Agenda Date: 4/23/25
Agenda Item: 8F

STATE OF NEW JERSEY

Board of Public Utilities
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CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2025 - TRUE-UP, REVISED BUDGETS AND PROGRAM CHANGES	))))	ORDER DOCKET NO. QO24040224

Parties of Record:

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Sheree Kelly, 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 23, 2025 public meeting, where the Board considered revisions to the Fiscal Year 2025 ("FY25") budget for New Jersey's Clean Energy Program ("NJCEP") and revisions to the FY25 Programs.[1]

BACKGROUND AND PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act ("EDECA" or "Act"), N.J.S.A. 48:3-49 et seq., was signed into law, creating the Societal Benefits Charge ("SBC") to, 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 the budgets for those programs, for years 2001 through 2003. Since then, the Board has issued

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

numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – FY25.[2] The Board established FY25 programs and budgets through a Board Order dated June 27, 2024.[3]

On March 11, 2025, 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 26, 2025. Public comments were accepted through March 28, 2025. The comments are summarized below.

FY25 BUDGET TRUE-UP AND REALLOCATIONS

1. *True-Up*

The FY25 NJCEP budget was established, in part, based upon an estimate of expenses expected to be incurred during Fiscal Year ("FY24"). 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 FY24 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 $79,299,661 being available for the NJCEP, as shown in the tables below:

(In $)

FY24 Program/Budget Line	*Final FY24 Budget*	*FY24 Actual Expenses*	*FY24 Actual Year End Commitments*	*FY24 Actual Expenses plus Year End Commitments*	*FY24 Budget Less Actual Expenses and Commitments*
Total NJCEP + State Initiatives	740,123,479	264,287,339	400,526,432	664,813,771	75,309,708
State Energy Initiatives	71,200,000	71,200,000	-	71,200,000	-
Total NJCEP	668,923,479	193,087,339	400,526,432	593,613,771	75,309,708
Energy Efficiency Programs	292,073,537	86,805,842	159,317,494	246,123,336	45,950,201
Distributed Energy Resources	21,960,080	3,135,726	8,669,646	11,805,373	10,154,707
RE Programs	24,515,719	7,322,856	16,649,026	23,971,882	543,837
EDA Programs	37,912,044	25,371,441	12,523,375	37,894,816	17,228
Planning and Administration	82,472,243	29,216,976	39,686,532	68,903,508	13,568,735
BPU Initiatives	209,989,856	41,234,498	163,680,358	204,914,856	5,075,000

FY24 Estimated Uncommitted Carryforward	*FY24 Budget Less Actual Expenses and Commitments*	*Difference Between FY24 Estimated Uncommitted Carryforward and Actuals*	*Other Revenues (Interest Payments)*	*Additional FY24 Carryforward and Other Revenues*
31,428,733	75,309,708	43,880,975	35,418,685	79,299,661

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

[3] In re the Clean Energy Programs and Budget for Fiscal Year 2025, BPU Docket No. QO24040224, Order dated June 27, 2024.

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")[4]***

    a. State Facilities Initiative – Increasing the budget by $200,000 to support energy efficiency upgrades to the State Library and Roebling building.

    b. Acoustical Testing Pilot – Decreasing the budget by $3,106,287 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

    c. LED Streetlights Replacement – Decreasing the budget by $15,986,898 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

    d. Microgrids – Decreasing the budget by $750,000 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

    e. Storage – Increasing the budget by $59,811,589 to reflect an anticipated need to award incentive payments as part of Phase 1 solicitations as part of the proposed implementation of the New Jersey Storage Incentive Program.

    f. Program Evaluation/Analysis – Increasing the budget by $5,293,590 to support recent and anticipated contract modifications for the BPU.

    g. Conference – Decreasing the budget by $405,257 because there will not be a Clean Energy Conference in FY25.

    h. Urban Heat Island Mitigation Grants – Increasing the budget by $2,500,000 will support establishing a statewide program to reduce the heat island effect by prioritizing funding for interventions in overburdened communities, including the expansion of energy-efficient public cooling infrastructure and community resilience efforts.

    i. Community Energy Grants – Decreasing the budget by $2,490,000 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

    j. Whole House – Decreasing the budget by $10,000 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

    k. Offshore Wind ("OSW") – Decreasing the budget by $500,000 to reflect the transfer of funds from BPU to South Jersey Port Corp.

    l. NJ Wind – Decreasing the budget by $22,000,00 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

    m. R&D Energy Tech Hub – Decreasing the budget by $7,000,000 to reallocate funds that are not currently encumbered and will not be utilized in FY25.

[4] More information about the programs administered by the Division of Clean Energy is included in NJCEP's FY25 revised compliance filing ("DCE Compliance Filing").

n. Residential Energy Assistance Payment – Increasing the budget by a net of $42,789,902 to provide a second round of utility bill credits for qualified customers in need of financial assistance. $5,953,023 was decreased from this budget line as part of the Staff authorized budget change and $48,742,925 was reallocated from the additional FY24 carryforward.

o. Plug In Electric Vehicle ("EV") Incentive Fund – Increasing the budget by $25,000,000 to reflect an updated forecast of participation levels and to keep the program open throughout FY25.

p. Charge Up New Jersey ("CUNJ") Residential Charger Incentive – Increasing the budget by $1,000,000 to reflect an updated forecast of participation levels.

q. EV Studies, Pilots, and Administrative Support – The budget decrease of $1,000,000 reflects an updated forecast of spending for the remainder of FY25 for this budget line.

r. Clean Fleet - The budget decrease of $3,000,000 reflects an updated forecast of participation levels.

s. Multi-Unit Dwellings (Chargers) - The budget decrease of $5,000,000 reflects an updated forecast of participation levels.

t. EV Tourism - The budget decrease of $1,000,000 reflects an updated forecast of participation levels.

u. E-Mobility Programs - The budget decrease of $1,000,000 reflects updated forecast of spending for the remainder of FY25 for this budget line.

3. ***Reallocations and Rationale for the Comfort Partners Program[5]***

Staff is recommending the Comfort Partners overall program budget increase by $5,953,023. This is primarily due to the ongoing contributing factors such as the increase in materials/equipment pricing due to inflationary pressures and supply chain issues along with a continued focus on greater health and safety needs. Additionally, Comfort Partners has a robust pipeline that created a backlog of jobs that can be addressed with the increased budget. This funding will ensure the steady continuation of services through the remainder of this fiscal year. Additionally, funding between cost categories has been shifted to align with expected need in these service areas.

July 1st 2024 – June 30th 2025 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	$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

[5] More detail about the Comfort Partners Program is included in the Comfort Partners Program FY25 revised compliance filing.

