which the applicant establishes that it considered measures for the subject system but reasonably determined it would not be practicable to implement any measures for that system. The Program Manager may also exempt buildings that are not heated (e.g., a refrigerated warehouse) from the requirement to include a heating measure and buildings that are not cooled (e.g., an unrefrigerated warehouse) from the requirement to include a cooling measure.

#### **LEED**

Applicants using this approach must submit documentation establishing that (a) they have satisfied the requirements for LEED certification utilizing either the V4.1 Building Design & Construction (“BD&C”) or the Interior Design & Construction (“ID&C”) rating systems, and (b) their projects achieve the minimum point values for *EAc2 Optimize Energy Performance Points for Option 1*, as shown in Table 5 below.

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<sup>28</sup> An As-Built ERP depicts the ECMs as they were actually installed as compared to what was in the ERP; a Commissioning Report reports the steps taken to test and, if necessary, adjust the ECMs to confirm they are operating and performing as designed.

Table 5: LEED Point Requirements.

LEED Point Requirements	
LEED 4.1 Rating System	Minimum Requirement for EAc2: Optimize Energy Performance
BD+C: New Construction	4
BD+C: Core & Shell	4
BD+C: Major Renovation	4
BD+C: Schools	4
BD+C: Retail	4
BD+C: Data Centers	4
BD+C: Warehouses & Distribution	4
BD+C: Hospitality	4
BD+C: Healthcare	4
ID+C: Commercial Interiors	14
ID+C: Retail	14
ID+C: Hospitality	14

#### US EPA ENERGY STAR Program

Applicants using this approach must submit documentation establishing that they have satisfied the requirements for ENERGY STAR certification utilizing the applicable ENERGY STAR program, either the SFNH or the MFNC Program, subject to the restrictions and conditions set out below.<sup>29</sup> For buildings and projects using this approach, the Decision Tree set forth in this Compliance Filing at [Appendix B, Multifamily Decision Tree](#), will be used to determine which ENERGY STAR Program governs the application.

#### *ENERGY STAR SFNH Program*

Applicants must satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the Energy Ratings Index (“ERI”). Compliance will be based upon ENERGY STAR Version 3.2.

#### *ENERGY STAR MFNC Program*

Applicants must satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathways. The applicant can choose to base its application on compliance with either ENERGY STAR MFNC Version 1.1 or ENERGY STAR MFNC Version 1.2. Projects using ENERGY STAR MFNC Version 1.1 must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline or at least 15% site energy savings as compared to the ASHRAE 90.1-2019 baseline.

#### US DOE Zero Energy Ready Home (“ZERH”) Program

Applicants must satisfy the requirements for the ZERH certification following the applicable version of the program, which is determined in accordance with the DOE ZERH – Program

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<sup>29</sup> For the avoidance of doubt, projects that choose to utilize ENERGY STAR’s Prescriptive Path(s) are not eligible for NCP incentives at this time.



Versions and Implementation Timelines currently available here: <https://www.energy.gov/eere/buildings/doe-zero-energy-ready-home-zerh-program-requirements>. Projects whose building permits are issued under IECC 2021 and whose submissions are based upon compliance with ZERH Version 1 must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline or at least 15% site energy savings as compared to the ASHRAE 90.1-2019 baseline.

**Passive House**

PHI and Phius have developed design principles for attaining a rigorous level of energy efficiency while also creating comfortable indoor living spaces. Passive House focuses on continuous insulation, airtight construction, optimized windows, balanced ventilation, and minimal mechanical systems. PHI and Phius facilitate electrification of the entire building. Applicants using this approach must submit documentation establishing that they have satisfied the requirements of either (a) PHI Classic, Plus, or Premium Version 10 or (b) Phius Core 2021, Phius Zero 2021, or Phius Core Revive 2021.

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## Incentives

### Project Incentives

Project incentives are as set forth in Table 6 and Table 7, subject to the Notes immediately below the tables. Incentives will be paid after construction/installation has been completed, the as-built documentation and construction have been approved by the Program Manager, and any applicable NJCEP QA/QC has been successfully completed.

Table 6: Base and GHG Reduction Incentives

Incentives			
Pathway	Incentive Rate (\$/sqft)	GHG Reduction Bonus	
		Tons CO2e per kSF	\$/sqft
Bundled	\$0.25	n/a	n/a
Streamlined	\$0.50	0.7 - 0.99 tons 1.0 - 1.99 tons 2.0 - 2.99 tons 3.0+ tons	\$0.25 \$0.50 \$1.00 \$1.50
High-Performance Non-Proxy	\$1.00		
High-Performance LEED V4.1	\$1.00		
High-Performance ENERGY STAR	\$1.00		
High-Performance DOE Zero Energy Ready Home	\$1.75		
High-Performance (choose one): PHIUS Core 2021 PHIUS Zero 2021 PHIUS CORE REVIVE 2021 PHI Classic V10 PHI Plus V10 PHI Premium V10	\$2.50		

Table 7: Additional Incentives

Incentives			
Pathway	Additional Incentive Rate (\$/sqft)		
	Affordable Housing (residential)	UEZ/OZ (non-residential)	Industrial/High Energy Intensity (non-residential)
Streamlined	n/a	+\$0.15	+\$0.60
High-Performance	+\$0.25	+\$0.25	+\$1.00

Notes to Table 6 and Table 7:

For Single Family Homes and Townhomes:

1. The minimum floor for calculating incentives will be 2,000 sqft, even if the subject home is less than 2,000 sqft. By way of example only, a 1,500 sqft home that qualified for an ENERGY STAR incentive would be paid a base incentive of \$2,000 (2,000 sqft x \$1/sqft). It might also be eligible for a GHG reduction incentive or Additional Incentive, each of which would, if earned, be calculated as if the home were 2,000 sqft.
2. The maximum ceiling for calculating incentives will be 4,000 sqft, even if the subject home is greater than 4,000 sqft. By way of example only, a 5,000 sqft home that qualified for an ENERGY STAR incentive would be paid a base incentive of \$4,000 (4,000 sqft x \$1/sqft). It might also be eligible for a GHG reduction incentive or Additional Incentive, each of which would, if earned, be calculated as if the home were 4,000 sqft.

***Workforce Development Reimbursement***

The Workforce Development Incentive offers up to 100% reimbursement for successful completion of pre-approved trainings and certifications for persons who live in New Jersey, whose principal place of work is in New Jersey, or who have another nexus to New Jersey as approved by the Program Manager and Board Staff.

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The Program will reimburse up to \$2,000 per person per course, with a limit of two courses per person per Fiscal Year. Eligible topics are described below in Table 8; specific courses and certifications within those topics will be eligible for reimbursement only if the Program Manager has approved the specific course or certification prior to the application for reimbursement.

*Table 8: Eligible Topics*

PHI Certified Passive House Designer	PHI Certified Passive House Tradesperson
Phius Certified Consultant (CPHC)	Phius Certified Rater, Phius Certified Verifier
Phius Certified Builder (CPHB)	RESNET HERS Rating Field Inspector (RFI)
RESNET HERS Rater	RESNET HERS Modeler
LEED Green Associate	LEED AP (BD+C and ID+C only)
AEE's Building Energy Simulation Analyst (BESA)	AEE Certified Building Commissioning Professional (CBCP)
ASHRAE Building Energy Modeling Professional (BEMP)	[ENERGY STAR New Homes or MFNC Rater Certification
<i>Other courses/certifications may be considered case-by-case if the applicant can demonstrate that the course/certification will support participation in the NCP.</i>	

### ***Cooperative Marketing***

The Cooperative Marketing Incentive offers cost-sharing for pre-approved advertising placed by contractors participating in the New Construction Program. The cost sharing is 50% of the cost of advertising, which may consist of 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 Partner is \$50,000. Partners seeking to utilize the program should contact [coop@NJCleanEnergy.com](mailto:coop@NJCleanEnergy.com).

### **Expirations & Extensions**

The Program will issue commitment letters that include the amounts of incentives committed to specific projects (“Commitment Letters”), in accordance with schedules and procedures set forth in other Program documents. The incentive commitments will be valid for one year for Bundled Pathway projects and three years for Streamlined and High-Performance Pathway projects, in all cases measured from the date of the Commitment Letter. The Program Manager may, for good cause shown, extend the initial commitment period for up to two additional six-month periods. Further, the Program Administrator may approve up to two extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Manager is authorized to approve.

## **Quality Control Provisions**

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all NCP applications. 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 a database. Electronic files are created for all documents and for ongoing project correspondence.

The Program Administrator quality control staff will perform and/or oversee pre- and post-construction inspections, conduct technical reviews of submissions, and perform file reviews on a sampling of applications prior to incentive payments, based upon pre-determined, random sampling percentages, which may account for the applicant's, or its contractors/consultants', track record with the Program.

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

## ***New Construction Program: Garden State Challenge Pilot***

### **Program Purpose and Strategy Overview**

The Garden State Challenge (“GSC”) is a pilot program that supports the design and development of innovative, sustainable, and energy efficient new construction buildings. The GSC’s goals are directly aligned with New Jersey’s aggressive efficiency and decarbonization goals as laid out in the EMP, and as described in more detail below. The GSC will provide development and construction support for advanced building designs that take especially significant strides toward a carbon-free future. The GSC recognizes the benefits of collaborating with the private sector to innovate and test non-traditional standards or designs which are critical to meeting our aggressive climate goals.

The state needs large scale adoption of low- to no-carbon new construction buildings to advance the market and to achieve its decarbonization goals. In line with the fast-approaching carbon reduction deadlines of the EMP, the recipient(s) of the Garden State Challenge will work to set precedent in reaching for a carbon-neutral future. As replicable examples, the challenge winners will lay the groundwork to inspire low- to no-carbon new construction buildings to become industry standard. The GSC encourages design teams to design and test theories outside of traditional construction methods to encourage quicker and more efficient designs and construction.

The GSC creates a statewide building competition which will provide incentives for efficient and replicable designs in specified building categories. The GSC’s requirements support the following goals:

- Inspire the market to take bigger steps towards a carbon-free future by:
  - Incorporating measures that accelerate achievement of the EMP’s goals.
  - Displaying financial feasibility to design and build low- to no-carbon emitting buildings.
  - Fostering and supporting the advancement of building codes.
- Provide environmentally friendly buildings that represent the pinnacle of building design by:
  - Being aesthetically pleasing.
  - Complementing the surrounding environment and ecosystem.
  - Providing superior comfort & functionality.
- Promote designs to give buildings a competitive edge in the marketplace through:
  - Enhanced health & safety.
  - Expedited construction duration.
  - Resiliency.

### ***Support for EMP Goals and Strategies***

The GSC will 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);
- 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);
- Primary Goal 7.1 (Grow world-class research and development and supply chain clusters for high-growth clean energy sub-sectors); and
- Goal 7.2.3 (Establish vocational training to establish a pipeline of well-qualified, modern energy specialists).

### **Program Description**

The Garden State Challenge is a competition with monetary awards distributed in three successive rounds of the building design process and upon construction completion. Designs should represent buildings that will be aesthetically pleasing, low to no-carbon, will provide superior comfort, enhance health and safety, be replicable and quicker to construct than other comparable buildings, and most importantly, inspire the industry to promote and ultimately achieve New Jersey's strategy for 100% Clean Energy by 2050.

Applicants are expected to be teams of forward-thinking architects, engineers, developers, builders, undergraduate or graduate students who take pride in leading the new construction market. Related incentives are set out below in this GSC section.

Successful applicants' teams must demonstrate the following:

- Competence in carbon-neutral-ready design that is coupled with architectural design quality and innovation;
- Ability to deliver high quality, cost-effective, easily constructed, functional, carbon-neutral-ready, and resilient buildings at competitive costs;
- How their projects generate interest in and demand for the design and construction of carbon-neutral-ready and resilient buildings; and
- Their commitment to share information related to the project's design, costs, and performance.

### **Target Markets and Eligibility**

Eligible projects include only those at the schematic or early design drawing stage of a ground-up new construction project, as those stages are most amenable to incorporating new ideas. The GSC will accept and make awards<sup>30</sup> in each of four Building Categories: Commercial, Industrial,

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<sup>30</sup> Subject to the terms and conditions set forth in this Compliance Filing and/or other program documents.

Institutional, and Lodging/Residential. The Program Guide and/or other program documents will provide more details as to which buildings are encompassed in these Building Categories.

Applicants may submit more than one application.

Projects having an active incentive commitment from any other NJCEP program are not eligible to participate in GSC, and any projects that receive an incentive award from GSC are not eligible to participate in any other NJCEP programs.

### **Program Delivery Method, Standards, and Incentives**

The Garden State Challenge is a competition providing monetary awards for eligible projects, with the awards distributed in three competitive rounds based upon an evaluation of the following features and criteria of the submitted design:

- Cost-effective construction;
- No- to low-GHG emissions and low energy costs during operation;
- Facilitation of expedited construction periods; and
- Offers a competitive edge with predictable revenue and cost projections.

Each winning demonstration project is eligible to receive over \$1,000,000 in design and construction incentives, plus applicable student incentives, all as described in more detail below. Each round of the competition will open and close on dates specified by a committee of policy, technical, and regulatory stakeholders selected by the Program Manager in consultation with Board Staff (“Review Committee”). Extensions will not be granted for individual projects; however, at its discretion, the Program Manager may grant an extension that is applicable to all projects. The Review Committee will review all eligible submittals. The Review Committee will promulgate scoring sheets that will be included in the program documentation. The Review Committee will assemble to review the projects and develop one final, filled out scoring sheet for each project at each round described below. A minimum score will be set and must be met for any given project to be considered for advancement. The winner(s) of each round will be notified and publicly announced.

Each round of the competition will narrow down the number of eligible projects that may be awarded incentives and advanced to the next round. Round 1 will be narrowed down to no more than five buildings in each Building Category. Round 2 will be narrowed down to no more than three buildings in each Building Category. Round 3 will select one winner in each Building Category. Program documents may set guidelines for managing a situation in which there are insufficient submissions to support a robust competition in any Building Category. Further, if there is sufficient budgetary capacity and an unexpectedly high number of well-qualified applications in one or more categories, the Program Manager may make awards to and advance greater numbers of buildings in one or more rounds than is set forth above.

For the avoidance of doubt, each round’s incentives shall only be available and awarded to projects selected to advance to that round.



### ***Round 1: Schematic Design***

A request for proposals for new construction building design concepts will be announced with a minimum of three months granted to assemble a design team and develop schematic designs for the proposed project. Submittals shall include at least the following:

- Documentation displaying the financial feasibility of the design team.
- Design team resumes and credentials.
- Schematic design drawings with supporting information about the proposed project with concept ideas for non-traditional measures, design drawings, and support material.
- The Review Committee will select up to **five projects** with the highest score in each Building Category, each of which will receive a monetary incentive award and advancement to the next round.

**Incentive Award:** \$50,000 per project, \$250 per student, and advancement to Round 2: Design Drawings.

### ***Round 2: Design Drawings***

Applicants selected in Round 1: Schematic Design will be asked to complete their Design Drawings and submit them to the GSC no later than six months after the Round 1 award date. Submittals shall include the following:

- Design drawings, support material, and savings calculations.
- Preliminary detailed construction schedule.
- In addition, each applicant that accepts the invitation to participate in Round 2 must agree that its submittals constitute public and government records which the Board and its agents may publish, disseminate, and otherwise use to promote the GSC's goals and the GSC itself.

The Review Committee will select up to **three projects** with the highest score in each of the four Building Categories described above in this section of this Compliance Filing ((1) cost-effective construction; (2) no- to low-GHG emissions and low energy costs during operation; (3) facilitation of expedited construction periods; and (4) offers a competitive edge with predictable revenue and cost projections), each of which will receive a monetary incentive award and advancement to the next round.

