

STATE OF NEW JERSEY

Board of Public Utilities
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www.nj.gov/bpu/

CLEAN	<u>ENERGY</u>

IN THE MATTER OF THE UNITED STATES)	ORDER
DEPARTMENT OF ENERGY – STATE ENERGY)	
PROGRAM – JULY 1, 2024 – JUNE 30, 2025)	DOCKET NO. QO24040208

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel **Michael Ambrosio, Director, Policy and Planning**, TRC Environmental Corporation

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers the 2024–2025 State Energy Program ("SEP") Plan for submission to the United States Department of Energy ("USDOE") at a budget level of \$1,565,500 in new federal funding. The 2024–2025 SEP Plan supports expanded access to benchmarking services through and improvements to the BPU's Energy and Water Benchmarking Program and continues the BPU's electric vehicle ("EV") program for non-investor-owned utility ("non-IOU") customers.

BACKGROUND AND PROCEDURAL HISTORY

The SEP was established in 1996 by consolidating two (2) existing programs: 1) the State Energy Conservation Program ("SECP"); and 2) the Institutional Conservation Program ("ICP"). Both the SECP and ICP were established during the energy crisis of the early 1970s when energy prices increased due to the United States' dependence on foreign oil. Congress responded with legislation establishing a broad range of conservation programs, supporting the development of new and more efficient sources of energy, and requiring the USDOE to lead and administer the conservation effort. The SECP was established under the Energy Policy and Conservation Act of 1975, which provided funding to states for a variety of energy efficiency ("EE") and renewable energy activities. The ICP provided schools and hospitals with technical analyses of their buildings and identified the potential savings from proposed energy conservation measures. In creating the SEP, the USDOE combined the SECP and ICP to make it easier for states to apply

¹ 61 Fed. Reg. 35,890 (July 8, 1996).

² 42 U.S.C. § 6321 et seq.

³ 42 U.S.C. § 6371 et seq.

for grants and to enable both the USDOE and the states to more efficiently manage the grants.⁴ Thus, the USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the SEP.⁵ The SEP seeks to promote the efficient use of energy and reduce the rate of growth of energy demand through the development and implementation of specific state energy programs. States must comply with USDOE rules governing these financial awards.⁶

To be eligible for SEP grant funding, a state must submit an annual application executed by the state's Governor or his/her designee to the USDOE. The USDOE must approve the activities that the state is planning to undertake for the fiscal year concerned.

The USDOE allocates federal monies to New Jersey each year in support of the State's USDOE approved SEP Plan, which runs for a standard project period of three (3) years with three (3) one year budget periods, contingent on the availability of federal funds. According to USDOE rules, in the first year, applying states must submit a new application, which will be assigned a new grant number and should reflect the first year's USDOE allocation and other funding sources if applicable. For each of the subsequent years of the project period, each grantee must submit a continuation application reflecting that year's USDOE allocation and any carryover from the previous year.

On May 10, 2023, the Board approved the Division of Clean Energy's ("DCE's") 2023–2024 SEP Plan for submission to the USDOE at a budget level of \$1,565,500.¹⁰ The 2023-2024 SEP Plan offered financial incentives to non-IOU customers for the purchase and installation of EV charging equipment and for the purchase of EVs through the BPU's current EV incentive programs during the 2023–2024 program year. These EV incentive programs included New Jersey's Charge Up New Jersey ("CUNJ") EV Charger Incentive Program, New Jersey's Multi-Unit Dwelling ("MUD") EV Charger Incentive Program, New Jersey's EV Tourism Program, and New Jersey's Clean Fleet EV Incentive Program. The 2024–2025 SEP Plan will carry over unused funds from the 2023–2024 SEP Plan.

⁴ 61 Fed. Reg. 35,891.

⁵ 10 C.F.R. § 420.3.

^{6 &}lt;u>See</u> SEP 2024 <u>Administrative and Legal Requirements Document</u>, available at https://www.energy.gov/sites/default/files/2024-02/SEP-2024-Administrative-and-Legal-Requirements-Document-ALRD.pdf.

⁷ Id. at 4.

⁸ Ibid.

⁹ <u>Id.</u> at 4-5.

¹⁰ In re the United States Department of Energy – State Energy Program – July 1, 2023 – June 30, 2024, BPU Docket No. QO23030172, Order dated May 10, 2023.