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
TOTAL	**$56,978,000.00**	$5,304,403.00	$1,215,518.00	$1,010,049.00	$47,553,171.00	$1,894,859.00	$0.00	$0.00
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

July 1st 2024 – June 30th 2025 CP Budget (Proposed)								
		Admin and Program Development	**Sales, Marketing, Call Centers, Web Site**	**Training**	**Rebates, Grants and Other Direct Incentives**	**Rebate Processing, Inspections, Other QC**	**Evaluation & Research**	**Contractor Perf. Incentives**
ACE	**$3,809,328.00**	$282,560.00	$67,838.00	$65,888.00	$3,258,119.00	$134,923.00	$0.00	$0.00
JCP&L	**$6,673,061.00**	$530,203.00	$139,353.00	$113,853.00	$5,637,634.00	$252,018.00	$0.00	$0.00
PSE&G- Elec	**$10,652,582.00**	$888,648.00	$326,208.00	$275,208.00	$8,810,405.00	$352,113.00	$0.00	$0.00
RECO	**$408,400.00**	$70,584.00	$15,584.00	$15,584.00	$279,208.00	$27,440.00	$0.00	$0.00
NJNG	**$7,648,665.00**	$286,249.00	$152,249.00	$145,582.00	$6,812,440.00	$252,145.00	$0.00	$0.00
Elizabethtown	**$3,843,198.00**	$273,705.00	$65,811.00	$66,196.00	$3,267,485.00	$170,001.00	$0.00	$0.00
PSE&G-Gas	**$24,856,025.00**	$2,073,512.00	$761,152.00	$642,152.00	$20,557,612.00	$821,597.00	$0.00	$0.00
SJG	**$5,039,763.00**	$360,646.00	$94,033.00	$91,296.00	$4,315,715.00	$178,073.00	$0.00	$0.00
TOTAL	**$62,931,022.00**	$4,766,107.00	$1,622,228.00	$1,415,759.00	$52,938,618.00	$2,188,310.00	$0.00	$0.00
PSE&G - Combined	$35,508,607.00	$2,962,160.00	$1,087,360.00	$917,360.00	$29,368,017.00	$1,173,710.00	$0.00	$0.00

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

Revised Budget Table:

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

FY25 Program/Budget Line	*Initial FY25 Budget*	*Additional FY24 Carryforward and Other Revenues**	*Line Item Transfers*	*Revised FY25 Budget*
Total NJCEP + State Initiatives	**786,161,591**	**79,299,661**	**-**	**865,461,252**
State Energy Initiatives	**71,200,000**	**-**	**-**	**71,200,000**
Total NJCEP	**714,961,591**	**79,299,661**	**-**	**794,261,252**
Energy Efficiency Programs	**195,471,296**	**200,000**	**(19,093,185)**	**176,578,111**
C&I EE Programs	**55,811,570**	**-**	**-**	**55,811,570**
C&I Buildings	47,479,975	-	-	47,479,975

LGEA	8,331,595	-	-	8,331,595
New Construction Programs	**60,404,447**	**-**	**-**	**60,404,447**
New Construction	60,404,447	-	-	60,404,447
State Facilities Initiative	**59,991,206**	**200,000**	**-**	**60,191,206**
Acoustical Testing Pilot	**3,277,175**	**-**	**(3,106,287)**	**170,888**
LED Streetlights Replacement	**15,986,898**	**-**	**(15,986,898)**	**-**
Distributed Energy Resources	**93,188,194**	**14,419,434**	**44,642,155**	**152,249,783**
CHP - FC	**31,500,694**	**-**	**-**	**31,500,694**
Microgrids	**1,687,500**	**-**	**(750,000)**	**937,500**
Energy Storage	**60,000,000**	**14,419,434**	**45,392,155**	**119,811,589**
RE Programs	**23,770,069**	**-**	**(500,000)**	**23,270,069**
Offshore Wind	**19,643,721**	**-**	**(500,000)**	**19,143,721**
Solar Registration	**4,126,349**	**-**	**-**	**4,126,349**
EDA Programs	**29,000,000**	**-**	**(29,000,000)**	**-**
NJ Wind	**22,000,000**	**-**	**(22,000,000)**	**-**
R&D Energy Tech Hub	**7,000,000**	**-**	**(7,000,000)**	**-**
Planning and Administration	**65,748,942**	**937,302**	**3,951,031**	**70,637,275**
BPU Program Administration	**10,000,000**	**-**	**-**	**10,000,000**
Marketing	**7,096,055**	**-**	**-**	**7,096,055**
CEP Website	**1,500,000**	**-**	**-**	**1,500,000**
Program Evaluation/Analysis	**40,399,757**	**937,302**	**4,356,288**	**45,693,347**
Outreach and Education	**6,602,540**	**-**	**(405,257)**	**6,197,283**
Sustainable Jersey	1,159,166	-	-	1,159,166
NJIT Learning Center	745,000	-	-	745,000
Conference	405,257	-	(405,257)	-
Outreach, System Maintenance, Other (Program Administrator)	4,293,117	-	-	4,293,117
Memberships	**150,590**	**-**	**-**	**150,590**
BPU Initiatives	**307,783,090**	**63,742,925**	**-**	**371,526,015**
Clean Energy Equity	**119,524,165**	**48,742,925**	**-**	**168,267,090**
Community Energy Grants	5,564,268	-	(2,490,000)	3,074,268
Urban Heat Island Mitigation	2,500,000	-	2,500,000	5,000,000
Res Low Income (Comfort	56,978,000	-	5,953,023	62,931,023
Residential Energy Assistance	51,831,897	48,742,925	(5,953,023)	94,621,799
Whole House	2,650,000	-	(10,000)	2,640,000
Federal Grid Modernization Program State Match	**25,000,000**	**-**	**-**	**25,000,000**
Electric Vehicle Programs	**162,258,925**	**15,000,000**	**-**	**177,258,925**
Plug In EV Incentive Fund	32,583,925	15,000,000	10,000,000	57,583,925
CUNJ Administrative Fund	5,500,000	-	-	5,500,000
CUNJ Residential Charger	4,000,000	-	1,000,000	5,000,000
EV Studies, Pilots, and Administrative Support	2,500,000	-	(1,000,000)	1,500,000
Clean Fleet	28,900,000	-	(3,000,000)	25,900,000

Multi-Unit Dwellings (Chargers)	32,875,000	-	(5,000,000)	27,875,000
EV Tourism	10,900,000	-	(1,000,000)	9,900,000
E-Mobility Programs	7,000,000	-	(1,000,000)	6,000,000
Electric School Buses	30,000,000	-	-	30,000,000
School Bus V2G	2,000,000	-	-	2,000,000
MHD Depot	6,000,000	-	-	6,000,000
Workforce Development	**1,000,000**	**-**	**-**	**1,000,000**

*Other revenue includes interest earnings from the Clean Energy Fund and EDA Programs.
**Numbers presented in the above tables may not add up precisely to totals provided due to rounding.
***Due to the time-sensitive nature of these changes as they relate to program continuity, the figures in red text have been noted as Staff-approved budget changes.