**Incentive Award:** \$100,000 per project, \$500 per student, and advancement to Round 3.

### ***Round 3: Final Design & Construction***

Applicants selected in Round 2: Design Drawings will be asked to complete their Construction Drawings and to submit them to the GSC no later than six months after the Round 2 award date. Submittals shall include the following:

- All construction drawings, support material, and savings calculations.
- Proposed detailed construction schedule.

- Construction cost estimates.
- A description of the building's expected performance.

In addition, each applicant that accepts the invitation to participate in Round 3 must agree that:

1. Its submittals constitute public and government records that the Board and its agents may publish, disseminate, and otherwise use to promote the GSC's goals and the GSC itself.
2. If the applicant wins Round 3, it will reasonably cooperate with the Board and/or the Program Manager to promote the winning building, including, among other things, allowing the interior and/or exterior of the building to be photographed or otherwise depicted and for such depictions to be published.
3. If the applicant wins Round 3, it will provide the Program Manager with the building's utility usage for the amount of time set forth in program documentation.

Winning designs should demonstrate that all competition goals are met.

The Review Committee will select the project with the highest score in each Building Category. Each selected project will be deemed the final winner for its Building Category, will be used as a demonstration project to encourage low- to no-carbon building designs across the state of New Jersey, and will receive monetary incentive awards as follows: (a) the First Incentive, upon determination of the final winner, and (b) the Second Incentive, upon completion of construction and confirmation and documentation that the as-built project substantially incorporated the design features upon which the First Incentive was based.

**First Incentive Award:** \$500,000 and \$1,500 per student on the winning team.

**Second Incentive Award:** \$1,000,000 upon completion of construction (i.e., the issuance of a temporary or final Certificate of Occupancy for the building) and submission of the as-built documentation described above, all within 18 months after the issuance of the Round 3: Design Completion award. The Program Manager may, for good cause shown, extend the above-described 18-month period for up to two additional six-month periods.

### ***Outreach and Promotion***

This competition relies heavily on promotion of the GSC and its Request(s) for Proposal through collaboration with the Outreach Team and the NJBPU Communications Office. It will raise industry awareness that buildings can be designed and built to the highest electrification and decarbonization standards, and to incorporate new technologies, for the benefit of all New Jerseyans. Outreach may include events such as public announcements of round winners, groundbreaking events, ribbon cutting events, tours of constructed buildings, digital award badges for winner websites and social media, specialized signs to be included inside the buildings to highlight winning status, and cooperative advertisement for the winning projects.

### **Quality Control Provisions**

Documented policies and procedures provide proper guidelines to ensure fairness and consistency in the evaluation of all applications. The Program Manager may arrange for on-site visits or inspections of projects that have received a Round 3 award.

TRC will utilize the Contractor Remediation Procedures,<sup>31</sup> as necessary or appropriate, to address significant performance or other problems.

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<sup>31</sup> The Contractor Remediation Procedures are explained and available at <https://njcleanenergy.com/main/board-public-utilities/board-public-utilities-0>.

## 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. For the avoidance of doubt, 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; and
- 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; and
- All FC project submissions must include documentation that the purchase price includes at least one stack upgrade at no additional cost to the customer/applicant so that the equipment's maximum useful life is realized; and
- 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; 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 > 40% FCs

During FY24, that is, from July 1, 2023 through June 30, 2024, 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 \$2,000,000. By way of example, if during FY24 applicants A, B, C, and D 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 FY24 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.

### ***Feasibility Studies***

CHP and  $\geq 60\%$  FCs are eligible for incentives for having completed and submitted to NJCEP a feasibility study. To be eligible for an incentive, the applicant must first submit its proposal for the feasibility study and have such proposal approved by the Program Manager. It, of course, must also submit the completed study itself, along with proof of its cost. The Program Manager will approve the proposal and final submittal only if it determines that that each is technically sound and is at a reasonable cost. Additional requirements are outlined in the Program Guidelines.

### **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 in the Tables below in this Incentives subsection.

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. 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.

### Feasibility Study Incentive for CHP and $\geq 60\%$ FCs Only

50% of the cost of the study, capped at an incentive of \$50,000 and payable upon NJCEP approval of the completed study. This incentive would, among other things, count towards all other applicable NJCEP caps.

Other CHP-FC Incentives

*Table 9: CHP-FC Technology and Incentive Levels*

Eligible Technology	Size (Installed Capacity)	Rated	Incentive (\$/Watt) <sup>(5)</sup>	% of Total Cost Cap per project	\$ Cap per project	
CHPs powered by non-renewable or renewable fuel source, or a combination <sup>(4)</sup> : <ul style="list-style-type: none"> <li>• Gas Internal Combustion Engine</li> <li>• Gas Combustion Turbine</li> <li>• Microturbine</li> </ul> ≥ 60% FCs	≤500 kW <sup>(1)</sup>		\$2.00	30-40% <sup>(2)</sup>	\$2 million	
	>500 kW – 1 MW <sup>(1)</sup>		\$1.00			
		>1 MW – 3 MW <sup>(1)</sup>		\$0.55	30%	\$3 million
		>3 MW <sup>(1)</sup>		\$0.35		
≥ 40% FCs	All of the above <sup>(1)</sup>		Applicable amount above	30%	\$1 million	
WHPs <sup>(3)</sup>  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 <sup>(1)</sup>		\$1.00	30%	\$2 million	
	>1 MW <sup>(1)</sup>		\$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). 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). 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.
6. The incentive bonuses described in the notes above shall count towards neither the % of Total Cost Cap per project nor the \$ Cap per project, in each case as included in Table 9: CHP-FC Technology and Incentive Levels.

*Table 10: CHP-FC Incentive Payment Schedule (other than for Feasibility Studies)*

<b>1<sup>st</sup> – Purchase</b>	<b>2<sup>nd</sup> – Installation</b>	<b>3<sup>rd</sup> - Acceptance of post-installation data</b>
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.
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.

## **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 Programs*

#### **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, which CSI Program's application portal was opened to new applications on April 15, 2023.

#### ***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 are called "SREC IIs" and can be sold to a utility at a fixed price. The values of the SREC-IIs under the ADI

Program are set by the Board in a declining block structure, and the values of the SREC-IIs under the CSI Program will be set through a solicitation process.

The Solar Registration Program team processes registrations and certifies solar projects as eligible for each of the three programs noted above. 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.

### ***FY24 Program Changes***

The Solar Programs will be modified as required to remain consistent with any revisions to the programs approved by the Board, including, among others, the adoption of any specific requirements related to the permanent Community Solar Energy Program 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, and educate potential program applicants, contractors, and stakeholders.

This Plan supports the State’s EMP and specifically, the existing and proposed NJCEP programs:

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

New tactics for FY24 support the priorities and focus areas of BPU NJCEP and include:

- Support for the anticipated launch of the unified New Construction Program through enhanced education for trade allies and new program awareness tactics;
- Within the New Construction Program, support for the launch of the Workforce Development and Garden State Challenge Pilots with program awareness efforts, higher education collaboration, and ongoing applicant engagement;
- Support for the launch of the LEUP Decarbonization Pilot through direct outreach and organizational collaboration;
- Provide additional data regarding trade allies listed on website to assist customers in selection process;
- Provide NJCEP trade allies with a welcome packet, including an overview of program requirements and applicable program materials;
- Provide enhanced NJCEP program awareness at public events; and
- Expand external-facing program awareness through support in the development of collateral and messaging via coordinated efforts with BPU.

After gauging market interest and measuring success in FY23, 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 as needed.

The Team will continue to focus on LMI customers and underserved communities as they continue to help raise awareness about the programs and how to use them. The New Construction Program will be a specific focus.

### **Background**

As the state continued to recover from the COVID-19 pandemic, the Outreach Team increased its participation via in-person activities during FY23. The Outreach Team strategically shifted outreach tactics to allow for both in-person and hybrid customer and contractor engagement

activities. These strategies were embraced by the C&I market during FY23 and had a positive impact on application enrollment, presentations given, energy savings, trade ally recruitment, and audit program participation. This FY24 Outreach Plan incorporates lessons learned from past years and prioritizes tactics that increase engagement and energy savings over FY23.

### ***Support for State’s Clean Energy Goals and Strategies***

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

## **FY23 Highlights:**

### ***Program Performance***

- Outreach activities took place in all 21 counties of New Jersey in FY23.
- Outreach-generated program applications totaled 363, reaching 93% of the annual goal by February 2023. These included applications for the Local Government Energy Audit, Large Energy Users Program, SmartStart Buildings, Pay for Performance, Combined Heat and Power, and Customer Tailored Energy Efficiency Programs for both new construction and eligible existing building projects.
- Trade ally training and program overview presentations were recorded and made available on the Clean Energy Learning Center website. Program explainer videos for the School and Small Business Energy Efficiency Stimulus Program and the EE Transition were also created in collaboration with the Clean Energy Learning Center.
- Promotion of School and Small Business (“SSB”) Stimulus Program funding to eligible schools and small businesses lead to full commitment of the grant funds by March 2023.

### ***Equity***

- Increased outreach to K-12 schools in underserved and overburdened communities, women- and minority-owned small businesses, business development organizations, and minority chambers of commerce in New Jersey. Outreach provided these audiences with NJCEP program information including the federally funded SSB Stimulus Program.
- Supported the SSB Stimulus Program by assisting in the development of website content, English and Spanish marketing material, and presentation content.
- Ongoing Hispanic community-focused outreach included translated collateral, providing Hispanic representatives at events, and offering customer/contractor support in Spanish.
- Targeted minority organizations for further program awareness by conducting presentations, attending events, and providing program information included the Statewide Hispanic Chamber of Commerce and the Bridgeton Chamber of Commerce – Hispanic Business Owners.



● Small Business Stimulus

*The GIS map shows women- and minority-owned businesses engaged within the counties of Monmouth, Middlesex, Somerset, Morris, Sussex, Union, Passaic, Bergen, Essex, and Hudson for the SSBS program.*

## ***BPU Support***

- Supported BPU-led initiatives through presentation content, providing leads for events to attend, and facilitating speaking requests to the BPU.
- The Clean Energy Champion position was designed based on BPU needs and filled in FY23. The Clean Energy Champion will deliver additional outreach support at residential and community events for BPU administered programs throughout the remainder of FY23.
- Supported the EE transition awareness messaging through updates to the Transition landing page, frequently asked questions, webpage banners and presentation slides, as well as collaboration with the Clean Energy Learning Center on a transition awareness explainer video, and content for the EE Stakeholder Committee Meetings.
- Conducted monthly coordination with Sustainable Jersey and the BPU for shared events and program messaging.



*TRC coordinated and participated in a joint virtual presentation with the US Department of Agriculture*



*TRC exhibited at the Association of New Jersey's Environmental Commission's 49th Annual Environmental Congress, their first in-person event since the COVID-19 pandemic*

## ***Adaptable Market Strategies***

- Delivered 91 presentations both in-person and virtual to a variety of trade focused, market sector, and community organizations.
- Participated in events specific to careers in energy efficiency to college students and educators at Rutgers, Stockton, and Rowan Universities. In collaboration with GreenFaith, Outreach Account Managers co-presented on Workforce Development for the *Gore Radio Show*.
- Edited content for NJCEP/BPU social media feeds.
- Completed monthly updates to the GIS tool which maps NJCEP-approved projects.
- Set up key relationships with organizations that are influential to new construction including the Construction Roundtable of New Jersey and the New Jersey Apartment Association.
- Maintained a board position with American Institute of Architects – New Jersey chapter and continued involvement with the U.S. Green Building Council and the Building Owners and Managers Association.
- Updated the NJCEP presentation template and slides with portfolio updates, program updates, and streamlined the end-user message.
- Provided feedback to the Marketing Team's proposed campaign to address further awareness of energy efficiency programs run through NJCEP.



- Continued working in a hybrid environment by reaching the target markets virtually through webinars, targeted e-blasts, and in-person events. The Outreach Team participated in both in-person and virtual presentations and staffed booths at large conferences.

### 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 2035** – The Outreach Team will continue to support the State’s clean energy goals and will play a crucial role in meeting the objectives set forth in newly released Executive Orders 315, 316, and 317. Table 3 lists the seven EMP strategies and the associated level of outreach tactical emphasis planned in support of the FY24 NJCEP program suite.

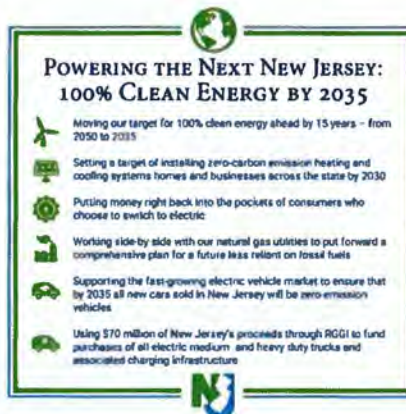


Table 11: EMP Strategies versus Outreach Tactics

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** – TRC will actively represent NJCEP in the marketplace for all programs and program enhancements. We will work across all target markets to have the necessary information and training to fully engage in the programs.
- Support Environmental Justice to Overburdened Communities and customers** – To support environmental justice for Overburdened Communities (defined by NJDEP) and customers, the Outreach Team will continue to collaborate with the BPU, other state

agencies, and community organizations. Our goal for all customers to have a fair and equal opportunity to learn about and benefit from NJCEP offerings.



- **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) and highlights will be included in a monthly report to track progress toward these goals.

### Target Markets

NJCEP programs are available to both Investor-Owned Utility (IOU) and Non-IOU New Jersey customers. 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 12: 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, Municipal Permitting and Local Code Enforcement Offices
 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), American Public Power Association, Environmental Protection Agency, ENERGY STAR, Department of Energy, United States Department of Agriculture (New Jersey), New Jersey Department of Environmental Protection, New Jersey Business Action Center, United States Green Building Council

### 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 FY24 address the goals of the State along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below.

### ***Customized Program-Specific Outreach***

Outreach Account Managers focus on outreach designed to bring projects into the programs offered in this filing. Each program has different target markets, membership organizations, and other access points that require unique outreach tactics. A customized outreach approach for each program allows the Account Managers to serve as single points of contact for their designated geographic territories while specializing in specific focus areas needed to assist participants in navigating programs (those offered by NJCEP and their utilities), understanding their opportunities for energy savings, and applying to the programs.

Program awareness to existing and potential trade allies and customers is a primary source of project referrals. The Outreach Team identifies the program path that best fits their projects and offers ongoing support as they re-engage in the program with additional projects.

The Outreach Team 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.

program awareness



single point of contact



individualized program path



ongoing support



### **New Construction Program: Engage Contractors, Trade Allies, Technical Institutions, and Construction Permit Offices**

**FY24 NEW  
Program  
Launch**

In FY24, the residential and C&I new construction programs will merge into a single streamlined New Construction Program as referenced in this filing. This unified program will change the way in which the Outreach Team networks and communicates with customers and trade allies about NJCEP offerings. The Outreach Team will create presentation slides, website content, assist trade allies with 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. The Outreach Team takes charge of maintaining and cultivating relationships with these trade allies by seeking program feedback and engaging with their associated professional organizations. This approach serves to improve the customer experience and enhance the quality of NJCEP programs. A goal is to minimize lost opportunities by proactively informing trade allies about program benefits during the planning and design phases of new construction projects.

In FY24 Account Managers will serve as single points of contact for registered NJCEP trade allies and work to recruit new trade allies within their geographic territories. Account Managers will provide program education to these partners through collateral, trade ally newsletters, social media

content development, program overview presentations/webinars, application training presentations/webinars, educational webinars, in-person lunch and learn staff trainings, project meetings, and events. Account Managers will also function as the educational link between customers and trade allies which includes builders, developers, contractors, stakeholders, facility managers, energy managers, and realtors. Account Managers support their assigned trade allies by providing awareness of other BPU administered programs.