In 2018, the Clean Energy Act ("CEA")¹¹ required the Board to direct all building owners and operators of commercial buildings over 25,000 square feet located in New Jersey to benchmark energy and water for the prior calendar year using the U.S. Environmental Protection Agency's ("EPA's") Energy Star Portfolio Manager tool ("Benchmarking Law").¹² By Order dated September 7, 2022, the Board authorized Board Staff ("Staff") to implement its proposed plan for effectuating this benchmarking reporting requirement.¹³ The Board directed Staff to appoint a Customer Relationship Management ("CRM") vendor to manage the data exchange and communications among the EPA, the Board, building owners and operators, and utility companies.¹⁴ On August 16, 2023, the Board approved ClearlyEnergy, LLC as the Board's CRM vendor. For calendar year 2023, 11,892 buildings were covered under the Benchmarking Law.¹⁵ The CRM system partially automates Staff's communications with these buildings' respective owners and operators regarding deadlines, assistance in using the Portfolio Manager tool, and notices of noncompliance for failing to benchmark.¹⁶ The CRM also stores data from Portfolio Manager, building information, building contact information, and communication tracking. The data will be analyzed to improve program performance.

In accordance with the formula provided in 10 C.F.R. § 420.11, New Jersey's 2024–2025 SEP allocation for July 1, 2024 to June 30, 2025 is \$1,565,500. State matching is not required for this funding.

STAFF RECOMMENDATIONS

Below are Staff's recommended Program Market Titles for the 2024–2025 SEP Plan, including carryover funding from the 2023–2024 SEP Plan.

Market Title: State Energy and Water Benchmarking

Budget: \$1,565,500

Program Description: Through this new Market Title, the 2024–2025 SEP Plan will expand access to benchmarking services to buildings over 25,000 square feet as part of the BPU's Energy and Water Benchmarking Program. It aims to do so in a number of ways, including but not limited to providing funding for the following:

 Utility data aggregation and access services for owners and operators of commercial buildings not required to benchmark by the Benchmarking Law but who would like to voluntarily benchmark, consistent with the process followed by the regulated utilities pursuant to the Benchmarking Order;

¹¹ L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et al.).

N.J.S.A. 48:3-87.10(b). <u>See also https://www.energystar.gov/buildings/tools-and-resources/portfoliomanager-0.</u>

¹³ In re the Implementation of P.L. 2018, c.17 – Energy and Water Benchmarking of Commercial Buildings, BPU Docket No. QO21071023, Order dated September 7, 2022 ("Benchmarking Order").

¹⁴ Benchmarking Order at 34, 36-37.

¹⁵ Covered Buildings Spreadsheet, available at https://njcleanenergy.com/commercial-industrial/programs/energy-water-benchmarking/covered-building.

¹⁶ The CRM system will send certain automatic messages to building owners to confirm the receipt of messages and requests. The system will forward communications to Staff when it receives exemption requests or is otherwise unsure how to respond.

 Utility data aggregation and access services for owners and operators of commercial buildings who are served by unregulated utility companies by offering grant funding to non-IOU electric companies and non-regulated water companies to provide these services consistent with the process followed by the regulated utilities pursuant to the Benchmarking Order;

- Broadening the scope of work for the CRM vendor to include deliverables such as monthly newsletter communications to building owners and operators regarding updated information, guidance, and deadlines for the Energy and Water Benchmarking Program; and
- Engaging a third-party vendor or subcontractor to update the list of buildings covered by the Benchmarking Law in each future reporting year.

Market Title: Electric Vehicle Programs for Non-IOU Customers

Budget: \$1,565,500

Program Description: This program continues to offer financial incentives to non-IOU customers for the purchase and installation of EV charging equipment and for the purchase of EVs through the BPU's current EV incentive programs and any future EV incentive programs that the BPU offers during the 2024–2025 program year. Non-IOU customers do not pay a Societal Benefits Charge and therefore do not qualify for State-funded clean energy programs, including the EV programs.¹⁷ The BPU's current EV incentive programs include the following:

i. New Jersey's Charge Up New Jersey EV Charger Incentive Program

This EV program is designed to lower the overall cost of EV charger ownership. The CUNJ EV Charger Incentive Program provides a \$250 incentive for the purchase and installation of eligible Level-Two charging stations. The SEP Plan will expand participant eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment and will provide up to 50% of the Make-Ready costs, or a maximum of \$5,000, for the residential chargers. 19

ii. New Jersey's MUD EV Charger Incentive Program

This EV program is designed to encourage owners and operators of MUDs to provide EV chargers for residents and guests. Awards available under New Jersey's MUD EV Charger Incentive Program include \$4,000 toward the purchase of a dual-port, networked, Level-Two EV charging station and 50% of the Make-Ready costs for Level-Two EV

¹⁷ As authorized by the Electric Discount and Energy Competition Act (N.J.S.A. 48:3-49 et seq.), New Jersey public electric and gas utilities' rates include funding for programs that provide societal benefits such as low-income programs, gas plant remediation, nuclear plant decommissioning, social programs such as the Universal Service Fund and Lifeline, and the Clean Energy Program. See also N.J.S.A. 48:3-60.