4. ***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:

		FY25 Detailed Budget - Cost Category Budgets ($)					
Program/Budget Line	**Total Budget**	**Administration**	**Sales, Marketing, Website**	**Training**	**Rebates, Grants and Other Direct Incentives**	**Rebate Processing and QA**	**Evaluation**
Total NJCEP	**575,194,054**	**29,789,408**	**8,281,647**	**750,000**	**468,260,931**	**-**	**68,112,068**
Energy Efficiency Programs	**60,362,094**	**-**	**-**	**-**	**60,362,094**	**-**	**-**
State Facilities Initiatives	***60,191,206***	**-**	**-**	**-**	***60,191,206***	**-**	**-**
Acoustical Testing Pilot	***170,888***	**-**	**-**	**-**	***170,888***	**-**	**-**
LED Streetlights Replacement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Distributed Energy Resources	**120,749,089**	**-**	**-**	**-**	**120,749,089**	**-**	**-**
Microgrids	***937,500***	**-**	**-**	**-**	***937,500***	**-**	**-**
Energy Storage	***119,811,589***	**-**	**-**	**-**	***119,811,589***	**-**	**-**
RE Programs	**19,143,721**	**1,475,000**	**-**	**-**	**9,500,000**	**-**	**8,168,721**
Offshore Wind	***19,143,721***	***1,475,000***	**-**	**-**	***9,500,000***	**-**	***8,168,721***
EDA Programs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NJ Wind	**-**	**-**	**-**	**-**	**-**	**-**	**-**
R&D Energy Tech Hub	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Planning and Administration	**66,344,158**	**11,064,408**	**7, 531,647**	**-**	**2,054,756**	**-**	**45,693,347**

BPU Program Administration	***10,000,000***	***10,000,000***	***-***	***-***	***-***	***-***	***-***
Marketing	***7,096,055***	***1,064,408***	***6,031,647***	***-***	***-***	***-***	***-***
CEP Website	***1,500,000***	***-***	***1,500,000***	***-***	***-***	***-***	***-***
Program Evaluation/ Analysis	***45,693,347***	***-***	***-***	***-***	***-***	***-***	***45,693,347***
Outreach and Education	***1,904,166***	***-***	***-***	***-***	***1,904,166***	***-***	***-***
Sustainable Jersey	1,159,166	-	-	-	1,159,166	-	-
NJIT Learning Center	745,000	-	-	-	745,000	-	-
Conference	-	-	-	-	-	-	-
Memberships	***150,590***	***-***	***-***	***-***	***150,590***	***-***	***-***
BPU Initiatives	**308,594,992**	**17,250,000**	**750,000**	**750,000**	**275,594,992**	**-**	**14,250,000**
Clean Energy Equity	***105,336,067***	***-***	***-***	***-***	***105,336,067***	***-***	***-***
Community Energy Grants	3,074,268	-	-	-	3,074,268	-	-
Urban Heat Island Mitigation Grants	5,000,000	-	-	-	5,000,000	-	-
Residential Energy Assistance Payment	94,621,799	-	-	-	94,621,799	-	-
Whole House	2,640,000	-	-	-	2,640,000	-	-
Federal Grid Modernization Program State Match	***25,000,000***	***11,500,000***	***-***	***-***	***-***	***-***	***13,500,000***
Electric Vehicle Programs	***177,258,925***	***5,500,000***	***750,000***	***-***	***170,258,925***	***-***	***750,000***
Plug In EV Incentive Fund	57,583,925	-	-	-	57,583,925	-	-
CUNJ Administrative Fund	5,500,000	5,500,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,000,000	-	-	-	5,000,000	-	-
EV Studies, Pilots and Administrative Support	1,500,000	-	750,000	-	-	-	750,000
Clean Fleet	25,900,000	-	-	-	25,900,000	-	-

Multi-Unit Dwellings (Chargers)	27,875,000	-	-	-	27,875,000	-	-
EV Tourism	9,900,000	-	-	-	9,900,000	-	-
E-Mobility Programs	6,000,000	-	-	-	6,000,000	-	-
Electric School Buses	30,000,000	-	-	-	30,000,000	-	-
School Bus V2G	2,000,000	-	-	-	2,000,000	-	-
MHD Depot	6,000,000	-	-	-	6,000,000	-	-
Workforce Development	***1,000,000***	***250,000***	***-***	***750,000***	***-***	***-***	***-***

5. Program Changes

The following are program changes and updates to the CRA, DCE Compliance Filing, Charge Up New Jersey 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, Charge Up New Jersey, and Comfort Partners Compliance Filings

The CRA, DCE Compliance Filing, Charge Up New Jersey 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.

DPMC/BPU DPL

Due to updated timelines and cost projections, $500,000 has been reallocated between previously approved projects in the DPMC and BPU Designated Project List. An additional increase of $200,000 was added to support energy efficiency upgrades at the State Library and Roebling building. $2 million in RGGI funds will supplement SBC funds for the DEP Parks Upgrade.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

On March 11, 2025, Staff posted on the NJCEP website and distributed to the listservs a Notice regarding the proposed FY25 True-Up, budget revisions, and program changes. Comments were accepted through March 28, 2024. Written comments were submitted by: Alejandro Meseguer, ChargEVC-NJ ("ChargEVC"), Energy Efficiency Alliance of New Jersey ("EEA-NJ"), Lois Castrovince, New Jersey Division of Rate Counsel ("Rate Counsel"), New Jersey League of Conservation Voters ("NJLCV"), Public Service Electric and Gas Company ("PSE&G"), and a coalition comprised of Debra Coyle of NJ Work Environment Council, Richard Lawton of New Jersey Sustainable Business Council, Sam Salustro of Oceanic Network, Paulina O'Connor of New Jersey Offshore Wind Alliance, Amber Hewett of the National Wildlife Federation, and Doug O'Malley of Environment New Jersey ("OSW Coalition") and are summarized below, along with Staff's responses.

General Comments

Comment: NJLCV thanked the Board for the opportunity to provide comments, highlighting the importance of the Board receiving feedback from stakeholders on the largest budget to date. They urged the Board to provide further transparency on funding reallocations, ensure that critical programs remain adequately funded, and seek stakeholder input where programmatic adjustments may have long-term implications.

Response: Staff agree that receiving feedback from stakeholders is important and thank NJLCV for their support. Staff are committed to providing transparent communication and are continuing to look for ways to increase transparency in the true-up process.

Comment: Rate Counsel recommended an overall reduction in the overall SBC rate to a level that provides adequate support for anticipated CE programs without carryforward from one year to the next. They stated that the BPU plans to increase its FY25 budget to $866 million, a 17% increase from FY24, despite spending only $264 million out of the $740 million budget in FY24, leaving $476 million unspent. The increase includes $79 million to account for $44 million underspent and $35 million in interest, though the BPU did not explain the underspending or how it will utilize these funds in FY25. Rate Counsel expressed concerns over the lack of clarity on how the interest was earned and why it should be included in the FY25 budget instead of being returned to ratepayers or directed to the USF program.

Rate Counsel argued that the BPU's proposal to collect additional funding is unjustified, especially amid ongoing economic recovery from COVID-19, which has severely impacted low- and moderate-income families and overburdened communities. They recommended a budget reduction to align with actual spending trends and emphasize the need for programs that directly benefit these communities, reducing their energy burden through targeted incentives, like providing higher incentives to lower income customers.