Some contractors and membership organizations span both residential and C&I markets, such as the U.S. Green Buildings Council of NJ and the American Institute of Architects, while other organizations 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 including the NJ Cannabis Insider, Cannabis Regulatory Commission, US Department of Agriculture, and Rutgers Eco Complex. The new, unified New Construction Program allows 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 support new construction offerings include among others:

- Associated Builders & Contractors
- Commerce & Industry Association of New Jersey
- Commercial Real Estate Development Association
- Construction Roundtable of New Jersey
- New Jersey Alliance for Action
- New Jersey Apartment Association
- 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
- Southern New Jersey Development Council

As the new construction industry in New Jersey continues to expand, we are actively updating our list of new construction stakeholders while encouraging NJCEP trade ally network participation. The active stakeholder list will be used to share program launch information and invite key decision-makers to NJCEP-hosted events including webinars, presentations, and NJCEP booths at industry trade shows and conferences. The Outreach Team will maintain up-to-date messaging that reflects program updates and references to other NJCEP programs that may be of interest to stakeholders.

In FY24, it is crucial that outreach efforts are complemented by marketing support: to transform the new construction marketplace; to increase consumer awareness; and to increase demand for highly energy efficient buildings. Outreach efforts will encourage builders to incorporate 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 helps increase public awareness through educational awareness such as co-op advertising,

sponsorship of events, project site construction signage, and post project completion placards. The Outreach Team will work with the BPU to recommend complimentary marketing strategies or campaigns.

In FY24, the outreach team will engage with universities, technical institutions, and trade schools to support a new workforce development component of NJCEP's New Construction Program with an emphasis on underserved student populations and institutions within New Jersey's overburdened communities. Outreach will provide awareness of the various LEED, AEE, and PHI courses and certifications offered for reimbursements, encouraging students within the various institutions to participate in this initiative.

Municipal permit and planning offices are also viable avenues to educate new construction contractors and building owners about NJCEP incentive programs at the early stage of a new construction project. In FY24, the Outreach Team will engage with these entities and prioritize outreach engagement campaigns to municipalities within state designated overburdened communities, providing educational collateral for distribution to new construction permittees.

#### Garden State Challenge Pilot: Promote a Low- to No-Carbon Future



The Outreach Team will support the New Construction Program's Garden State Challenge Pilot by engaging architects, engineers, developers, builders, and trade allies within the targeted new construction building categories. These efforts will raise industry awareness and encourage the new construction market to adopt low- to no-carbon building designs, advancing a carbon-neutral future for New Jersey. The Outreach Team will conduct a concerted program awareness messaging campaign upon pilot launch, relying on its current list of new construction trade allies and contacts. The Outreach Team will work with these trade allies and stakeholders to identify and promote new construction projects at the early stages of planning and design, synchronizing program participation.

New Jersey colleges and universities will also be engaged to encourage forward-thinking graduate and undergraduate students to participate, while providing a valuable linkage to new construction project teams.

A dedicated Account Manager will work with the program lead and the BPU to develop engaging marketing material, website content, and social media messaging. This Account Manager will orchestrate focused outreach campaigns, monitor outreach effectiveness, attend groundbreaking events and ribbon cutting ceremonies, and provide ongoing support to program applicants.

An Account Manager will coordinate LGEA outreach efforts with the organization of informational campaigns, development of newsletter content, and involvement in annual conferences. 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 targeted overburdened towns and authorities will be included during FY24.



*The New Jersey League of Municipalities' 107<sup>th</sup> annual conference provided meaningful face-to-face networking and a showcase of BPU and NJCEP programs in a post-COVID-19 environment*

**FY24 NEW  
Program  
Launch**

### LEUP Decarbonization Pilot: Higher Education Target Market

The Outreach Team will harness existing relationships with higher education (colleges and universities) customers and conduct focused campaigns to encourage participation in the new LEUP Decarbonization Pilot. An Account Manager will coordinate this effort for awareness to eligible customers and their technical consultants of this program and assist in the design of promotional material. Engagement with this sector includes through calling campaigns, canvassing efforts, focused webinars, and in-person presentations.

### Large Energy Users: Targeted Trade Allies

Outreach activities to expand the customers that participate in the Large Energy Users 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.

### Combined Heat & Power and Fuel Cell: Targeted Trade Allies

The Outreach Team will communicate any updated program information for the Combined Heat & Power and Fuel Cell Program via webinars and send an eblast to trade allies who have worked on past NJCEP CHP/FC projects.

### ***Trade Ally Development***

Recruiting, maintaining, and supporting a healthy trade ally network supports the overall success of the programs. Historical NJCEP data has shown that campaigns focused on recruiting new trade allies bring in the largest number of program applications. To streamline operations that support contractors and trade allies, an Account Manager will coordinate a plan for the team to 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 New Jersey. The list of NJCEP trade allies will be divided amongst Account Managers to allow for a single outreach point of contact for inquires and regular communications. The lead Account Manager is responsible for developing content including collateral, newsletters, and presentations that recruit, train, and

support the trade allies. Individual Account Managers will continue to offer one-on-one, project specific assistance to their assigned trade allies.



### Recruit

In FY23, the Outreach Team hosted monthly Trade Ally Engagement and Recruitment webinars that averaged over 25 registrants and resulted in the recruitment of 47 new trade allies. In FY24, using a combination of purchased lists and public-facing data, a strategic recruitment initiative will take place for leaders in New Jersey’s sectors such as new construction and local government code officials. Additionally, outreach will focus on contractors and residential raters who have previously participated in the programs. Recruitment efforts will take place through calling campaigns, professional organization involvement, and round-table events. The Outreach Team will create program collateral to support these efforts.

### Train

A series of contractor trainings will be developed to address various areas of interest, including program benefits, program requirements, and application assistance. 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 outreach lead will create and deliver content for the training presentations. In FY23, there were several application training and program overview webinars that were posted to The Clean Energy Learning Center.

A monthly 30-minute webinar with a focus on program awareness and trade ally recruitment will explore 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


**FY24 NEW**  
TA Toolkit &  
Online Listing

The Outreach Team offers supports to program contractors through the trade ally network to solicit input on needs, feedback on their experience with the programs, and input on potential program changes or enhancements. Trade ally support includes:

- **Collateral** develop content to support contractors, general program awareness and focused, sector-specific collateral where applicable;
- **New Trade Ally Welcome Toolkit** provided to all newly approved NJCEP trade allies is a new FY24 feature. This toolkit includes an introductory email from their designated outreach contact, digital training material, program collateral, and additional support materials to be coordinated with the BPU;

- **Co-op Advertising** to leverage the NJCEP brand and assist new construction builders and raters in their marketing efforts will expand to C&I in FY24 with the anticipated launch of the New Construction Program;
- **Success Story** collaboration with Account Managers to develop a regular flow of new case studies for each program;
- **Monthly Newsletter** of program updates, collateral links, training invitations, and upcoming networking events;
- **In Person Quarterly Contractor Coffee** will be hosted by TRC to address questions the trade allies may have about the programs or application process. Program staff will be in attendance for detailed questions and facilitate networking; and
- **Annual/Bi-Annual Survey** to solicit feedback that will further allow the Outreach Team and program design team to support the program participants.

Several enhancements will be made to the trade ally list available on the NJCEP website. They include the inclusion of the business certification and past program participation:

 An updated FY24 trade ally registration form will include New Jersey’s Division of Revenue and Enterprise Services certification categories to encourage equitable participation in NJCEP’s trade ally network and assist customers in their selection of an appropriate trade ally for their project. These certifications include:

- Disabled Veteran Owned Business (DVOB)
- LGBTQ+ Owned Business Enterprise (LBE)
- Minority Business Enterprise (MBE)
- Minority Women Business Enterprise (MWBE)
- Small Business Enterprise (SBE)
- Veteran Owned Business (VOB)
- Women Business Enterprise (WBE)

Listing trade ally experience with the programs by including data related to program use such as applications submitted/projects completed and other information. We can solicit additional input from Trade Allies on other enhancements that may help customers made a contractor selection.

### ***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 FY23, the Outreach Team continued to provide transition-related education and messaging as needed and ensured that the website content is in both English and Spanish. During FY24, the team will continue to provide ongoing support related to transition.

### **BPU Support**

The Outreach Team will continue to support the BPU through the EE Stakeholder Meetings, public messaging, and website updates of new initiatives including the maintenance of the Transition Landing Page and Frequently Asked Questions in both English and Spanish.



## Utility Coordination

TRC will continue to attend the EE Marketing workgroup meetings with utilities and BPU staff to participate in joint efforts around messaging and marketing. In FY23, this included the coordination of “key utility implementor” contacts for sharing information about projects with the potential to participate in the utility-sponsored programs. For example, when LGEA projects are at their final stage, the Outreach Team coordinates with their utility counterparts to provide existing building retrofit program information.

## *Expanded Outreach Education*

A key outreach tactic is the education of trade allies and end-users 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 to reach larger audiences to present the programs. 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 FY24, we will continue to assess community, customer, trade ally, and partner needs to 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

**FY24 NEW**  
Collateral  
Development

Customized, sector-specific collateral has become increasingly well received. In FY24, the Outreach Team will identify additional sectors that would benefit from customized collateral such as one-page summary sheets and case studies for design-build contractors, architects, developers, and end-users. The Outreach Team will use BPU’s one-page template with the option to include a new design; 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 New Construction Program offering. Collateral will need to be developed to educate and increase awareness of the newly designed program. Promotional materials will also be developed to support the Workforce Development component of this initiative and encourage program participation.
- **Garden State Challenge Pilot:** Promotional materials will be developed to support the awareness of the pilot to potential participants.
- **LEUP Decarbonization Pilot:** An overview and recruitment one-page collateral piece highlighting the new LEUP Decarbonization Pilot tailored to the higher education target market.
- **SEP Non-IOU Program:** An overview of the new energy efficiency program for non-IOU customers. Other pieces of collateral are needed to promote and educate program rules and requirements.

- **Case Studies:** One-page success stories with accompanying slides for all programs showcasing noteworthy projects that utilized NJCEP incentives to attain significant energy savings and reduced project payback periods.

### Customized Training Series

The Outreach Team will continue to assess the educational needs of our various audiences. We will respond to those needs and adjust our presentations to reflect the most current suite of program offerings and provide enhanced training opportunities for trade allies. Moreover, we will conduct a series of trainings on the newly anticipated redesigned New Construction Program and its application process. The Outreach Team will continue to grow our current trade ally network and increase the number of contractors who understand and participate in NJCEP programs.

### Expanded Program Awareness

The Outreach Team will support the education efforts and promotion of new programs and pilot programs. Efforts such as virtual trainings, NJCEP newsletters, and social media support will be developed to help increase program participation. Additionally, the Outreach Team will identify key projects that have utilized NJCEP program incentives for educational and program promotional activities.

### ***Call Center Customer Support***

An efficient and effective Outreach Team is characterized by its ability to provide informed responses to customer inquiries, creating a seamless pathway to program enrollment. One of the first contacts with a stakeholder may be through the Call Center which supports program outreach and operations by responding to inquiries about the Clean Energy Programs. The Call Center answers the toll-free telephone number (866-NJSMART) and responds to website and email inquiries. Call center support includes the following activities:

- Represent NJCEP in responding to public inquiries and requests;
- Discuss NJCEP programs with potential applicants; directing callers to appropriate NJCEP and/or BPU program website(s); and
- Forward inquiries that need further follow-up to NJCEP or BPU contacts.

TRC staffs the NJCEP Call Center from 8:00 a.m. ET to 7:00 p.m. ET, Monday through Friday, excluding State holidays. TRC responds to email inbox inquiries and voicemails within 24-48 business hours of receipt.

Call Center operations as described above will continue through FY24 to support the Clean Energy Program. As new programs and initiatives are established, call scripts and email templates will be updated for use by Call Center staff.

### ***Multilingual Educational Outreach***



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 FY23, select program collateral was translated and made available in Spanish. All applicable new and updated collateral for FY24 is planned to be made available in Spanish and English. Outreach pass-through funds have been set aside for professional translation services.

A Hispanic Account Manager oversees Spanish educational outreach, working with the Outreach Team to address the needs of Hispanic customers. This service will continue to align with new FY24 programs and will be a key outreach resource when engaging with bi-lingual organizations including the Statewide Hispanic Chamber of Commerce, and regional Chamber of Commerce - Hispanic Business Committees.

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 lead the development and delivery of the NJCEP initiatives. BPU-led initiatives include EVs, Community Solar, Comfort Partners, and Community Energy Plan Grants, for example. It is important for the TRC and BPU-led initiatives to work together for consistent and comprehensive messaging to serve the full scope of customer needs.

To do so, the Outreach Team engages with customers to discuss their needs and provide awareness of the entire Clean Energy Program portfolio. The Outreach Team will continue to refine the NJCEP presentation so that the graphics and presentation flow addresses 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 on BPU-led initiatives through BPU staff presentations. Outreach Team members can answer high level questions about BPU-led initiatives and 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.

In March of FY23, the new position of NJCEP Clean Energy Champion was filled to staff events that are outside of the current umbrella of TRC energy efficiency outreach for programs. The Clean Energy Champion provides general awareness of clean energy initiatives and programs that the BPU administers. Events are identified through BPU requests, collaboration with regional green team hubs, and research based on records of previous events that had a residential focus.



*NJ Business Action Center Hispanic Business Owners Event*

The Outreach Team coordinates and processes the purchases and expenses related to printing program collateral related to TRC-led energy efficiency programs as needed for the BPU. The Outreach Team provides a current stock to the BPU and Outreach Team members, as well as at meetings and events.

### ***BPU Support and Coordination***

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

### **Support Commissioner Engagement**

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 FY23, we continued to identify speaking opportunities for BPU Commissioner and BPU staff participation and looked for opportunities for the Commissioners to engage with customers on a one-on-one basis.

In FY24, we will continue the “Commissioner Concierge” approach to support Commissioner events from beginning to end. A team member is assigned to supply the Commissioners and their staffs with a seamless speaking engagement experience. The Commissioner Concierge supplies 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 NJCEP Marketing

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 campaigns. The program benefits most from synchronized Marketing and Outreach 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 FY24, 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. Outreach efforts will include:

- Working with the seven active 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 provide input regarding updates to Sustainable Jersey relating to NJCEP initiatives;
- Coordinating with Sustainable Jersey on 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 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 provide a valuable opportunity to promote the programs and help identify potential projects. 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 while undertaking energy efficiency projects and obtaining financial incentives. The Outreach Team will strengthen these relationships, co-promote program offerings, and provide continued customer assistance. We will communicate program changes directly to utility contacts, so they are aware of the changes and can answer their customers' questions. Account Managers will work with utility representatives to understand their program offerings, enabling them to guide potentially eligible projects to programs that best fit customers' needs. In FY24, we will continue to offer co-presentation with utilities to relevant audiences, educating them on the transition, utility program offerings, NJCEP offerings, or a combination of these. Such partnerships may include joint presentations with organizations where NJCEP has an active presence or joint presentations at larger conferences.

### Organizations, State, and Federal Agencies

The Outreach Team is an active member of several organizations listed below. The Outreach Team will investigate additional membership and partnership opportunities to leverage more speaking engagements and promotional options (e.g., newsletter articles, success stories).