¹⁸ Level-Two EV charging equipment offers charging through 240-Volt (in residential applications) or 208-Volt (in commercial applications) electrical service. It is common for home, workplace, and public charging.

¹⁹ "Make-Ready" means the pre-wiring of electrical infrastructure at a parking space or set of parking spaces to facilitate easy and cost-efficient future installation of Electric Vehicle Service Equipment ("EVSE"), including, but not limited to, Level Two EVSEs and direct-current fast chargers. N.J.S.A. 48:25-2. More specifically, Make-Ready includes expenses related to service panels, junction boxes, conduit, wiring, etc. necessary to make a particular location able to accommodate EVSE on a "plug and play" basis.

chargers or a maximum of \$5,000. Currently, only IOU customers are eligible to receive awards under this program. The SEP Plan will expand participant eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment.

iii. New Jersey's EV Tourism Program

This program provides unique attractions and overnight lodging establishments with the opportunity to apply for up to six (6) Level-Two chargers and two (2) Direct Current ("DC") Fast Chargers through this program.²⁰ The program provides grants up to \$5,000 for an eligible Level-Two charger, or up to the cost of the charger, and an incentive of 50% of the Make-Ready costs or a maximum of \$5,000. In addition, the program provides grants up to \$50,000 for a DC Fast Charger, or up to the cost of the charger, and an incentive of 50% of the Make-Ready costs or a maximum of \$5,000. The SEP Plan will expand participant eligibility by offering grant funding to establishments that are non-IOU customers.

iv. New Jersey's Clean Fleet EV Incentive Program

This program supports municipal and state governments as they transition their fleets to EVs. The program allows local and state government entities in New Jersey to apply for grants of up to \$4,000 for purchasing battery electric vehicles, \$5,000 for public Level-Two chargers, \$50,000 for a DC Fast Charger, \$4,000 toward the purchase of one (1) or more fleet Level-Two EV charging station(s) that are not available to the public, 50% of the Make-Ready costs (or a maximum of \$5,000) per Level-Two charging station(s) (public or fleet), and 50% of the cost per charging station (or a maximum of \$50,000) for each eligible DC Fast Charger Make-Ready. The SEP Plan will expand participant eligibility by offering grant funding to municipalities and State-owned properties not served by investor-owned utility companies.

DISCUSSION AND FINDINGS

The Board <u>HEREBY FINDS</u> that the 2024–2025 SEP Plan, as detailed above, will contribute to conservation of energy, reduce the rate of growth of energy demand and resource dependence on oil, and advance State and federal energy conservation and efficiency goals. Accordingly, the Board <u>HEREBY APPROVES</u> a total budget of \$3,131,000 for the 2024–2025 SEP Plan, which includes a new allocation of \$1,565,500 for the 2024–2025 SEP Plan year and \$1,565,500 in carryover funding from the 2023–2024 SEP Plan year. The Board <u>HEREBY DIRECTS</u> Staff to submit the 2024–2025 SEP Plan application to the USDOE on behalf of the Board as proposed and to take all necessary and appropriate measures to implement the State Energy and Water Benchmarking Market Title and the EV Programs for Non-IOU Customers Market Title as summarized herein, subject to and consistent with the USDOE's approval of the SEP Plan. The Board <u>HEREBY AUTHORIZES</u> the President of the Board or her designee to sign the necessary documents to submit as part of a complete 2024–2025 SEP Plan to the USDOE for approval. The Board also <u>HEREBY DIRECTS</u> Staff to submit future requests to the USDOE to extend the performance period, true-up Market Title budgets, modify Market Title descriptions, or remove Market Titles of the SEP Plan if necessary.

²⁰ DC Fast Chargers are a higher power output type of EVSE utilized to charge an electric vehicle from the grid. <u>See</u> EV Act, N.J.S.A. 48:25-2 ("Definitions Relative to the Use of Electric Plug-In Vehicles"), for further detail regarding what constitutes a DC Fast Charger.

The effective date of this Order is May 22, 2024.

DATED: May 22, 2024

BOARD OF PUBLIC UTILITIES

BY:

PRESIDENT

DR. ZENON CHRISTODOLOU

COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

SHERRIL GOLDEN

SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE UNITED STATES DEPARTMENT OF ENERGY – STATE ENERGY PROGRAM – JULY 1, 2024 – JUNE 30, 2025

DOCKET NO. QO24040208

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