Rate Counsel highlighted that during the FY25 budget process, stakeholders expressed the need for more detailed information and analysis to justify the proposed funding levels. They emphasized that the compliance filings lack comprehensive data and program descriptions, echoing issues from the previous year's comments. Rate Counsel criticized BPU for failing to provide more information in the FY25 True Up filings and recommended that these issues be addressed in the FY26 filings.

Response: Staff respectfully disagree with Rate Counsel's assertions that the SBC rate can be lowered. In addition to accounting for annual expenditures, funds must be available to cover ongoing commitments made each year. Due to the amount of time and complexity of certain projects, commitments that are made in one year are often carried forward into a future year. Additionally, the launch of new programs and maintaining the continuity of existing programs requires flexibility to ensure that funding is available throughout the year.

Staff continue to search for ways to spend the carryforward efficiently and improve the allocation of funding. The corresponding line-item transfers in the true-up budget highlight this effort to identify program lines that require adjustment. Also, an explanation of each adjustment was provided in the true-up documents along with an informational session hosted by Staff.

The Clean Energy Fund is an interest-bearing account, so the $35 million that accrued in FY24 is based on available cash flow and existing interest rates. Regarding the remaining $44 million

from FY24, which is less than 6 percent of the total budget, Staff have continued to budget conservatively to ensure that there are sufficient funds available to cover the NJCEP needs each year. The proposed reallocations reflect updated projections to determine where funds are needed. Also, a large portion of this additional carryforward amount was reallocated for a second round of funding for the Residential Energy Assistance Payment to provide energy bill assistance for qualified customers. Further, the Board has maintained its commitment to programs that provide benefits to LMI customers, including additional support for the Comfort Partners Program and continued funding for Community Energy Grants and other EV programs that focus on overburdened communities.

Staff appreciate Rate Counsel's suggestion to provide higher incentives to low- and moderate-income customers and assure Rate Counsel that the NJCEP is constantly evolving to meet New Jersey's clean energy goals in the most efficient way possible. Staff disagree with Rate Counsel's comment that the compliance filings lack comprehensive data and program descriptions. Staff appreciate Rate Counsel's recommendation to provide more information in the FY26 budget filings.

Also, Staff assert that there are sufficient details to justify the proposed funding levels. Program details can be found in the most recent compliance filings, including the EE programs, which are available on the NJCEP website. Additionally, financial and energy savings reports, which show expenditures and associated metrics for each program, are posted on the NJCEP website quarterly. Staff will continue to look for ways to improve transparency in the budget process.

Federal Funding

Comment: Rate Counsel recommended that the Board explain how the proposed budgets are coordinated with the Infrastructure Investment and Jobs Act ("IIJA") and Inflation Reduction Act ("IRA") funding in order to reduce the burden of the FY25 budget on ratepayers. They requested data on the funds received to date and funds anticipated in FY25 with an explanation of how the ratepayer funds support these programs. They also requested an explanation of any changes in anticipated FY25 federal funding from the initial budget to the true-up budget.

Response: Staff intend to utilize federal funding for specialized projects that would have otherwise utilized ratepayer funding. The $9,847,540 received in June 2022 (FY23) under the IIJA will be used to expand energy efficiency incentives offerings to customers who do not live in territories served by investor-owned electric distribution companies. As such customers do not pay the Societal Benefits Charge on their electricity bills, they would typically not be eligible for these energy efficiency incentives. The $182,962,089 received in January 2025 (FY25) under the IRA will be used to offer incentives to low-income multifamily and single-family buildings through programs estimated to launch in the second quarter of FY26. The FY25 budget true-up will not impact the amount of federal funding received and there has been no change in federal funding from the initial to the true-up budget.

State Facilities Initiative

Comment: NJLCV expressed their support of the $200k increase in funding for State facilities upgrades, including the energy storage program, and encouraged further investments to reduce emissions and operational costs.

Response: Staff appreciate your encouragement and will continue to explore opportunities for further investments in clean energy solutions within State buildings.

Comment: Rate Counsel stated that the SFI update provided no new information on whether any SFI funds have been awarded, utilized or any efficacy or cost benefit analysis. They raised concerns about the lack of transparency regarding energy savings and cost effectiveness data and noted that they have raised this concern in prior years.

Response: Staff work through DPMC and agencies to execute projects which means that the detailed information requested is better accessed through other channels. Status updates are posted on the BPU website. Larger scale projects are publicly bid via NJ Start and documents are available there. Vendors must submit energy savings data using Clean Energy Program spreadsheets upon project completion, ensuring transparency and accountability. Due to the nature and size of many of these projects, they do take several years to execute from time of award.

Offshore Wind

Comment: Alejandro Meseguer advocated for reinstating funding for Offshore Wind workforce development training. The commenter highlighted that the skills necessary to install and maintain wind turbines are crucial to the operation and upkeep of these valuable resources, and that training the local workforce will create good paying jobs.

Response: Staff recognize the significant workforce opportunities created by offshore wind and appreciate the public's engagement on this issue. While recent industry challenges have led to adjustments in FY25 funding, the State remains committed to advancing offshore wind and supporting a skilled workforce. EDA OSW programs continue to run from funds provided by the Board in previous fiscal years, and Staff will continue to assess opportunities to strengthen workforce development efforts as the industry progresses.

Comment: Rate Counsel suggested that DCE should be directed to provide further details on its decision to reallocate the $22 million NJ Wind budget and the future funding given the current uncertainty associated with the offshore wind industry due to recent federal action.

Response: Recent industry challenges have led to adjustments in funding to the NJ Wind budget. The funds originally allocated to the EDA NJ Wind program have been reallocated to support the Storage Incentive Program, although Staff notes EDA OSW programs continue to run from funds provided by the Board in previous fiscal years. The State remains committed to advancing offshore wind and will reassess whether future funding should be obligated to strengthen workforce development efforts as the industry progresses in future years.

Comments: The OSW Coalition filed a joint comment on behalf of their organizations. The OSW Coalition thanked the Board for the opportunity to comment and collectively stated their disagreement with the reallocation of funds in the offshore wind and NJ Wind budget lines. They requested that the funding for those lines remain in the budget to support essential programs and workforce training, while maintaining New Jersey's competitiveness in the OSW industry. They highlighted that consistent investment is necessary to prevent losing momentum, delaying economic benefits, and undermining clean energy goals. Additionally, the OSW Coalition emphasized that preserving agency staff and resources is vital to retaining institutional knowledge and advancing offshore wind. They stated that continued support could leverage billions of dollars already invested for further job creation and manufacturing opportunities. The OSW Coalition

urged New Jersey to reaffirm its commitment to a clean energy future that includes offshore wind by keeping these programs funded.

NJLCV expressed concern that the NJ Wind budget was cut from $22 million to zero, stating that now is the time that New Jersey should be planning for the future of the wind industry, not to stop all development in job training and the future workforce due to federal pressures. They encouraged the Board to consult with industry allies to assess the need for workforce development in this sector before zeroing all funding.