- 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 Conference of Mayors
- New Jersey League of Municipalities
- New Jersey School Boards Association
- New Jersey Veterans Chamber of Commerce
- Property Owners Association of New Jersey
- Shore Builders Association of Central New Jersey
- Statewide Hispanic Chamber of Commerce
- U.S. Green Building Council
- 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)

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 joint presentations;
- Design Lights Consortium - Active participation and applicable outreach with program committees;
- ENERGY STAR – Active participation and applicable outreach and marketing shared with BPU; 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. FY24 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;
- Newsletter articles for organizations;
- 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;
- NJCEP monthly newsletter;
- Communication with program partners;
- Collaboration with the Marketing Team on public facing materials; 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), a Clean Energy Champion, and a Market Analyst. This Team collaborates closely with BPU staff, and the market sectors identified above.



### 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 Clean Energy Champion. 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 & Expanded Program Awareness

**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. Account Managers help make contractors, trade allies, stakeholders, and partners are aware of NJCEP and submit applications to the 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. Each Account Manager has a lead position on the team. For example, the trade ally lead supervises the NJCEP trade ally network and orchestrates trade ally recruitment and engagement campaigns for the Outreach Account Management Team.

**Expanded Program Awareness** is new in FY24 to support several new program launches and create a larger NJCEP brand awareness of energy efficiency programs across the state. This will be done with dedicated outreach staff to assist BPU in the development of public facing content and materials. This role will take on new tasks identified with the BPU to support the programs and may include resuming the monthly NJCEP





Newsletter and taking a more active role in creative design items such as the development of program collateral, case studies, slides, social media suggestions, and sponsorship advertisements.

The SEP Non-IOU Program, LEUP Decarbonization Pilot, and New Construction Program are all new in FY24 and will require additional public awareness deliverables that this position will assist with as noted within this Filing. While all new programs require a series of deliverables at the time of program launch, the New Construction Program requires additional deliverables over the course of the first year. In addition, this team will leverage some of the trade allies and project site locations to expand program awareness to potentially include cobranded trade ally program collateral, trade ally window clings, point of purchase displays, public project signage, and select project completion events.

#### Clean Energy Champion (CEC)

The CEC promotes public awareness of all NJCEP programs including those administered directly by the BPU. The primary objective of the CEC is to enhance brand recognition thereby increasing program participation. The CEC will achieve this objective by identifying, organizing, managing, and attending residential and community clean energy events across New Jersey.

#### Market Analyst

In preparation for the next triennium, this new position has been added to focus on New Jersey building data and identify gaps that need to be filled to reach higher energy saving targets. The role focuses on evaluating the current construction market in the state, evaluating the market potential for program participation, and using market research to quantify program awareness and any program or outreach changes that would increase program awareness and participation.

## **Key Performance Indicators and Reporting**

### ***Key Performance Indicators***

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 Outreach Team will continue to work with BPU staff to refine these reports.

Table 13: Outreach Key Performance Indicators (12 months)

Outreach	Annual Target
<b>Application Enrollments:</b> # of applications received attributed to outreach	215
<b>Activities:</b> One-on-one meetings with customers, contractors, trade allies, or stakeholders	1,200
<b>Events:</b> Events such as conferences and trade shows attended promoting NJCEP included events attended by the CEC	194
<b>Presentations:</b> Presentations made at events (not included in the above events) or hosted by NJCEP	70
<b>Trade Ally Recruitment:</b> New trade allies registered with NJCEP to focus on the current portfolio of energy efficiency programs	100

FY24 KPIs are based on FY23 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.

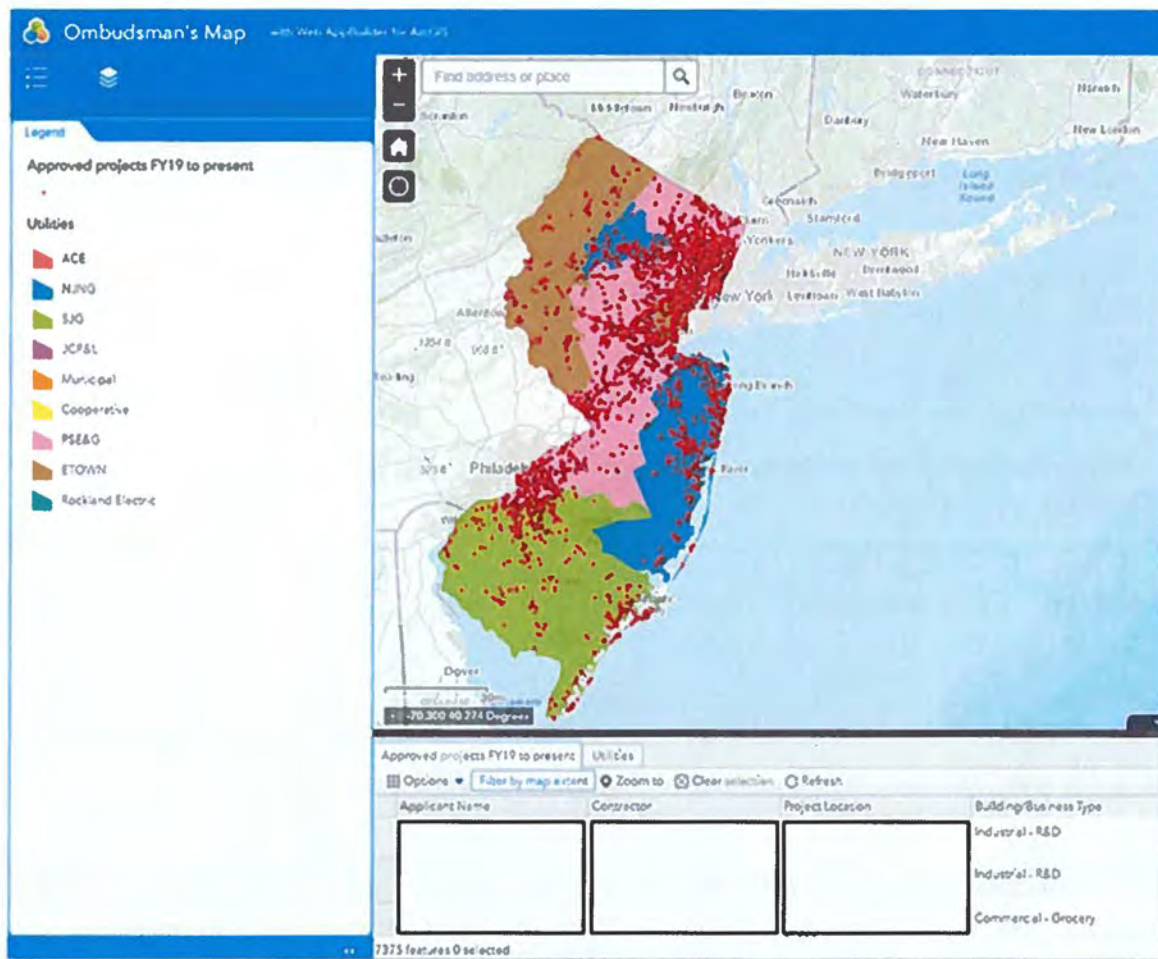
### **Reporting**

A variety of tools help inform the BPU staff and Commissioners about outreach activities. Report formatting will be addressed to meet the needs for FY24. The Outreach 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.

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 trade shows
- Event registration costs
- NJCEP promotional giveaways
- Sponsorship at events and local chamber of commerce meetings
- Advertisements at events attended by outreach staff
- Printing of program collateral
- Translation services for program information/collateral

## **Appendix A, C&I and DER Incentive Caps 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.

### **Total Cost Incentive Cap**

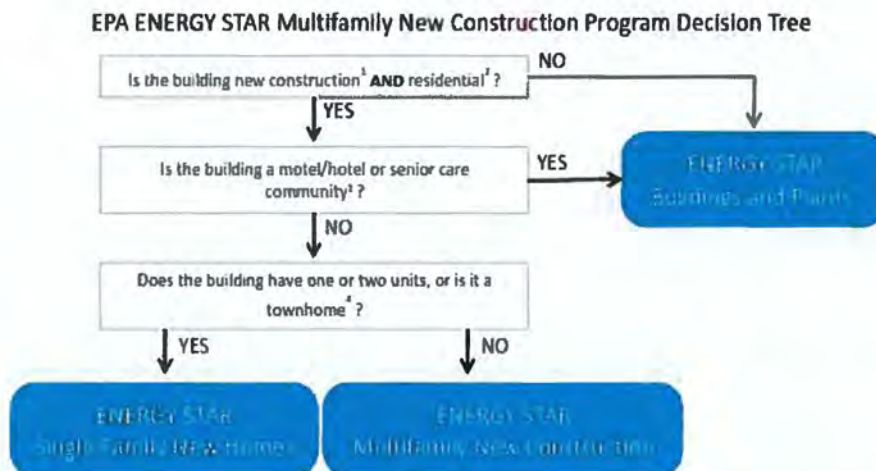
No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost<sup>32</sup> of measures installed or performed.

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<sup>32</sup> 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.

## Appendix B, Multifamily Decision Tree

Figure 1 ENERGY STAR Multifamily Decision Tree (May 2021)



### 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, sleeping 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. Dormitories, residence halls, buildings with single-room occupancies, supportive housing, cohousing, and other non-senior assisted living facilities are 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](http://www.energystar.gov/DesignToEarn).

May 2021

## Appendix C, Program Budgets

TRC FY24		FY24 Cost Category Budgets					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
<b>Total TRC</b>	<b>\$167,057,752</b>	<b>\$10,865,476</b>	<b>\$4,502,022</b>	<b>\$183,000</b>	<b>\$144,869,418</b>	<b>\$6,637,836</b>	<b>\$0</b>
<b>EE Programs</b>	<b>\$139,660,946</b>	<b>\$8,469,108</b>	<b>\$322,159</b>	<b>\$83,000</b>	<b>\$126,415,488</b>	<b>\$4,371,191</b>	<b>\$0</b>
<b>New Construction Program</b>	<b>\$60,591,611</b>	<b>\$3,496,042</b>	<b>\$107,387</b>	<b>\$62,500</b>	<b>\$53,323,449</b>	<b>\$3,602,233</b>	<b>\$0</b>
New Construction Program	\$60,591,611	\$3,496,042	\$107,387	\$62,500	\$53,323,449	\$3,602,233	\$0
<b>C&amp;I EE Programs</b>	<b>\$79,049,335</b>	<b>\$4,973,066</b>	<b>\$214,772</b>	<b>\$20,500</b>	<b>\$73,072,039</b>	<b>\$768,958</b>	<b>\$0</b>
C&I Buildings	\$72,639,215	\$3,706,127	\$107,386	\$8,000	\$68,549,840	\$267,862	\$0
LGEA	\$6,337,952	\$1,194,771	\$107,386	\$12,500	\$4,522,199	\$501,096	\$0
DI	\$72,168	\$72,168	\$0	\$0	\$0	\$0	\$0
<b>Energy Efficiency Transition</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>
Energy Efficiency Transition	\$20,000	\$0	\$0	\$0	\$20,000	\$0	\$0
<b>Distributed Energy Resources</b>	<b>\$19,772,580</b>	<b>\$943,080</b>	<b>\$107,386</b>	<b>\$25,000</b>	<b>\$18,453,930</b>	<b>\$243,184</b>	<b>\$0</b>
CHP - Fuel Cell	\$19,772,580	\$943,080	\$107,386	\$25,000	\$18,453,930	\$243,184	\$0
<b>RE Programs</b>	<b>\$3,659,135</b>	<b>\$1,453,288</b>	<b>\$107,386</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$2,023,461</b>	<b>\$0</b>
Solar Registration	\$3,659,135	\$1,453,288	\$107,386	\$75,000	\$0	\$2,023,461	\$0
<b>Planning and Administration</b>	<b>\$3,965,091</b>	<b>\$0</b>	<b>\$3,965,091</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Outreach and Education</b>	<b>\$3,965,091</b>	<b>\$0</b>	<b>\$3,965,091</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Outreach, Website, Other	\$3,965,091	\$0	\$3,965,091	\$0	\$0	\$0	\$0



## Appendix D, Program Goals and Performance Metrics

NJCEP FY24 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>
<b>Total TRC</b>	188,257	3,266,286	28.8	487,485	9,106,862
<b>EE Programs</b>	65,738	1,122,556	12.3	260,462	5,134,028
<b>C&amp;I EE Programs</b>	45,749	759,308	10.2	145,138	2,892,191
C&I Buildings	45,473	755,175	10.2	144,000	2,872,686
C&I Retrofit	3,630	57,100	0.5	831	15,350
P4P EB	18,555	292,788	7.2	71,885	1,574,283
LEUP	23,184	403,637	2.4	71,284	1,283,053
Customer Tailored EB	30	474	0.0	0	0
Customer Tailored NC	75	1,176	0.0	0	0
LGEA	0	0	0.0	0	0
DI	276	4,133	0.1	1,138	19,505
<b>New Construction</b>	19,988	363,247	2.0	115,324	2,241,836
NCP	9,894	179,799	1.4	24,356	473,463
RNC	4,691	93,814	1.2	75,580	1,511,588
C&I NC	4,418	73,881	0.6	775	13,763
P4P NC	986	15,753	(1.2)	14,614	243,023
<b>Distributed Energy Resources</b>	122,519	2,143,730	16.6	227,023	3,972,835

## **Appendix E, 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.<sup>33</sup> 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

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<sup>33</sup> 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.

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

NJCEP FY24 Prospective Benefit Cost Analysis						
Program/Budget Line	PCT	PACT	RIM	TRC	SCT	Modified NJCT
<b>Total TRC</b>	4.4	3.0	0.3	1.3	1.8	3.0
<b>EE Programs</b>	3.2	1.4	0.3	0.8	1.1	1.9
<b>C&amp;I EE Programs</b>	3.0	1.6	0.3	0.9	1.2	2.0
C&I Buildings	3.0	1.9	0.3	0.9	1.3	2.1
C&I Retrofit	1.4	0.6	0.2	0.3	0.4	0.7
P4P EB	3.4	3.1	0.5	1.4	1.8	3.1
LEUP	3.1	1.6	0.3	0.8	1.1	1.9
Customer Tailored EB	2.3	0.1	0.1	0.1	0.2	0.3
Customer Tailored NC	1.3	0.2	0.1	0.1	0.2	0.3
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
DI	2.3	0.2	0.1	0.2	0.2	0.4
<b>New Construction</b>	3.8	1.0	0.2	0.7	1.0	1.7
NCP	4.2	1.0	0.3	0.8	1.2	2.0
RNC	3.1	1.0	0.3	0.7	0.8	1.4
C&I NC	5.4	1.3	0.3	0.9	1.4	2.4
P4P NC	5.1	0.5	0.2	0.5	0.6	1.0
<b>Distributed Energy Resources</b>	6.3	13.1	0.3	2.0	2.9	4.9

## **PART 2 (Legacy Programs being transitioned to NCP)**

## **Residential Energy Efficiency Program**

### ***Residential New Construction Program***

**As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.**

### **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® Single Family New Homes Program (“SFNH”), 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 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 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”).<sup>34</sup> 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 an 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;
- An incentive to offset the incremental Rater cost associated with certifying ZERH single-family, multi-single (i.e., townhome), and low-rise multifamily homes;

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<sup>34</sup> I.e., a baseline home which, among other things, is defined and used in the NJCEP Protocols to Measure Resource Savings.

- 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 applicable IECC 2018/2021 or ASHRAE 90.1-2016/2019 energy code sets the minimum energy performance requirement for newly constructed homes and the basic requirement is that eligible buildings using the ERI pathway exceed the applicable energy code by 10% and that eligible buildings using ASHRAE modeling exceed the applicable energy code by 15%.<sup>35</sup> Therefore, they all result in energy performance that is better than that required by IECC 2018/2021 or ASHRAE 90.1-2016/2019, as applicable, depending on the home’s permit date.

### ***ENERGY STAR***

Builders that enroll in either the SFNH or MFNC pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathway, including full inspection checklist requirements. This pathway includes the applicable version of ENERGY STAR SFNH and ENERGY STAR MFNC, depending on the date and eligibility determination per the EPA Multifamily Decision Tree (see [Appendix B, Multifamily Decision Tree](#), of this Compliance Filing), as well as the date of the applicable building permit. 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. Applicants must satisfy the requirements for the DOE ZERH certification following the applicable version of that 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.

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<sup>35</sup> The details of the implementation of these requirements, including which version of which energy code and/or version of ENERGY STAR and/or US DOE ZERH applies to which projects, and of a 90-day transition period regarding implementation of the new energy codes (i.e., IECC 2021 / ASHRAE 90.1-2019), will be provided to stakeholders and the public through means other than the present Compliance Filing.

### ***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 ("RE") systems installed prior to completion of the home. 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. 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.

### **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., townhomes), 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 to receive incentives.

For buildings and projects registered in this RNC Program, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as [Appendix B, 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 SFNC or MFNC, DOE ZERH or ZERH+RE, 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 and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by the EPA and/or the DOE and supersede requirements of this program.



### ***ENERGY STAR SFNH***

Meet or exceed all the applicable version of the EPA ENERGY STAR SFNH Performance Path standards<sup>36</sup> including:

- Meet or exceed the applicable version of the ENERGY STAR SFNH Energy Rating Index Target; and
- Complete the applicable version of all ENERGY STAR SFNH mandated checklists.

### ***Zero Energy Ready Home (ZERH)***

Meet or exceed all DOE ZERH Performance Path technical standards<sup>37</sup> including:

- Complete the applicable version of all ENERGY STAR SFNH 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 RE systems installed onsite prior to completion of the home.

### ***ENERGY STAR Multifamily New Construction (MFNC)***

Meet or exceed the applicable version of the EPA ENERGY STAR MFNC performance path standards<sup>38</sup> including:

- Meet or exceed the applicable version of the ENERGY STAR MFNC following either the Energy Rating Index or ASHRAE pathways; and
- Complete the applicable version of all ENERGY STAR MFNC mandated checklists.

## **Incentives**

The RNC Program incentive tables can be found in Appendix F, 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 MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For 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,

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<sup>36</sup> ENERGY STAR SFNH: [https://www.energystar.gov/newhomes/homes\\_prog\\_reqs/national\\_page](https://www.energystar.gov/newhomes/homes_prog_reqs/national_page)

<sup>37</sup> Zero Energy Home Standards <https://www.energy.gov/eere/buildings/zero-energy-ready-home>

<sup>38</sup> Multifamily New Construction Standards: [https://www.energystar.gov/newhomes/homes\\_prog\\_reqs/multifamily\\_national\\_page#site-built](https://www.energystar.gov/newhomes/homes_prog_reqs/multifamily_national_page#site-built)

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 LMI.

### ***ZERH Rater Incentive***

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single (i.e., townhome) 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](mailto: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;
- Continue to review applications and, on a first-in-time basis, issue Commitment 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”**

**As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.**

### **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 6, 2022, the State of NJ adopted the ASHRAE 90.1-2019 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 are listed in [\*Appendix G, C&I and DER Incentives and General Rules\*](#) below.

- **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 G, C&I and DER Incentives and General Rules 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).<sup>39</sup> 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

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<sup>39</sup> 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.

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 G](#), *C&I and DER Incentives and General Rules* 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 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 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. 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 Filing, 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***

As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.

### **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 and energy cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy use and 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 and ENERGY STAR.

### ***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.<sup>40</sup> The program provides tiered incentive levels correlated to the modeled energy and 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.

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<sup>40</sup> 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.

Although partners work under contract with building owners, acting as their “energy expert”, they are required to strictly follow program requirements. Partners will be required to develop a Proposed Energy Reduction Plan (“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 90.1-2019.<sup>41</sup> The minimum performance target will be measured in terms of energy cost and source energy savings, which is consistent with Appendix G of ASHRAE 90.1-2019, EAct Federal Tax Deductions and LEED NC.

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 of ASHRAE 90.1 or as approved by the Program Manager. The program follows Appendix G of ASHRAE 90.1-2019 to demonstrate that the proposed design meets or exceeds the minimum performance target.

#### ***Appendix G of ASHRAE 90.1-2019***

Under this path, the partner will model a baseline and proposed building using Appendix G of ASHRAE 90.1-2019. Appendix G of ASHRAE 90.1-2019 uses a common baseline building approach that will remain the same for all future iterations of ASHRAE 90.1 and is roughly equivalent to ASHRAE 90.1-2004, Appendix G. Program Guidelines and tools will outline/calculate equivalent savings values relative to Appendix G of 90.1-2019. Measures must be modeled as interactive improvements to Appendix G of ASHRAE 90.1-2019.<sup>42</sup>

Each project 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 90.1-2019 requirements.

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<sup>41</sup> 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 90.1-2016 will have their P4P NC applications processed using ASHRAE 90.1-2016 as their baseline.

<sup>42</sup> For the avoidance of doubt, as so outlined, modeled or calculated, they must meet the minimum performance target set out above in this Program Description.

### ***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](http://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.<sup>43</sup> 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 B, 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.

### **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 90.1-2019.

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<sup>43</sup> 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).

## Program Offerings and Incentives

The P4P NC Program’s incentive structure was conceived to encourage the design and achievement of comprehensive energy 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 14: P4P NC Incentive Schedule*

	Cost or Source Energy Reduction from 90.1-2019 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.
- 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: Customer Tailored Energy Efficiency – New Construction***

**As noted in the Introduction to this Compliance Filing, this program will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP.**

### **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. **Energy Efficiency Plan Development** - Upon application acceptance, the customer works with its technical experts to develop the EEP.
4. **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.
5. **ECM Installation** – The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.
6. **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 independent<sup>44</sup> 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.

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<sup>44</sup> 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 15: 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.

## **Appendix F, Residential Incentives (including Enhancements)**

### ***Residential New Construction***

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

*Table 16: RNC Financial Incentives per Unit for ENERGY STAR New Construction Programs, Zero Energy Ready Home, and Zero Energy Home + RE*

<b>Program</b>	<b>Single Family (1 &amp; 2 Family Homes)</b>	<b>Townhome (as defined by EPA)</b>	<b>Multifamily (as defined by EPA)</b>
<b>Energy Star</b>	\$1,000 per home + \$30 per MMBtu saved	\$500 per home + \$30 per MMBtu saved	\$500 per unit + \$30 per MMBtu saved
<b>ZERH (Zero Energy Ready Home)</b>	\$4,000 per home + \$30 per MMBtu saved Rater Incentive: \$1,200 per home	\$2,500 per home + \$30 MMBtu saved Rater Incentive: \$1,200 per home	\$1,500 per unit + \$30 per MMBtu saved
<b>ZERH + Renewables</b>	\$6,000 per home + \$30 per MMBtu saved Rater Incentive: \$1,200 per home	\$4,000 per home + \$30 per MMBtu saved Rater Incentive: \$1,200 per home	\$2,250 per unit + \$30 per MMBtu saved
<b>UEZ/Affordable Housing Bonus</b>	+\$500 per home	+\$500 per home	N/A

Notes:

1. 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 as described in more detail in the New Jersey Clean Energy Program Protocols to Measure Resource Savings
2. Building types are determined using the EPA MFNC Program Decision Tree, located at this Compliance Filing's [Appendix B, Multifamily Decision Tree](#).

## **Appendix G, 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.

### **Total Cost Incentive Cap**

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost<sup>45</sup> of measures installed or performed.

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<sup>45</sup> 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

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its 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 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 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 17: 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 90.1-2019, 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 18: 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 19: 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 20: 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 21: 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.
- For systems < 65,000 Btu/h, if the equipment is rated using SEER2 efficiency units, SEER2 shall be used to determine eligibility. Otherwise, the SEER rating may be used.
- For systems < 65,000 Btu/h, if equipment is rated using HSPF2 efficiency units, HSPF2 shall be used to determine eligibility. Otherwise, the HSPF rating may be used.

Table 22: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive \$/Ton
			SEER/SEER2	EER	IEER	
Unitary HVAC Split System	< 65,000	1	15.2 / 14.4			\$92
		2	17.4 / 16.5			\$105
Unitary HVAC Single Package	<65,000	1	15.2 / 14.4			\$92
		2	17.4 / 16.5			\$103
Unitary HVAC Single Package or Split System	≥ 65,000 and < 135,000	1		11.5	15.0	\$73
		2		12.5	16.1	\$79
	≥ 135,000 and < 240,000	1		11.5	14.2	\$79
		2		12.0	16.1	\$89
Central DX AC	≥ 240,000 and < 760,000	1		10.5	13.2	\$79
		2		11.0	14.2	\$85
	≥ 760,000	1		9.7	12.5	\$72
		2		10.0	13.4	\$77

Table 23: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency				Incentive \$/ton	
			SEER/SEER2	HSPF/HSPF2	EER	IEER		COP
Air Source Heat Pump Split System	< 65,000	1	15.4 / 14.6	9.1 / 7.7				\$92
		2	16.6 / 15.8	9.2 / 7.8				\$100
Air Source Heat Pump Single Package	< 65,000	1	14.4 / 13.7	8.2 / 6.9				\$92
		2	15.6 / 14.8	8.5 / 7.1				\$100
Air Source Heat Pump Split System and Single Package	≥ 65,000 and < 135,000	1			11.5	14.1	3.5	\$73
		2			12.1	14.8	3.6	\$77
	≥ 135,000 and < 240,000	1			11.5	13.5	3.4	\$79
		2			11.7	15.0	3.4	\$82
	≥ 240,000	1			9.5	12.5	3.3	\$79
		2			9.7	14.2	3.3	\$82

Table 24: 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 25: 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	11.2		\$10
		2	11.8		\$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	11.2	3.4	\$10
		2	11.8	3.5	\$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 26: 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 27: 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 28: 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	< 4.5 tons	\$85/control

## Gas Heating

Table 29: 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 and < 1,000 MBtu/h	85% Et	\$1.75/MBH
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$400
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	\$1.20/MBH
		> 1,500 and ≤ 2,500 MBtu/h	81% Et	\$1.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	\$1.00/MBH
	Steam, natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$300
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	\$1.00/MBH
		> 1500 and ≤ 2,500 MBtu/h	81% Et	\$0.90/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	\$0.70/MBH
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 30: 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 \$1,000
			93% AFUE	\$2.00/MBH; Min \$1,000
		≥ 300 and < 1,000 MBtu/h	92% Et	\$2.00/MBH; Min \$1,000
			95% Et	\$2.20/MBH; Min \$1,000
		≥ 1,000 and ≤ 2,500 MBtu/h	92% Et	\$1.85/MBH
			95% Et	\$2.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	92% Ec	\$1.55/MBH
			95% Ec	\$2.00/MBH
	> 4,000 MBtu/h		Treated under Custom Measure Path	

*Table 31: 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 32: C&I Domestic Hot Water Pipe Wrap Insulation Incentives*

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2019 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 33: C&I Gas Water Heating Incentives

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

Table 34: C&I Low-Flow Fixture Incentives

- Public lavatory faucet aerators are not eligible for incentives.

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	1.5 GPM or Less	\$10/showerhead
Low Flow Faucet Aerator	1 GPM or Less	\$2/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 35: 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 36: VFD Eligible Size Range of Controlled Motor*

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
<b>VFD on Air Compressor</b>	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.<sup>46</sup>
- Proposed lighting design must demonstrate lighting power density (“LPD”) lower than specified by ASHRAE 90.1-2019 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and Table 9.2.3.1 of ASHRAE 90.1-2019.
  - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 38: 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 37: 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 38: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
<b>DesignLights Consortium® Qualified Horticultural LED Fixtures</b> <u>Qualified Products List</u> <sup>47</sup>	Indoor Horticultural Facilities Operating ≥ 3000 hours/year	≥ 500 Watts	\$250/fixture
		< 500 watts	\$150/fixture
	Indoor Horticultural Facilities Operating < 3000 hours/year	≥ 500 Watts	\$200/fixture
		< 500 watts	\$50/fixture

<sup>46</sup> 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.

<sup>47</sup> <https://www.designlights.org/>.

## Food Service Equipment

*Table 39: 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 40: 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 Griddle	Electric	\$300 per griddle
	Gas	\$125 per griddle

*Table 41: 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
<b>ENERGY STAR® Commercial Glass Door Refrigerator</b>	< 15 ft <sup>3</sup>	\$75 per unit
	≥ 15 to < 30 ft <sup>3</sup>	\$100 per unit
	≥ 30 to < 50 ft <sup>3</sup>	\$125 per unit
	≥ 50 ft <sup>3</sup>	\$150 per unit
<b>ENERGY STAR® Commercial Solid Door Refrigerator</b>	< 15 ft <sup>3</sup>	\$50 per unit
	≥ 15 to < 30 ft <sup>3</sup>	\$75 per unit
	≥ 30 to < 50 ft <sup>3</sup>	\$125 per unit
	≥ 50 ft <sup>3</sup>	\$200 per unit
<b>ENERGY STAR® Commercial Glass Door Freezer</b>	< 15 ft <sup>3</sup>	\$200 per unit
	≥ 15 to < 30 ft <sup>3</sup>	\$250 per unit
	≥ 30 to < 50 ft <sup>3</sup>	\$500 per unit
	≥ 50 ft <sup>3</sup>	\$1,000 per unit
<b>ENERGY STAR® Commercial Solid Door Freezer</b>	< 15 ft <sup>3</sup>	\$100 per unit
	≥ 15 to < 30 ft <sup>3</sup>	\$150 per unit
	≥ 30 to < 50 ft <sup>3</sup>	\$300 per unit
	≥ 50 ft <sup>3</sup>	\$600 per unit

Table 42: 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 43: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	<ul style="list-style-type: none"> <li>Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861.</li> <li>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.</li> <li>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.</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>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.</li> <li>Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861.</li> <li>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.</li> </ul>
Commercial Convection Oven	Electric	<ul style="list-style-type: none"> <li>Must have a tested heavy load (potato) cooking energy efficiency of 71 percent or more, utilizing ASTM F1496.</li> <li>Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496.</li> <li>Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.</li> </ul>
	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"> <li>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.</li> <li>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.</li> </ul>
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.

Note: The incentives identified above in this [Appendix G](#), *C&I and DER Incentives and General Rules* may be reduced with the approval of the Division of Clean Energy.