Lois Castrovince advocated for the reinstatement of funding for offshore wind energy workforce development training, emphasizing the diverse job opportunities created by the sector. These include various engineering roles and engineering technicians, as well as manufacturing positions like welders, machinists, quality control inspectors, and industrial production managers. The commenter emphasized that roles in operations, maintenance, and wind technicians are essential throughout a wind farm's lifespan, and the importance of supporting the growing clean energy sector in New Jersey.

Response: Staff recognize the significant workforce opportunities created by offshore wind and appreciate the public's engagement on this issue. While recent industry challenges have led to adjustments in FY25 funding, the State remains committed to advancing offshore wind and supporting a skilled workforce. EDA OSW programs continue to run from funds provided by the Board in previous fiscal years, and Staff will continue to assess future funding opportunities to strengthen workforce development efforts as the industry progresses. Further, Staff remain in place to work on existing and ongoing programs.

Solar

Comment: Alejandro Meseguer recommended allowing solar energy development on arable land, such as prime farmland. Mr. Meseguer stated that agrivoltaics allows for both solar panels and agricultural activities, maximizing land efficiency; commented that the urgent need for renewable energy to combat climate change may outweigh farmland preservation concerns; noted that solar farms can provide farmers with stable income, especially in less profitable farming regions; opined that not all arable land is highly productive, making some areas better suited for solar development; and urged that expanding solar infrastructure reduces reliance on fossil fuels, enhancing energy security.

The commenter highlighted that the Rutgers Agrivoltaics Program (RAP) serves as an example of how agrivoltaics can improve farm sustainability, increase farmer income, and support renewable energy goals. While the project's success is still being evaluated, continued research is essential to assess its long-term viability.

Response: Staff agree that there are numerous reasons to balance solar development with the maintenance of New Jersey's important agricultural lands. Towards this goal, the Board has established both the Dual Use Solar Pilot Program pursuant to the Dual Use Solar Energy Act of 2021, and the Competitive Solar Incentive (CSI) Program pursuant to the Solar Act of 2021. Both programs allow the siting of solar development on prime agricultural soils and soils of Statewide importance. The CSI Program limits the acreage of important agricultural lands available for conversion to solar land use on both a statewide and county-by-county basis, such that energy infrastructure is expanded without eliminating important agricultural resources. Dual Use Solar Pilot Program projects do not remove land from agricultural or horticultural use, and are required to undertake research in coordination with a New Jersey public research institution of higher

education to provide evidence on how agrivoltaics can enhance farm sustainability and economic benefits. The Board has partnered with the Rutgers Agrivoltaics Program to establish and monitor the research aspects of the Dual Use solar Pilot Program and ensure the creation of best practices for agrivoltaics in New Jersey.

Whole House Pilot Program

Comment: NJLCV highlighted that the Board removed $10,000 from the $2.65 million allocation for Whole House Pilot Program, stating that some funds will not be needed and can be reallocated. While noting that this is a small adjustment, they seek clarification on the rationale for this reallocation and whether it impacts planned program implementation.

Response: Staff appreciate NJLCV's feedback and clarify that $10,000 funding was not needed for the Whole House Pilot Program ("WHPP") since WHPP has other funding sources, namely the State Energy Program ("SEP") funds. Additionally, WHPP's contract will conclude June 30th, 2025. For these reasons Staff do not anticipate any impacts on planned program implementation.

Comment: EEA-NJ expressed support for the Whole House Pilot Program and thanked Staff for the opportunity to comment. They emphasized the need for expansion of the program and sought clarification regarding the shift in funds for the program. EEA-NJ highlighted that many low-income households are unable to participate in Comfort Partners and the Weatherization Assistance Program due to structural issues such as mold, roof leaks, and asbestos which leaves households stuck in unsafe and inefficient homes with high energy bills. They stressed the importance of early-stage funding and intervention to prevent worsening conditions and missed energy saving opportunities. EEA-NJ urged the Board to provide an update on key findings from the pilot thus far and share the data with stakeholders. They emphasized the importance of transparency in reporting in refining the program and advocate for the program's expansion.

Response: Staff appreciate EEA-NJ's comments regarding the expansion of the WHPP statewide. Staff note that the lessons learned from the WHPP will inform the design of any permanent or expanded program. Planning for scalability based on lessons learned from the pilot is essential for maximizing impact and ensuring the sustainability of our efforts. As part of ongoing monitoring and program enhancement efforts, Staff have obtained federal funding to support the existing program scope, including the addition of building electrification as an option for Trenton customers. These funds are provided through the federal State Energy Program, thus removing the need for increased State funding. Additionally, Staff are preparing for the conclusion of WHPP's contract on June 30th, 2025, by working with contracted program coordinators to spend down remaining WHPP funds on appropriate projects and begin forming an evaluation of the WHPP for Staff consideration. Staff will share its findings and conclusions with stakeholders.

Comment: Rate Counsel noted the decrease in funding to the Whole House Pilot Program and recognized the program's recent expansion to include building electrification. The commenter also noted that the updated FY25 filing does not include the number of applications/referrals and projects completed or the status of current projects. While stating that it supports the program, Rate Counsel highlighted the need for more information to determine whether the initiative is actually meeting the needs of the low-income residents that the program intends to serve.

Response: Staff appreciate Rate Counsel's feedback and clarify that $10,000 funding was not needed for the WHPP since WHPP has other funding sources, namely the SEP funds, which are provided through the federal State Energy Program. Staff are preparing for the conclusion of

WHPP's contract on June 30th, 2025, by working with contracted program coordinators to spend down remaining WHPP funds on appropriate projects and begin forming an evaluation of the WHPP for Staff consideration. Staff will share its findings and conclusions with stakeholders.

Residential Energy Assistance Payment

Comment: NJLCV commended the Board for increasing funding for REAP. They emphasized the critical need for energy bill assistance give the anticipated extreme summer heat and impending rate increases. They encouraged the Board to consider long-term ratepayer assistance by transitioning to lower cost renewables and off our dependence on volatile fossil fuels.

Response: Staff appreciate the commenter's support for the Residential Energy Assistance Program in light of recent circumstances. Staff are considering how to balance clean energy goals with reliability needs without creating hardship for LMI residents who are still using assets such as natural gas.

Comment: While noting that it supports returning SBC funds to ratepayers, Rate Counsel stated that the funds returned might or might not be equal to the SBC funds originally paid in by ratepayers and stated that it would be more beneficial for the Board to reduce the burden on ratepayers by lowering the SBC charge so that there is no surplus; the commenter proposed that the Board start by budgeting to spend only the surplus that exists at the end of FY25 and lowering the SBC contribution. Rate Counsel requested more information on the need for two disbursements in FY25 and the source for the requested amount for the second disbursement. They recommended that rather than issuing a one-time payment, the Board transfer to the Universal Service Fund ("USF"). They also recommended that the program provide leads to the Comfort Partners program for follow up, noting that these customers could benefit from energy savings and bill reductions.