# *New Jersey's Clean Energy Program™*



## **DIVISION OF CLEAN ENERGY**

### **Comprehensive Energy Efficiency & Renewable Energy Resource Analysis**

**Funding Levels – Fiscal Year 2024**

**April 30, 2024**

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## LIST OF ACRONYMS

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- ADI: Administratively Determined Incentive
- AEG: Applied Energy Group
- Board or BPU: New Jersey Board of Public Utilities
- C&I: Commercial & Industrial
- CEA: Clean Energy Act of 2018
- CHP-FC: Combined Heat and Power – Fuel Cells
- CSI: Competitive Solar Incentive
- CUNJ: Charge Up New Jersey Program
- CRA: Comprehensive Energy Efficiency & Renewable Energy Resource Analysis
- DCE: Division of Clean Energy
- DEP: Department of Environmental Protection
- DPMC: Division of Property Management and Construction
- ECC: Energy Capital Committee
- EDA: Economic Development Authority
- EDECA: Electric Discount and Energy Competition Act
- EE: Energy Efficiency
- EMP: Energy Master Plan
- EM&V: Evaluation, Measurement, and Verification
- ES: Energy Storage
- ESIP: Energy Savings Improvement Program
- EO: Executive Order
- FC: Fuel Cell
- FY: Fiscal Year
- HVAC: Heating, Ventilation and Air Conditioning
- LEUP: Large Energy Users Program
- LGEA: Local Government Energy Audits
- MUDs: Multi-Unit Dwellings
- MHD: Medium and Heavy Duty
- MOU: Memoranda of Understanding
- NJCEP: New Jersey's Clean Energy Program
- NJIT: New Jersey Institute of Technology
- OMB: Office of Management and Budget
- OSW: Offshore Wind
- OWEDA: Offshore Wind Economic Development Act
- Pilot Program: Community Solar Pilot Program
- RCGB: Rutgers University's Center for Green Buildings

- RE: Renewable Energy
- RFP: Request for Proposal
- SAA: State Agreement Approach
- SBC: Societal Benefits Charge
- SES: Division of State Energy Services
- SFI: State Facilities Initiative
- SREC: Solar Renewable Energy Certificate
- TI: Transition Incentive
- TRC: TRC Energy Solutions
- USDOE: United States Department of Energy

## HISTORY/BACKGROUND

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On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. (“EDECA”), was signed into law. Among other things, EDECA created the societal benefits charge to fund programs for the advancement of energy efficiency and Class I renewable energy technologies and markets in New Jersey. EDECA also charged the New Jersey Board of Public Utilities with initiating proceedings and undertaking a comprehensive energy efficiency and renewable energy resource analysis (“Comprehensive Resource Analysis” or “CRA”) in New Jersey. The Comprehensive Resource Analysis would be used to determine the level of funding for EE and Class I RE programs statewide. Collectively, these programs form New Jersey’s Clean Energy Program.<sup>™</sup> Over the past 20 years, the programs have significantly reduced energy usage, reduced greenhouse gas emissions, delivered clean, local sources of renewable energy, and resulted in billions of dollars of energy cost savings to New Jersey ratepayers.

From 2001 through 2011 (“FY12”), the Board established four-year funding levels as envisioned in the Act. Since 2012, the CRA has provided a single year funding level in order to advance the goals of the New Jersey Clean Energy Program (“NJCEP”).<sup>1</sup>

On January 31, 2018, Governor Phil Murphy signed Executive Order No. 8 (“E08”) <sup>2</sup>, which directed the BPU and all agencies with responsibility under the Offshore Wind Economic Development Act (“OWEDA”) to “take all necessary action” to fully implement OWEDA and begin the process of moving New Jersey towards a goal of 3,500 megawatts of offshore wind energy generation by the year 2030. On November 19, 2019, Governor Murphy signed Executive Order No. 92 (“E092”), which increased the goals for offshore wind energy generation to 7,500 megawatts by 2035. In September 2022, Executive Order 307 further increased the OSW goal to 11,000 megawatts (“MW”) by 2040. In November 2022, a solicitation schedule was announced laying out how New Jersey expects to meet the new goal.

On May 23, 2018, Governor Murphy signed the Clean Energy Act, L. 2018, c. 17, which takes several critical steps to improve and expand New Jersey’s renewable energy programs and establishes ambitious energy reduction targets. The CEA requires 21% of the electricity sold in the State to be from Class I renewable energy sources by 2020, 35% by 2025, and 50% by 2030. Additionally, the CEA provides a platform to reform the State’s solar program by making near-term structural changes to ensure that the program is sustainable over the long term and establishes a community solar energy program to allow low-income New Jersey residents to benefit from solar energy. Importantly, the CEA also established new energy savings targets of at least 2% annually for electric distribution companies and at least 0.75% for gas distribution companies, to be achieved in the prior three years within five years of implementation of their programs.

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<sup>1</sup> In the early years, the budgets and programs were based on calendar years, but in 2012, the Board approved the budgets and programs on fiscal years to align with the overall State budget cycle.

<sup>2</sup> Executive Order No. 8

The Board initiated its first CRA proceeding in 1999 and issued the first CRA Order in 2001. The 2001 Order set funding levels, the programs to be funded, and the budgets for each of those programs for the 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 – Fiscal Year 2022.

From 2001 to 2006, the State’s electric and natural gas utilities managed the programs. In 2004, the Board determined that it would manage NJCEP going forward, and in 2005-2006, the Board issued a request for proposal (“RFP”) to contract the necessary administrative services to assist in oversight. In 2006, the Board engaged Honeywell, Inc. to manage the RE and residential EE programs and TRC to manage the C&I EE programs. In 2007, the Board engaged AEG as the NJCEP Program Coordinator. Following multiple extensions, these contracts terminated on March 31, 2016.

In April 2015, the Board, through the Department of the Treasury, Division of Purchase and Property (“Treasury”), issued RFP 16-X-23938 seeking proposals for a single Program Administrator to provide the services then being provided by Honeywell, TRC, and AEG (“2015 RFP”). On December 1, 2015, Treasury awarded the Program Administrator contract to AEG. Subsequently, on January 13, 2017, TRC Environmental Corporation acquired AEG’s New Jersey operation, including the NJCEP Program Administrator contract, and assumed AEG’s rights and obligations thereunder. TRC subcontracted portions of the work under its contract to CLEAResult Consulting, Inc. and Energy Futures Group, Inc. TRC has managed the programs since March 1, 2016, which marked the conclusion of the transition period set out in the RFP. Since October 2021, TRC has managed the programs without subcontractors.

## **ENERGY MASTER PLAN**

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On May 23, 2018, Governor Murphy signed Executive Order No. 28 (“EO28”), directing the BPU to spearhead the committee to develop and deliver the new Energy Master Plan. The committee was comprised of senior staff designees from the following state agencies: Board of Public Utilities, Department of Community Affairs, Economic Development Authority, Department of Environmental Protection (“DEP”), Department of Health, Department of Human Services, Department of Transportation, Department of Labor and Workforce Development, and Department of the Treasury. The committee was tasked with developing a blueprint for the conversion of the State’s energy production profile to 100% clean energy by January 1, 2050, with specific proposals to be implemented over the next 10 years.

On January 27, 2020, following months of research, review, and stakeholder input, the 2019 EMP was unveiled. 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.

On January 20, 2023, Governor Murphy announced that the State would begin planning for the development of a new Energy Master Plan for release in 2024 that will update and expand on the pathway to achieving a 100% clean energy economy by 2050 set forth in the 2019 Energy Master Plan.

On February 14, 2023, through EO315, Governor Murphy declared that the policy of the State is to advance clean energy market mechanisms and other programs in order to provide for 100% of the electricity sold in the state to be derived from clean sources of electricity by January 1, 2035.

BPU, with guidance from other State agencies, will coordinate the State’s efforts to develop a 2024 Energy Master Plan that make updates to the State’s roadmap to 100% clean energy by 2035 and that provides specific proposals to be implemented both in the short-term and longer-term to achieve this goal. This process will include public hearings and allow for ample opportunities for stakeholders to provide feedback.

## FUNDING LEVELS

The funding recommendations for FY24 considered NJCEP’s historic results and forecasts for the year. BPU Staff (“Staff”) is recommending that the Board maintain an SBC funding level of \$344,665,000 for FY24. The following table summarizes the appropriate funding levels for NJCEP’s FY24 budget.

<b>Proposed FY24 Funding Levels*</b>		
<b>CEP Budget Category</b>	<b>FY24 New SBC Funding</b>	<b>Total FY24 Funding</b>
<b>Total NJCEP + State Initiatives</b>	<b>344,665,000</b>	<b>660,108,841</b>
<b>State Energy Initiatives</b>	<b>71,200,000</b>	<b>71,200,000</b>
<b>Total NJCEP</b>	<b>273,465,000</b>	<b>588,908,841</b>
<b>Energy Efficiency Programs</b>	<b>140,926,128</b>	<b>296,222,053</b>
<b>Res Low-Income (Comfort Partners)</b>	<b>56,978,000</b>	<b>56,978,000</b>
<b>C&amp;I EE Programs</b>	<b>40,123,730</b>	<b>83,217,851</b>
<b>New Construction Programs</b>	<b>40,204,398</b>	<b>60,571,612</b>
<b>Energy Efficiency Transition</b>	<b>20,000</b>	<b>14,588,263</b>
<b>State Facilities Initiative</b>	<b>3,600,000</b>	<b>61,597,550</b>
<b>Acoustical Testing Pilot</b>	<b>0</b>	<b>3,281,880</b>
<b>LED Streetlights Replacement</b>	<b>0</b>	<b>15,986,898</b>
<b>Distributed Energy Resources</b>	<b>7,517,135</b>	<b>20,180,161</b>
<b>CHP - FC</b>	<b>7,017,135</b>	<b>17,992,661</b>
<b>Microgrids</b>	<b>500,000</b>	<b>2,187,500</b>
<b>RE Programs</b>	<b>12,538,670</b>	<b>23,895,254</b>

Offshore Wind	9,050,000	20,406,584
Solar Registration	3,488,670	3,488,670
<b>EDA Programs</b>	<b>16,000,000</b>	<b>37,912,044</b>
Clean Energy Manufacturing Fund	0	17,228
NJ Wind	10,000,000	25,400,942
R&D Energy Tech Hub	6,000,000	12,493,874
<b>Planning and Administration</b>	<b>24,983,066</b>	<b>68,093,398</b>
BPU Program Administration	5,585,000	5,585,000
Marketing	4,242,519	12,262,234
CEP Website	1,000,000	1,500,000
Program Evaluation/Analysis	8,825,547	42,354,552
Outreach and Education	5,200,000	6,224,889
Memberships	130,000	166,723
<b>BPU Initiatives</b>	<b>71,500,000</b>	<b>142,605,931</b>
Community Energy Plan Grants	3,000,000	5,574,034
Energy Storage	2,000,000	24,000,000
Heat Island Pilot	0	2,500,000
Electric Vehicle Programs	66,500,000	84,200,000
Energy Bill Assistance	0	21,831,897
Workforce Development	0	4,500,000

\*Numbers presented in the above table may not add up precisely to totals provided due to rounding.

## ENERGY EFFICIENCY

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The CEA directs both the Board and the State's investor-owned electric and gas utilities to take action regarding EE. The CEA requires the Board to adopt an electric and gas EE program in order to ensure investment in cost-effective EE measures, ensure universal access to EE measures, and serve the needs of low-income communities. The CEA requires each electric public utility to achieve annual reductions in the use of electricity of at least 2% and each natural gas public utility to achieve annual reductions in the use of natural gas of at least 0.75% of the average annual usage in the prior three years within five years of implementation of its EE program.

On June 10, 2020, the Board approved an expansive EE program which highlighted an enhanced role for utilities and addressed issues such as utility-specific energy usage and peak demand reduction targets, program structure, cost recovery, utility filing requirements, program timeframes, evaluation, and reporting requirements. Staff worked with New Jersey's investor-owned utilities, Rate Counsel, and other stakeholders to ensure that the new framework was put into place fully, properly, and with minimal ratepayer impact. The



utilities started the programs on July 1, 2021. Staff is continuing to work with stakeholders to develop recommendations on the policies and programs for the next three-year cycle of utility programs, which begin on July 1, 2025.

The FY24 NJCEP proposal provides continuation of EE funding for new construction programs for residential, governmental, commercial, and industrial markets, as well as the Comfort Partners Program for low-income residents (which is co-managed by the BPU and utility companies); the Local Government Energy Audits (“LGEA”) Program; Energy Savings Improvement Program (“ESIP”); Large Energy Users Program (“LEUP”); Combined Heat and Power – Fuel Cells Program (“CHP-FC”). Whenever possible, NJCEP EE programs include a particular focus on outreach and education to ensure equity in access to EE and development of a diverse EE workforce.

## **RENEWABLE ENERGY**

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### **Solar Transition**

Pursuant to the CEA, the Board has transitioned from its legacy solar incentive program (SREC registration program or SRP) to a new Successor Solar Incentive (“SuSI”) Program. The Board initiated a proceeding in 2018 to gather stakeholder input on the transition and conducted a public rulemaking process for SREC registration program closure upon a determination 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).

In December 2019, the Board approved a Transition Incentive (“TI”) Program designed to provide a bridge between the legacy SREC program and a successor incentive program. The adopted rules for the TI Program were published in the New Jersey Register on October 5, 2020.

At the April 6, 2020 agenda meeting, the Board announced that the attainment of the 5.1% milestone was imminent and directed Staff to close the SREC market to new entrants on April 30, 2020.

On May 1, 2020, the TI Program opened to new projects and projects with a valid SRP registration that did not energize prior to the 5.1% milestone (with some exceptions for projects that were granted a waiver due to COVID-19). The TI Program remained open to new registrants until the launch of the SuSI Program.

On January 7, 2021, the Board fulfilled the CEA mandate to study “how to modify or replace the SREC program to encourage the continued efficient and orderly development of solar renewable energy generating sources throughout the State.” The Board delivered to the Governor and Legislature the New Jersey Solar Transition Final Capstone Report, which summarized the findings of an extensive stakeholder process and provided recommendations based on these findings and solar market modeling specific to New Jersey.

On April 7, 2021, drawing from the Capstone Report findings, Staff issued a straw proposal which presented specific recommendations for the design of the SuSI Program. The initial straw proposal recommended that the Board employ two programs to provide incentives to solar electric generation facilities: an administratively determined incentive for behind-the-meter projects sized 5 MW or less as well as all community solar projects, and a competitive solicitation program for grid supply projects and non-residential net metered projects over 5 MW. Details concerning the closure of the TI Program were also addressed in Staff's straw proposal and the subject of public input.

On July 28, 2021, the Board approved the framework for the SuSI Program, which included eligibility details and incentive levels for the Administratively Determined Incentive ("ADI") Program and an outline for the Competitive Solar Incentive ("CSI") Program. 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 subsequently procured the services of a competitive solicitation program administrator and initiated additional stakeholder outreach to finalize the CSI Program design.

On December 7, 2022, the Board announced the new CSI Program, which offers incentives to qualifying grid supply solar facilities and net metered facilities greater than 5 MW in size. All CSI-eligible facilities, regardless of whether a project chooses to pursue an incentive or not, are subject to solar siting restrictions. On the same date, the Board approved for publication in the New Jersey Register a rule proposal that amended the SuSI Rules to establish the CSI Program and a proposal for siting rules for grid supply and large net metered solar facilities. On September 18, 2023, the proposed Siting Rules for Grid Supply and Large Net Metered Solar Facilities were adopted and published, with nonsubstantial changes, in the New Jersey Register at 55 N.J.R. 2015(a). On December 18, 2023, proposed rules establishing the CSI Program were adopted and published in the New Jersey Register at 55 N.J.R. 2555(a). Substantial changes proposed upon adoption were also published in the New Jersey Register at 55 N.J.R. 2461(a) for a 60-day public comment period.

The CSI Program awards SREC-IIs through a competitive solicitation, with separate solicitations for four market tranches: basic grid supply projects; grid supply projects sited on the built environment; grid supply projects sited on contaminated sites and landfills; and net metered non-residential projects greater than five (5) MW. A fifth tranche allows for storage in combination with a grid supply solar award from tranche 1, 2 or 3. Following a pre-qualification review of eligibility criteria, projects submit a bid for an SREC-II award in their tranche, specified in dollars per MWh of solar electricity production; pre-qualified projects compete on bid price only. Megawatt procurement targets, totaling 300 MW, are as follows:

<b>Tranche</b>	<b>Target (MW)</b>
1. Basic Grid Supply	140
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites or Landfills	40
4. Net Metered Non-residential above 5 MW	40
<b>TOTAL</b>	<b>300</b>
5. Storage paired with Grid Supply Solar (Tranche 1, 2, or 3)	160 MWh

The first solicitation under the CSI was opened on February 1, 2023, and closed to bids on March 31, 2023. The Board declined to make any awards in the first solicitation, as all bid prices were above confidential price caps set by the Board. Following an in-depth analysis of the specific financial assumptions and external factors that inform setting the price caps for a given solicitation, the Board directed that the second solicitation in the CSI Program open on an expedited timeline. The solicitation window opened November 27, 2023, and closes on February 29, 2024. The total procurement for the second solicitation remained at 300 MW. Solicitations will take place on an annual basis going forward.

The Siting Rules for Grid Supply and Large Net Metered Solar Facilities provide a mechanism to allow siting of CSI-eligible facilities on otherwise restricted land uses if the developer petitions for and receives a waiver of the siting prohibition upon demonstrating that a CSI-eligible project on a prohibited land use is in the public interest. The Board has established a process through which, in consultation with its sister agencies, it determines whether the project is in the public interest such that the Petitioner may be granted a waiver, before a project may participate in a CSI Program solicitation.

### **Community Solar**

The New Jersey Community Solar Energy Pilot Program was launched on February 19, 2019, pursuant to the CEA (L. 2018, c. 17). The Pilot Program specifically aims to increase access to solar energy by enabling electric utility customers to participate in a solar generating facility that could be remotely located from their own residence or place of business.

On December 20, 2019, the Board granted conditional approval to 45 projects representing almost 78 MW in the first solicitation in the Pilot Program, and, on October 28, 2021, the Board granted conditional approval to 105 projects representing 165 MW in the second solicitation. All 150 projects selected to participate in the Pilot Program have committed to allocating at least 51% of project capacity to low- and moderate-income subscribers. As of November 30, 2023, 101 community solar projects with 137 MW capacity have come online, and they serve more than 16,000 subscribers.

Following the end of the second solicitation, the Board announced that the Pilot Program would be transitioning to a permanent program. Staff issued a straw proposal on the permanent Community Solar Energy Program on March 30, 2023, and conducted a stakeholder meeting on April 24, 2023.

The Board established the permanent Community Solar Energy Program on August 16, 2023. The program uses a first-come, first-served registration process similar to the ADI Program, but with a tiebreaker based on subscriber savings should capacity fill quickly. A 225 MW capacity block opened on November 15, 2023. The tranche for PSE&G exceeded capacity during the initial registration period and projects were accepted based on the guaranteed bill credit discount for subscribers until the tranche was full. As of January 11, 2024, the tranches for JCP&L, ACE, and RECO remained open to new registrations. Pursuant to P.L.2023, c.200, signed by Governor Murphy on January 4, 2024, the Board will open an additional 275 MW of capacity during EY24.

### **Dual-Use (Agrivoltaics)**

In July 2021, Governor Murphy, pursuant to EMP Goal 2.1.8, signed the Dual-Use Solar Energy Act of 2021 (L. 2021, c. 170, "Dual-Use Act"), which directs the Board to adopt rules establishing a Dual-Use Solar Energy Pilot Program ("Pilot Program") for the development of dual-use solar projects on productive farmland (also known as "agrivoltaics"). The Pilot Program is designed to encourage the development of dual-use solar facilities and the creation of a new segment of the solar industry in New Jersey that is compatible with the State's rich agricultural heritage. Specifically, the Pilot Program seeks to demonstrate and study the compatibility of active agricultural or horticultural production and solar photovoltaic infrastructure on the same land/property. Staff engaged the Rutgers Agrivoltaics Program ("RAP") at Rutgers University ("RU") for providing crucial input into the design of the Pilot Program; on May 1, 2023, the Board approved and executed a three-year grant agreement with RAP to facilitate the development and implementation of a Pilot Program.

Throughout 2023, and in close collaboration with the New Jersey Department of Agriculture, the New Jersey Department of Environmental Protection ("DEP"), and other interested stakeholders, the Board conducted robust public engagement to gather input on the implementation of this law.

On November 9, 2023, a Straw Proposal was issued for public comment, with a corrected version issued on November 21, 2023. Written comments were due on December 13, 2023.

On November 14, 2023, Staff, in conjunction with RAP, presented an overview of the Straw Proposal at the New Jersey Farm Bureau's annual conference, with approximately 80 attendees including stakeholders primarily from the agricultural community, academia, and federal, state, and local government.

On November 29, 2023, Staff held and led a stakeholder meeting, with approximately 129 attendees and 14 participants who provided public comment during the meeting. Staff received 16 written comments, representing 22 entities.

In 2024, the Board will conduct a rulemaking for the Pilot Program and run the first solicitation to select dual-use projects.

## **Offshore Wind**

Governor Phil Murphy signed EO8 on January 31, 2018. The purpose of EO8 was to reinvigorate the implementation of the State's OWEDA. EO8 directed the BPU and all agencies with responsibility under OWEDA to "take all necessary action" to fully implement OWEDA and begin the process of moving New Jersey towards a goal of 3,500 megawatts of offshore wind energy generation by the year 2030. EO8 also required an initial solicitation of 1,100 MW as the first step towards achieving the goal and required the development of an Offshore Wind Strategic Plan ("OSWSP").

In 2018, the Interagency Agency Taskforce on Offshore Wind was developed to assist in the development of the OSWSP. A consultant for the OSWSP was retained and work began in 2018. In September 2018, the BPU issued a solicitation for 1,100 MW of offshore wind energy generation, and in June 2019, the BPU approved an application for a 1,100 MW offshore wind generation project submitted by Ocean Wind.

On November 19, 2019, Governor Murphy signed EO92, increasing the State's offshore wind energy generation goal to 7,500 MW by 2035. Governor Murphy found that, as a result of efforts by the State following EO8, "offshore wind development is a growing economic sector in the State with increases in supply chain presence, private investment in ports, workforce development efforts, and research and development for offshore wind industry and labor." Governor Murphy found that expanding the offshore wind goal will ensure that the State can "meet the State's goals of 50 percent renewable energy by 2030 and 100 percent clean energy by 2050, in addition to creating a significant number of good-paying jobs."

The OSWSP was released for public comment in July 2020 and was approved by the BPU in September 2020.

Also in September 2020, a second solicitation was issued for 1,200 to 2,400 MW of OSW. Evaluation of applications received from two developers in December 2020 resulted in awards by the Board to two projects, Ocean Wind 2 at 1,148 MW and Atlantic Shores at 1,510 MW in June 2021.

In November 2020, the Board requested that PJM include the State's OSW goal into 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. A solicitation for OSW transmission solutions was issued by PJM on behalf of the Board in April 2021, with proposals received in September 2021. Evaluation of the proposals by Staff, PJM, and Staff's consultant resulted in the Board awarding, in October 2022, a suite of projects to support interconnection of 6,400 MW of OSW. These projects are expected to save NJ ratepayers hundreds of millions of dollars.

In September 2022, Governor Murphy signed Executive Order 307 further increasing the State's OSW goal to 11,000 MW by 2040.

In March 2023, the Board issued its third OSW solicitation for between 1,200 and 4,000 MW. Evaluation of applications received in August 2023 resulted in awards by the Board to two projects, Leading Light Wind at 2,400 MW and Attentive Energy Project 2 at 1,342 MW in January 2024.

In order to support the coordinated transmission of the additional 3,500 MW, in April 2023, the Board initiated the second use of the SAA.

In FY21, the Board entered into a memorandum of understanding (“MOU”) with the South Jersey Port Corporation to provide funding for the development of a monopile manufacturing facility at the Port of Paulsboro.

For each fiscal year, beginning with FY21, the Board has entered into an MOU with the Economic Development Authority (“EDA”) to provide funding to the activities of the Wind Innovation and New Development (“WIND”) Institute.

Beginning in FY22, Staff, working with DEP, has administered the Research and Monitoring Initiative (“RMI”). The RMI is funded by a fee charged to the awarded projects in OSW solicitations 2 and 3 and is designed to identify and fund projects to evaluate the potential impact of OSW on New Jersey’s natural resources and wildlife.

In FY24, funding is requested for specific activities, including retaining a consultant to assist Staff in the development of a solicitation 4 guidance document and evaluation of solicitation four proposals; continued funding for the Rutgers University Center for Ocean Observing Leadership work; retaining a consultant to update the OSW Strategic Plan and a consultant to support the second SAA; and continued funding of the Wind Institute activities.

## **DISTRIBUTED ENERGY RESOURCES**

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### Microgrids

In FY20, the first phase of the BPU’s Town Center Distributed Energy Resources (“TCDER”) Microgrid Incentive Program was completed. Phase I consisted of TCDER Microgrid feasibility studies. The BPU funded 13 feasibility studies, which Staff reviewed and accepted. The BPU launched Phase II (Design Phase) of the TCDER Incentive Program in FY20. All Phase I participants with an approved feasibility study were eligible for Phase II, which consists of incentives for a detailed design of the TCDER Microgrid. After one feasibility study participant voluntarily withdrew from consideration, there were 12 eligible applicants for Phase II incentives, and 11 applications were received in May 2020. In FY21, the BPU awarded incentives to eight projects. One project subsequently withdrew from the program. Phase II (Design Phase) work remains in progress. After Phase II is complete, applicants will decide whether to move forward with Phase III, which will encompass the construction and implementation of the TCDER microgrid projects. The design work is proceeding to assist towns to advance to Phase III. The BPU has not allotted any construction funds.

## 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 the June 12, 2019 Board meeting.

As part of Phase One of the ES approach, a solar+storage program was included in the Solar Successor Program Straw Proposal released for public comment in FY21. The first CSI solicitation, which occurred in January 2023, included solar+storage as one of the five tranches. Phase Two of the energy storage program was launched in September 2022 with the issue of a straw proposal for the New Jersey Storage Incentive Program (“NJ SIP”). Three stakeholder meetings were held and written comments were received on the Straw Proposal. In 2024, Staff, with assistance from a consultant, anticipate releasing a revised Straw Proposal and providing a recommendation to the Board for NJ SIP implementation.

## Grid Modernization

To support the integration of distributed energy resources into the electric transmission and distribution system on New Jersey, in FY22-FY23 the Board initiated a grid modernization proceeding with an initial focus on reforming New Jersey’s interconnection process. A consultant was retained to conduct a study and to organize several stakeholder meetings. A final report was accepted by the Board in FY23 that contained nine recommendations for improving the state’s interconnection rules and processes. Draft rule change language was issued for public comment to implement four of the recommendations. This was followed by further stakeholder engagement to revise the draft rules, which will be formally proposed soon.

## **ELECTRIC VEHICLES**

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On January 17, 2020, the Governor signed into law L. 2019, c. 362 (N.J.S.A. 48:25-1 et seq.) (“the Electric Vehicle Act” or “EV Law”), which established the State’s goals for the use of plug-in EVs and the development of supporting plug-in EV charging infrastructure.<sup>3</sup> In particular, the Act authorized the Board to adopt policies and programs to accomplish the State’s goals and authorized the use of SBC funds to effectuate those policies and programs, which include:

1. There shall be at least 330,000 registered light-duty, plug-in electric vehicles in New Jersey by December 31, 2025, and at least 2 million electric vehicles registered in New Jersey by December 31, 2035.

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<sup>3</sup> N.J.S.A. 48:25-3 to -11.

2. At least 85% of all new light-duty vehicles sold or leased in New Jersey shall be plug-in electric vehicles by December 31, 2040.
3. At least 25% of State-owned non-emergency light duty vehicles shall be plug-in electric vehicles by December 31, 2025.
4. 100% of State-owned non-emergency light-duty vehicles shall be plug-in electric vehicles by December 31, 2035 and thereafter.
5. At least 1,000 Level Two chargers shall be available for public use across the state by December 31, 2025.
6. The DEP, in consultation with the Board, shall establish goals for vehicle electrification and infrastructure development for medium and heavy duty vehicles by December 31, 2020.

In FY21-FY23, NJCEP continued to advance those goals in a variety of different ways. The Board approved four EDC petitions to launch light-duty EV public charging, and Staff is working with utility staff to ensure the successful implementation of those programs. Staff has also begun the process for seeking stakeholder input on the subject of Medium and Heavy Duty ("MHD") EV charging and plans to provide multiple opportunities for input on MHD investment and on mechanisms for rate recovery and rate setting for MHD EV charging.

The Electric Vehicle Act also created the Charge Up New Jersey Program ("CUNJ") within the NJCEP to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State and assist New Jersey residents in making the switch to driving electric vehicles by offering a financial incentive directly linked to a vehicle's EPA-rated all-electric range. The BPU intends to facilitate the achievement of the State's EV goals and implement an incentive program which moves the State forward on transportation electrification, while decreasing greenhouse gas emissions. Staff launched Phase 1 of the program, the post-purchase incentive, in May 2020. In the first year of the program, which closed in FY21, CUNJ provided over 7,000 vehicles with over \$36 million in incentives. Staff launched Phase 2, the point-of-sale incentive, at the beginning of FY22 on July 5, 2021; CUNJ provided over 5,500 vehicles with over \$21.4 million in incentives, and in FY23, over 12,000 vehicles are anticipated to receive over \$37 million in funding. Phase 3, which includes an incentive for residential chargers, was launched on July 25, 2022 and in its first year has provided nearly 2,000 chargers with over \$475,000 in funding.

The EV law also established goals to encourage the State-owned non-emergency light-duty vehicles EV adoption. The law calls for at least 25 percent of the fleet to be plug-in electric vehicles by December 31, 2025, and 100 percent by December 31, 2035. In order to achieve those goals, after a successful pilot program utilizing the United States Department of Energy ("USDOE") funds in FY22, Staff launched the Clean Fleet Program, to assist in funding the increased up-front costs associated with the adoption of light-duty EVs for the State and municipal fleets.

Additionally, the EV law established goals for public chargers, as well as chargers located at Multi-Unit Dwellings ("MUDs") and hotels. In FY22, the Board utilized an appropriation from the State's General Fund to create programs to fund chargers at MUDs, tourism locations, and hotels. 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 FY23, the EV Tourism, Clean Fleet, and MUD programs continued and have provided significant funding to hundreds of additional chargers. In FY24, Staff proposes to continue the EV Tourism, Clean Fleet and MUD Programs, as well as adding E-Mobility Pilot Programs.

In December 2023, the legislature dedicated \$15 million from the FY24 Clean Energy Fund to fund the DEP Electric School Bus Program, as established in August 2022. Staff will work with DEP to launch this 3-year program.

## **STATE ENERGY SERVICES**

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The State Facilities Initiative (“SFI”) allows the State to lead by example by identifying and implementing EE projects at governmental and quasi-governmental mandated agencies and facilities. The goal is to implement energy reduction, energy savings, and EE projects with the objective of producing energy and cost savings. The Energy Capital Committee (“ECC”), chaired by BPU’s Division of State Energy Services (“SES”), consists of members from the Department of Treasury, including the Office of Management and Budget (“OMB”), Fiscal Administration and the Division of Property Management and Construction (“DPMC”), along with the BPU’s SES and fiscal division. The ECC coordinates and recommends approval of projects based on evaluation of capital costs and anticipated energy savings. SES works with OMB to review energy related capital requests. The SFI funds are allocated for and spent on projects identified by the SES and the DPMC.

The Board previously entered into two MOUs with DPMC to implement projects, approved by the Board on February 22, 2017<sup>4</sup> and on November 13, 2019<sup>5</sup>. The 2019 MOU also established roles and responsibilities of the parties, as well as governing SFI funding allocation and spending. The Board has the ability to further allocate funds and/or assign projects funded by the Board to the SFI. In addition, the Board entered into a separate MOU with NJ Transit on February 17, 2021 to upgrade transit garages.<sup>6</sup>

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<sup>4</sup> 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.