Response: Staff respectfully disagree with Rate Counsel's claim that it would be more beneficial to lower the SBC charge so that there is no surplus. The SBC funds received each FY are dedicated to annual expenditures and ongoing commitments made each year. The committed funds cannot be reallocated and due to the amount of time and complexity of certain projects, commitments that are made in one year are often carried forward into a future year. Additionally, new programs and maintaining the continuity of existing programs require flexibility to ensure that funding is available throughout the year. The source of funds for the second disbursement comes from unused funds returned to the Board after the initial disbursement of funds and the additional carryforward from FY24 plus a portion of interest revenue. Staff will consider ways to encourage USF enrollees who receive one-time bill credit assistance to participate in the Comfort Partners Program. Staff intend to provide more information on future rounds of energy assistance payments as they become available.

Comfort Partners

Comment: NJLCV stated that the Comfort Partners Compliance Filing highlighted a strong pipeline of projects but notes that program goals have been reduced due to financial constraints, with inflation driving up costs for goods, materials, and contracts. They urged the Board to further increase the budget rather than reducing the goals to ensure projects in the pipeline move forward without delays. They also reiterate prior comments regarding the funding breakdown for electric versus gas services, calling out a discrepancy in PSE&G funding, and urge the Board to clarify funding allocations and provide disaggregated data for all utilities.

Response: Staff appreciate the comments and will continue to investigate ways in which the program can improve service to residents. Staff also acknowledge the commenter's thoughts on the funding breakdown between gas and electric budgets and will endeavor to make funding allocations for the program clearer moving forward.

Comment: PSE&G supported the increase in the Comfort Partners program budget to keep the program open. While acknowledging that future funding is not part of the FY25 True Up budget, PSE&G encouraged the Board to consider additional increases to the Comfort Partners budget in FY26 given the anticipated affordability challenges due to the volatile PJM markets. PSE&G appreciated the opportunity to submit comments and looks forward to continuing to work with Board Staff.

Response: Staff thank PSE&G for the comment. Staff will continue to consider ways to continue to support Comfort Partners as part of the effort to meet New Jersey's affordability issues.

Comment: Rate Counsel supported the $55.953m increase to the Comfort Partners budget, noting their previous concern that the number of customers served was decreasing. They stated that providing energy efficiency and health and safety measures for NJ's most vulnerable utility ratepayers should remain a priority. Further, the number of customers served should be increasing or at least remaining stable.

Response: Staff appreciate Rate Counsel's support for the increase in the program budget. While more program participants can be served with the increased budget, program goals remain affected by the continuing high costs for materials and other program-related costs. Staff acknowledge the importance of providing energy efficiency and health and safety service to eligible participants and will keep this in consideration when evaluating for ways to improve the program.

Clean Energy Equity and Community Energy Grants

Comment: NJLCV supported the budgeted amount of $168,267,090 to address energy equity and looks forward to seeing how funds will be deployed.

Response: Staff appreciate the commenter’s support for clean energy equity programs and initiatives, and Staff are working to ensure funds are best utilized under their respective programs.

Comments: NJLCV noted the decrease in Community Energy Grants funding from $5,564,268 in FY24 to $3,074,268 in FY25. They requested details on how funds were reallocated and how the Community Energy Grants will be supported moving forward.

Rate Counsel requested information on the reallocation of nearly $2.49 million from Community Energy Grants to other initiatives. They noted that the budget materials do not explain why the funding is deemed unnecessary or specify where the funds will be redirected. They also noted that there is no updated information on the amount of funds awarded, aside from an announcement of awards set for 2024. Consequently, Rate Counsel recommended that DCE provide detailed information on the awards granted thus far, the remaining funds, and their intended reallocation within the budget.

Response: Staff appreciate the comments regarding Community Energy Grants. To provide

further explanation, the programs had more money allocated in previous budget years that what was required. There is about $2.1 million allocated to program year 3 and program year 1 of the Community Energy Plan Grant (CEPG) and Community Energy Plan Implementation (CEPI) grant, respectively. Additionally, the Board approved another $900,000 in funding for the yet to be opened CEPG program year 4.

For CEPG, Staff determined that up to around $1 million is currently sufficient to support program's needs. Staff are working to onboard the awardees for CEPG and CEPI which were announced in August 2024. Due to unforeseen circumstances, the distribution of these grants was delayed.

Considering that the Community Energy Grants are sufficiently funded to meet current needs, Staff proposed that funds be shifted to support the proposed Urban Heat Island grant programs rather than rolling over to future program years.

Urban Heat Island Mitigation Grants

Comment: NJLCV supported the increase in funding for Urban Heat Island ("UHI") Mitigation Grants, noting the importance of expanding energy-efficient cooling infrastructure in overburdened communities. They will provide additional commentary on Docket No. QO24100834.

Response: Staff appreciate NJLCV's feedback and agree that this program is a critical step for building climate resilience in New Jersey. For more details on the proposed UHI Mitigation Program, Docket No. QO24100834, please refer to the Public Notice. (https://nj.gov/bpu/pdf/publicnotice/Webposting-Notice_RequestforComments_UHIMitigationProgram.pdf)

Comment: Rate Counsel expressed concerns about using ratepayer funds for the UHI program, questioning its relevance to clean energy and cost reduction for ratepayers. They also raised issues regarding the assessment of heat reductions, co-benefits, project sustainability, and preparedness. Rate Counsel emphasized the need for more detailed information and criteria from the DCE to ensure fair and thorough evaluation of grant applications.

Response: Staff appreciate Rate Counsel's feedback and questions regarding the UHI Mitigation Program's proposed funding mechanisms and evaluation criteria. Rate Counsel questions the use of ratepayer funding for this initiative "since it has an at best attenuated relationship toward furthering clean energy or lowering ratepayer bills." Staff encourage the commenter to refer to the Public Notice, which further elucidates how the proposed funding reduces extreme heat, thereby lowering demand for cooling and associated costs.

In reference to the Public Notice, high-density population centers in NJ that experience the UHI effect are largely renter-occupied, limiting residents' ability to upgrade cooling efficiency in their residences. Therefore, reducing exposure to extreme heat through other interventions, such as improved access to public cooling infrastructure or increasing vegetative cover, are essential.

Greening public space and community-driven revitalization initiatives are also supported by Goals 6.1.1 - 6.1.3 of the EMP: "The state should encourage and support holistic and comprehensive planning throughout the community energy planning process, including non-traditional sources of energy consumption . . . . Greening public space through initiatives like community gardens, rain gardens, tree planting, and other methods of green infrastructure captures excess rainwater,

reduces high temperatures (particularly through mitigation of the “heat island effect”), and improves local air quality.”

In addition to funding for green space expansion, Staff are proposing UHI funding for enhancing cooling and resilient power infrastructure of existing community-serving facilities because such enhancement is cost effective, reduces emissions, and generates energy savings through energy efficiency and renewable energy upgrades. With respect to Rate Counsel's questions on the evaluation criteria, Staff note that it will release more detailed information on evaluation criteria for heat reduction and co-benefits following the public comment period on the Public Notice.

Electric Vehicles

Comment: NJLCV supported the increase to the Charge Up Program. They highlighted that the advocacy coalition ChargEVC has indicated that at least $65 million is necessary to meet the State’s 2025 goal of 330,000 EVs on the roads and suggest that additional funding may be needed to ensure success.