<sup>5</sup> 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 (“2019 MOU”).

<sup>6</sup> In re the Memorandum of Understanding Between the New Jersey Transit Corporation and the New Jersey Board of Public Utilities Regarding the Use of Funds Generated by SBC to Support the Development of Infrastructure Related to Battery Electric Buses, BPU Docket No. E021020265, Order Dated February 17, 2021.

SFI projects may focus on: (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 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.

## **OUTREACH AND EDUCATION**

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In FY24, outreach and education will continue to play a key role in driving energy savings by educating all customer markets on the benefits and cost savings associated with energy reduction plans.

The BPU, led by the Chief of Staff's Office and the Division of Clean Energy ("DCE"), in partnership with 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. Among the speakers were Governor Phil Murphy; Federal Energy Regulator Commissioner, Willie Phillips; Princeton University's Jessie Jenkins; EDA CEO, Tim Sullivan; DEP Commissioner, Shawn LaTourette; Governor's Office on Climate Action and the Green Economy's Jane Cohen; BPU Commissioners Mary-Anna Holden, Bob Gordon, and Dr. Zenon Christodoulou; as well as over 25 other Staff, industry, state, and policy experts. This was the first Clean Energy Conference in a decade. 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. Thus, it increased New Jersey's national recognition as a leader in clean energy.

The DCE anticipates improving the visibility and exposure of NJCEP and advancing the State's clean energy goals through a variety of educational efforts, including outreach through its program administrator as well as strategic partnerships with academic and non-profit partners, such as the New Jersey Institute of Technology and Sustainable Jersey.

## **EVALUATION**

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Evaluation and related research provide crucial insights into and analysis of clean energy markets and programs. The BPU is the lead agency tasked with the development and implementation of the EMP and NJCEP. As such, the BPU is required to track and report on progress in meeting the EMP goals, as well as to evaluate current and proposed utility and NJCEP programs in terms of their achievement of energy savings, rate impact, and costs versus benefits of specific programs operated through ratepayer funds. The BPU is also required to establish baselines related to EE, RE generating sources, and emerging

technologies and to evaluate the market potential for current and emerging clean energy technologies.

Per the CEA, the Board established an Evaluation, Measurement, and Verification (“EM&V”) Working Group in FY22 to develop the evaluation, measurement, and verification process for EE and peak demand reduction programs. As required by the Board on June 10, 2020, Staff procured a Statewide Evaluator to manage the working group. Through the EM&V Working Group, the Statewide Evaluator, Staff, Rate Counsel, and utility representatives prioritized and designed evaluation studies to evaluate both utility and NJCEP EE programs.

The evaluation studies are managed by the Statewide Evaluator, and conducted by three entities.

First, the Rutgers Center for Green Building will continue to support the BPU’s DCE by performing and managing several program evaluations and studies, as well as by performing cost-benefit analyses of NJCEP programs and other related research activities.

Second, the Evaluation Study Team, contracted in FY23 for three years, will conduct additional research and evaluation studies in FY24, including those with statewide applicability.

Third, independent program evaluators contracted by the utilities conduct annual impact and process studies to evaluate EE programs specific to each utility.

Additionally, New Jersey’s interconnection rules and processes require updating in order to achieve 100% 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 could 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. To date, three stakeholder meetings have been held regarding the interconnection process. The consultant’s final report was accepted by the Board in November 2022, with the next steps being implementation of rule changes to update New Jersey’s interconnection process.

Funding in FY24 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.

**SBC COLLECTION SCHEDULE**

For FY24, the allocation of the funding to utilities is based on the statewide Universal Service Fund proceeding that forecasts electric and natural gas operating jurisdictional revenues and normalized monthly sales, which are provided below.

**Proposed Allocation to Electric and Natural Gas Ratepayers**

	<b>2021-22 Estimated Retail Revenues (000)*</b>	<b>% of Total Revenues</b>
Electric	\$7,211,169	67.53%
Natural Gas	\$3,467,698	32.47%
<b>Total</b>	<b>\$10,678,867</b>	<b>100.00%</b>

<b>Year</b>	<b>Total Funding Level</b>	<b>Electric</b>	<b>Natural Gas</b>
<b>Allocation %</b>		<b>67.53%</b>	<b>32.47%</b>
<b>FY24</b>	\$344,665,000	\$232,743,564	\$111,921,436

\* Retail revenues from PSE&G USF filing Attachment A dated June 27, 2022

Projected Sales Volumes														
Estimates of Normalized Jurisdictional Sales														
Units in (000s)														
	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023	Total	
	July	August	September	October	November	December	January	February	March	April	May	June		
<b>Gas Therms*</b>														
NJNG	20,579	20,076	20,355	32,448	67,115	109,652	138,549	115,251	91,843	48,444	27,464	20,868	712,643	16%
SJG	19,351	17,670	19,687	21,261	36,907	62,526	91,594	86,142	78,969	51,975	29,842	22,075	538,000	12%
PSE&G	74,831	67,479	74,624	102,845	224,650	379,572	491,652	482,478	401,148	259,465	140,280	101,537	2,800,561	61%
ETG	19,495	18,861	19,265	21,524	37,645	64,397	78,690	80,477	66,763	51,401	31,472	22,189	512,179	11%
Total	134,256	124,086	133,931	178,078	366,317	616,148	800,485	764,347	638,723	411,286	229,058	166,669	4,563,383	100%
<b>Electric MWH</b>														
PSE&G	3,941,267	4,015,584	3,651,329	2,927,996	2,752,654	3,228,944	3,499,311	3,291,452	3,104,721	2,855,768	2,824,968	3,286,134	39,380,128	57%
JCP&L	1,978,537	2,106,711	1,889,754	1,481,156	1,389,842	1,533,320	1,665,601	1,615,308	1,519,980	1,414,697	1,343,741	1,562,260	19,500,907	28%
ACE	898,830	969,074	855,115	701,323	627,821	674,944	710,856	685,067	655,623	549,412	561,659	702,069	8,591,792	12%
RECO	156,291	156,729	144,919	115,827	102,730	114,181	127,908	111,460	108,601	103,958	98,802	122,754	1,464,160	2%
Total	6,974,925	7,248,097	6,541,117	5,226,302	4,873,047	5,551,389	6,003,676	5,703,287	5,388,926	4,923,835	4,829,170	5,673,217	68,936,987	100%

\*Gas sales exclude wholesale therms  
source: 6/27/22 PSE&G USF filing Attachment A

Staff utilized the revenue and sales projection from the tables above to develop the proposed monthly utility payments. The table on the next page sets out the proposed monthly payments to the Clean Energy Trust Fund due from each utility. This fund accounts for revenues collected from the SBC on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

Monthly Utility Funding Levels

FY24	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
PS-Electric	\$13,306,421.01	\$13,557,327.68	\$12,327,536.85	\$9,885,436.47	\$9,293,451.52	\$10,901,489.67	\$11,814,297.51	\$11,112,528.54	\$10,482,093.58	\$9,641,583.01	\$9,537,597.09	\$11,094,572.90	\$132,954,335.83
JCP&L	\$6,679,893.85	\$7,112,632.13	\$6,380,146.60	\$5,000,646.87	\$4,692,354.51	\$5,176,761.84	\$5,623,366.09	\$5,453,567.95	\$5,131,723.62	\$4,776,269.43	\$4,536,709.31	\$5,274,468.44	\$65,838,540.64
ACE	\$3,034,609.18	\$3,271,765.15	\$2,887,020.91	\$2,367,792.09	\$2,119,635.52	\$2,278,731.46	\$2,399,976.96	\$2,312,907.25	\$2,213,500.56	\$1,854,912.44	\$1,896,259.41	\$2,370,311.13	\$29,007,422.06
RECO	\$527,666.30	\$529,145.06	\$489,272.39	\$391,052.61	\$346,834.81	\$385,495.42	\$431,840.22	\$376,308.84	\$366,656.35	\$350,980.75	\$333,573.18	\$414,439.40	\$4,943,265.33
NJN	\$504,717.77	\$492,378.24	\$499,216.75	\$795,829.61	\$1,646,054.21	\$2,689,327.13	\$3,398,060.03	\$2,826,635.38	\$2,252,527.54	\$1,188,136.95	\$673,583.59	\$511,806.53	\$17,478,273.73
SJG	\$474,600.96	\$433,367.48	\$482,844.25	\$521,434.86	\$905,189.81	\$1,533,520.65	\$2,246,441.69	\$2,112,706.52	\$1,936,801.87	\$1,274,743.85	\$731,894.61	\$541,420.77	\$13,194,967.32
PS-Gas	\$1,835,298.97	\$1,654,991.74	\$1,830,238.74	\$2,522,373.12	\$5,509,757.12	\$9,309,376.70	\$12,058,235.50	\$11,833,240.31	\$9,838,553.31	\$6,363,641.61	\$3,440,502.43	\$2,490,293.83	\$68,686,503.38
ETG	\$478,133.97	\$462,584.50	\$472,493.00	\$527,897.18	\$923,280.50	\$1,579,399.51	\$1,929,949.34	\$1,973,777.26	\$1,637,427.98	\$1,260,659.88	\$771,881.63	\$544,206.96	\$12,561,691.71
Total	\$26,841,342.01	\$27,514,191.98	\$25,368,769.49	\$22,012,462.81	\$25,436,558.00	\$33,854,102.38	\$39,902,167.34	\$38,001,672.05	\$33,859,284.81	\$26,710,927.92	\$21,922,001.25	\$23,241,519.96	\$344,665,000.00

## CONCLUSION

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In February 2023, Governor Murphy's EO315<sup>7</sup> directed the State to achieve 100% clean energy by 2035. Staff's FY24 CRA straw proposal is intended to advance the State toward that goal and to recognize the value of energy efficiency, renewable energy, and distributed energy resources as foundational energy resources that, when delivered cost-effectively, reduce the cost of energy for all ratepayers while providing additional benefits. These benefits include the health benefits associated with improved air quality, lower environmental compliance costs, increased grid reliability, as well as economic development opportunities in the form of jobs and a more competitive business environment. This proposal recommends that the State continue to make the investments necessary to keep New Jersey on the path toward achieving the Governor's clean energy goals.

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<sup>7</sup> Executive Order No. 315.

**New Jersey's Clean Energy Program  
FY 2024 Program Descriptions and Budgets**

**Utility Residential Low Income**

**Comfort Partners Program**

**Proposed Program Description and  
Budget**

**April 30, 2024**



## **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 not having the capital necessary to upgrade efficiency or even, in many cases, keep up with regular bills; (3) low-income customers being less likely to be the target of market-based residential service providers due to perceptions of having 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 New Jersey. 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 or propane will be considered for inclusion in the building electrification and decarbonization pilot. Fuel oil and propane customers that are not a good fit for electrification will be referred to the Department of Community Affairs’ Weatherization Assistance Program (“WAP”) for services in accordance 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, separately from the electrification and decarbonization pilot program. 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.

### *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 upgrades (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, and other health and safety related measures, 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 health and safety, and 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 work to sunset the use of the JCP&L web-based LEEN System as the statewide platform to track all program participants, measures and energy

savings. 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. Surplus funds for the maintenance and enhancement of the LEEN system will be shifted for use on customer incentives/measures once use of the system has been discontinued.

This fiscal year, the Utilities are targeting the launch of a new web-based system to replace LEEN called eTrack+. PSEG Services Company is the Contract Administrator of the 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, maintenance, and support of the 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").<sup>1</sup> 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

<sup>1</sup> 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.

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

## ***Goals and Energy Savings***

### **Goals**

In the Fiscal Year 2024 Comfort Partners Program Compliance filing, the target for the number of electric service customers to be served and committed is 4,781 on a twelve-month basis from July 1, 2023 through June 30, 2024. The target for the number of natural gas service customers to be served and committed is 4,420 on a twelve-month basis from July 1, 2023 through June 30, 2024.

### **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.<sup>2</sup> Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 3,304 MWH of electric and 25,521 MMBTU of natural gas during Fiscal Year 2024, with a lifetime savings of approximately 37,070 MWH of electric and 454,526 MMBTU of natural gas.

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<sup>2</sup> 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.

## Appendix A

### Fiscal Year 2024 Comfort Partners Budget

#### July 1st 2023 - June 30th 2024 CP Budget

July 1st 2023 - June 30th 2024 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. Incentive
ACE	\$3,166,694.00	\$270,897.00	\$56,175.00	\$54,225.00	\$2,674,979.00	\$110,418.00	\$0.00	\$0.00
JCP&L	\$6,021,172.00	\$541,099.00	\$127,249.00	\$100,749.00	\$5,032,455.00	\$219,620.00	\$0.00	\$0.00
PSE&G- Elec	\$9,801,263.00	\$1,068,249.00	\$220,809.00	\$169,809.00	\$8,040,473.00	\$301,923.00	\$0.00	\$0.00
RECO	\$408,400.00	\$70,600.00	\$15,600.00	\$15,600.00	\$280,000.00	\$26,600.00	\$0.00	\$0.00
NJNG	\$6,630,359.00	\$267,732.00	\$133,732.00	\$127,065.00	\$5,886,598.00	\$215,232.00	\$0.00	\$0.00
Elizabethtown	\$3,790,634.00	\$246,197.00	\$66,297.00	\$68,682.00	\$3,241,776.00	\$167,682.00	\$0.00	\$0.00
PSE&G-Gas	\$22,869,617.00	\$2,492,582.00	\$515,222.00	\$396,222.00	\$18,761,104.00	\$704,487.00	\$0.00	\$0.00
SJG	\$4,289,861.00	\$347,047.00	\$80,434.00	\$77,697.00	\$3,635,786.00	\$148,897.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$56,978,000.00</b>	<b>\$5,304,403.00</b>	<b>\$1,215,518.00</b>	<b>\$1,010,049.00</b>	<b>\$47,553,171.00</b>	<b>\$1,894,859.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
PSE&G - Combined	\$32,670,880.00	\$3,560,831.00	\$736,031.00	\$566,031.00	\$26,801,577.00	\$1,006,410.00	\$0.00	\$0.00

**BPU and DPMC Designated Project List  
State Facilities Initiative Funds FY24<sup>i</sup>**

<b>Agency</b>	<b>Contract</b>	<b>FY24 Total BPU Funds</b>	<b>Detail</b>
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	\$1,350,000.00	ECMs
DHS	Kohn Training Center	\$687,000.00	Lighting, Chillers
DHS/Treasury	Hagedorn	\$60,000.00	Lighting/Utility Tunnels
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
DMAVA	NG Armory	\$3,000,000.00	Go Green Retrofit Pilot
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	\$3,000,000.00	HVAC, VAV

DOL	Labor Bldg.	\$1,300,000.00	HVAC
JJC Law & Public Safety	JJC Johnstone Campus	\$800,000.00	HVAC
LPS	Weights and Measures	\$1,000,000.00	ECMs
NJSP	Troop C/Techplex	\$1,800,000.00	HVAC/Chiller
NJ Transit	Hilton Garage	\$10,000,000.00	EV Infrastructure
NJDEP	DEP HQ	\$4,467,000.00	Controls Upgrade
NJDEP	Parks Upgrades	\$200,000.00	ECMs
OIT	OIT Hub	\$700,000.00	Data Center
Treasury	State Museum	\$390,000.00	Lighting and Controls
Treasury	State Library	\$1,190,000.00	ECMs
Treasury	225 West State Street	\$900,000.00	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
	<b>Total Project Funding</b>	<b>\$62,923,000.00</b>	

<sup>1</sup> Table may not sum to line item due to timing differences, such as carryforward of project funds and payments.