Response: Staff note that in addition to the $10 million already administratively moved to CUNJ, the Board proposes providing CUNJ with an additional $15 million during true up bringing the program budget for this fiscal year to $75 million, which is more than the $65 million identified by ChargEVC.

Comments: NJLCV commented on the decrease in the Clean Fleet budget and recommended reviewing past budget trends to determine whether similar adjustments based on participation levels were made in prior years.

NJLCV raised concerns about achieving the EV Act’s goal of equipping 15% of multi-unit dwellings with chargers by December 2025 with the decrease in funding. They urged the Board to provide data on the current percentage of MUDs with chargers and identify regulatory barriers preventing deployment.

Response: Prior to making reallocations for all Clean Transportation Programs, including Clean Fleet and MUD, Staff analyzed the trends from current and prior budget years and determined that the adjustments will provide sufficient funding to meet program needs, including allowing the program to remain open for the rest of the fiscal year. Staff note that award details from previous years were included in the presentation made during the initial FY25 stakeholder meeting and that information about Clean Fleet and MUD programs for FY25 are available on chargeup.njcleanenergy.com.

Comment: NJLCV suggested that the budget reduction for the E-Mobility Program warrants further explanation, noting that the program was initially expected to launch in FY26 and funding reductions could delay its rollout.

Response: Board Staff is committed to designing a program on e-mobility. The $1 million decrease is designed to provide current CUNJ funding without causing delays to future e-mobility programs.

Comment: ChargEVC commended the Board for the $25 million funding increase to the Charge Up New Jersey program which will allow the program to remain open. However, they are concerned about the reduction of the base incentive from $4,000 in FY24 to $2,000 in FY25, especially given the State-imposed registration fee, and phase in of sales tax. Stating that cost

parity with internal combustion engine vehicles has not yet been reached, they urged the Board to 1) maintain the base incentive at $4,000, 2) ensure that LMI incentives are additive, not substitutive, to that base incentive, and share data on LMI incentive uptake to date and 3) commit to consistent, full-year program availability with appropriate funding levels to sustain market confidence and meet the statutory goal of 330,000 EVs by 2025. They emphasized the importance of doubling down on electrification in a period of market uncertainty, rising costs, and federal policy headwinds.

Response: Staff thank ChargEVC for their support for increasing the CUNJ budget so that the program may run uninterrupted through the fiscal year. Staff review the incentive levels continually, including both the impact of Charge Up New Jersey and the impacts of other State programs. BPU weighs a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs adopted, and program longevity. The current structure has not only increased the total number of EV registered in NJ but simultaneously helped low- and moderate-income people purchase a vehicle. Staff note that ChargeUp+ incentive data is available on the program website, and is updated regularly. Staff will continue to evaluate these factors and optimize program design to maximize public good and make meaningful progress towards reaching the State's electrification goals.

Comment: Rate Counsel expressed concern that there is a $15 million carryover for the Plug In EV Incentive Fund and questions why an additional $25 million was allotted to the program despite less than $5 million being spent through December 2024.

Response: Staff note that the original FY25 budget for CUNJ was $52,583,925 which included the $32,583,925 Rate Counsel cited from the Clean Energy Budget and an additional $20 million from the General Fund. Staff prioritized spending the General Fund money first before Clean Energy money. By December 2024, a total of $24,678,000 had been spent, including all the General Fund money and $4,678,000 in Clean Energy funding. Currently, including both spent and reserved money, the program has allocated $45,243,700. Updated funding availability is accessible at https://chargeup.njcleanenergy.com/. The $25 million increase will provide the funds necessary to ensure the program remains open for the full fiscal year, which will allow more low-and-moderate income residents to access the program.

Comment: Regarding the addition of a waiver process for chargers in the Charge Up program, Rate Counsel disagreed that Staff should be at liberty to waive any aspects of proof an applicant must provide. They stated that at a minimum, an applicant should be required to provide proof of purchase and applicants must be limited to incentives for only two chargers within the program and only one charger per address. They suggested Staff specify exactly which requirements can and cannot be waived.

Response: Staff note that CUNJ Charger program guidelines have not changed. Applicants are still required to provide proof of purchase and applicants must be limited to incentives for only two chargers within the program and only one charger per address. Staff added the waiver language to provide flexibility to adjust to unique circumstances or market disruptions that may prevent strict adherence. Any such waivers would follow the same review process as any appeal.

<u>Acoustical Testing Pilot Program</u>

Comment: Rate Counsel raised concerns about the lack of information provided regarding the efficacy of the spending in leak mitigation for the four awarded projects in the Acoustical Testing Pilot Program. They questioned why the program was continued into FY24 given the lack of

applications, progress reports, or cost benefit analyses.

Response: Staff are in the process of reviewing the final reports for the first iteration of this program. These reports will be uploaded to the corresponding dockets (Docket Nos. QO21010014, QO21050801 through QO21050808, QO21050811) when the process is complete. To ensure the efficacy of this pilot, extensions were provided to allow the grantees sufficient time to measure and collect the necessary data. The funding that has been reallocated was intended for a possible second round. These funds will not be utilized for another standalone program in FY25, but Staff are evaluating ways the Board can continue to incentivize towns to deploy this technology due to the significant benefits it could offer in terms of water and energy savings.

Grid Modernization

Comment: Noting that the budget is unchanged despite the lack of a federal matching grant, NJLCV seek clarification on the Board's plans for the Federal Grid Modernization Program budget and whether the funds will still be allocated toward critical grid modernization efforts.

Response: Staff anticipate utilizing these funds to support the Grid Modernization Forum, including, but not limited to, technical demonstrations to move the greater grid modernization effort forward. Two potential areas that will be explored in these technical demonstrations are the utilization of smart inverters to manage voltage violations and bidirectional vehicle to grid capabilities.

Energy Efficiency

Comment: NJLCV encouraged the Board to provide detail on the reallocation of funding in the Energy Efficiency program budget which amounts to a 10% decrease in funding that includes a $200,000 FY24 transfer and $19.093 million in FY25 EE line-item transfers to ensure continuity in energy efficiency initiatives.

Response: Staff agree with NJLCV on ensuring continuity in energy efficiency initiatives. The $200,000 increase to the State Facilities Initiative line item, which was additional carryforward and other revenue from FY24, will support energy efficiency upgrades in the State Library and Roebling Building. The details of this work are included in the BPU and DPMC Designated Project List provided with the associated compliance filings. The $19,093,185 reduction in line items for the Acoustical Testing Pilot Program grants and the LED Streetlights Replacement reflect unused funds in those programs. These transfers ensure that funding is allocated to areas of anticipated need. Although these funds will not be utilized for these two programs in FY25, if additional resources are required in future years, funds will be budgeted, accordingly.

Comment: Rate Counsel commented that no explanation for the reallocation of the entire LED Streetlights budget line was provided and there was no indication where the funds were reallocated. They emphasized that it is unclear whether Staff will continue to develop a straw proposal for the program and recommended that DCE be directed to provide an update on the status of the program and its future funding.

Response: The uncommitted funds from the LED Streetlights Replacement budget line were reallocated to other budget lines that will require additional support, including the Energy Storage and the Program and Evaluation/Analysis lines. Staff are still evaluating possible next steps with the LED program, including releasing a straw proposal. However, the reallocated funds were intended to be used for incentive payments following a potential program launch, which will not

occur in FY25. Staff will reassess this need in the FY26 budget and provide funding, if necessary.

Comment: Rate Counsel noted that the CRA lacks detail and transparency on the proposed energy efficiency programs and associated budgets. They emphasized that stakeholders need more information on the proposed budget, programs, and impacts before they can make informed recommendations. Rate Counsel urged DCE to provide more details to include specifics on energy efficiency program design, implementation, and results; and the energy efficiency program transition to utilities.

Response: As mentioned in previous proceedings, Staff respectfully disagree with Rate Counsel's comment regarding a lack of detail and transparency in the CRA. Specific program details can be found in the most recent compliance filings, including details on the EE programs, which are available on the NJCEP website, while the CRA is focused on the funding sources for program areas. Additionally, financial and energy savings reports, which show expenditures and associated metrics for each program, are posted on the NJCEP website quarterly. Finally, in addition to the annual CRA stakeholder hearing, Staff have continued holding annual informational sessions to walk through the details of the proposed true-up changes. Staff appreciate the feedback and will continue to look for ways to improve transparency in the budget process.

Distributed Energy Resources

Comment: Rate Counsel expressed concerns about providing ratepayer funding for CHP-FC stating that the program provides incentives for mature technologies that use fossil fuels and can cause increased emissions and other adverse impacts on communities that are already burdened with undesirable infrastructure. They urged the Board to consider further limiting the program.

Response: Staff appreciate Rate Counsel's concerns regarding incentivizing fossil fuel technology and are currently working with the Program Administrator to reevaluate this program. Staff will take Rate Counsel's recommendations into consideration as part of this reevaluation.

Comment: Rate Counsel reiterated their comments on the straw proposal regarding the New Jersey Energy Storage Incentive Program ("NJSIP"), stating that there is no need for a fixed incentive for energy storage projects and recommending instead a competitive solicitation process for grid supply. Rate Counsel believes such a process would be optimal for ratepayers and the energy supply goals. They argued that the doubling of the budget is premature and should not occur until the program design and implementation are finalized. They urged the Board to analyze the state of the market to estimate incentive levels and set a commensurate budget.

Response: Staff respectfully disagree with Rate Counsel's characterization of the proposed NJSIP. The proposed NJSIP recommends a competitive solicitation for Phase 1, which will focus on awarding grid-supply projects fixed incentives based on the lowest cost. Staff have allocated additional resources that are available from the true-up budget in order to achieve the maximum capacity market savings over the lifetime of the SIP and avoid placing an undue burden on any given fiscal year. The additional funds will help ensure sufficient funds are available in future years. Staff also note that it has extensively analyzed market conditions, with help from a contractor to ensure the necessary resources are available to allow storage projects to come online to meet the State's 2030 goal. In addition, Staff anticipate working closely with a Program Administrator to regularly assess fixed incentive levels and provide recommendations for any needed adjustments to the Board, accordingly.

Comment: Rate Counsel noted that there are several concerns that call into question whether ratepayers will see any benefits from the Microgrid program. Rate Counsel suggested that the Board consider decreasing or eliminating the allocation of funds for the program in the future.

Response: Staff thank Rate Counsel for their comment. The remaining funds that haven't been reallocated in the Microgrids budget line reflect commitments for the existing Microgrids program. Staff are currently considering next steps on funding the construction of the microgrids.

Research and Development

Comment: Rate Counsel emphasized their opposition to the use of ratepayer funds for research and development given the substantial federal funding that is available for clean energy related research and development.

Response: The budgeted amounts for research and development in FY25 directly relate to the work being undertaken by the Board in alignment with the State's clean energy goals. Staff recognize the existence and utility of other funding sources and continue to utilize these whenever possible. However, there is currently a high level of uncertainty around continued federal funding support for clean energy initiatives. Therefore, there is a need for flexibility in how funds are used to ensure ongoing support for achieving the State's clean energy goals.

Program Administration

Comment: Rate Counsel stated their agreement with Staff's decision to eliminate the proposed Clean Energy Conference and utilize the funds for other priorities. They question why an additional nearly $4.4 million is proposed to be transferred to program evaluation and analysis.

Response: Staff thank Rate Counsel for their support. The additional increase to the program evaluation and analysis budget line supports ongoing or anticipated contractual obligations, including the addition of a Program Administrator for the SIP, the extension of the EMP Consultant, and funding to support the NJ Grid Modernization Forum.

REVISIONS TO PROPOSED CRA

Following the posting of the CRA and stakeholder comments received in regard to the draft true-up budget, revised budgets, and program changes, the document was revised as follows.

1. CRA: non-substantive changes were made to the OSW, Grid Modernization, and EV sections to reflect previously approved developments and pending Board actions.

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 FY25 Budget Revisions include the true-up, reallocations, and detailed budgets.

Staff recommends that the Board adopt and approve the Proposed FY25 Budget Revisions and the revised CRA, DCE Compliance Filing, Charge Up New Jersey Compliance Filing, Comfort Partners Compliance Filing, and the DPMC/BPU DPL attached hereto.

DISCUSSION AND FINDINGS

Staff distributed the Proposed FY25 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, Charge Up New Jersey Compliance Filing, Comfort Partners Compliance Filing, and the DPMC/BPU DPL.

The Board has reviewed the FY25 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 FY25 Budget Revisions and programs recommended by Staff.

This Order shall be effective on April 23, 2025.

DATED: Aprl 23, 2025

BOARD OF PUBLIC UTILITIES
BY:

CHRISTINE GUHL-SADOVY
PRESIDENT

DR. ZENON CHRISTODOULOU
COMMISSIONER

MARIAN ABDOU
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

ATTEST:

SHERRI L. GOLDEN
SECRETARY

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

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2025 – TRUE-UP, REVISED BUDGETS AND PROGRAM CHANGES

DOCKET NO. QO24040224

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New Jersey's Clean Energy Program™

FISCAL YEAR 2025
PROGRAM DESCRIPTIONS AND BUDGETS

DIVISION OF CLEAN ENERGY

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

April 23, 2025

Table of Contents

Introduction

On January 27, 2020, the 2019 Energy Master Plan ("EMP")[1] 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 Order 315 ("EO 315"), 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.[2] 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. The New Jersey Board of Public Utilities ("BPU" or the "Board"), with guidance from other State agencies and assistance from a consultant, will coordinate the State's efforts to develop the 2024 EMP and will also provide specific proposals to be implemented both in the short-term and longer-term to achieve Governor Murphy's 100% clean energy by 2035 goal. This process will include public hearings and allow for ample opportunities for stakeholders to provide feedback.

As the lead State agency tasked with the development and implementation of the 2019 EMP, the BPU and its Division of Clean Energy ("DCE"), through the New Jersey Clean Energy Program ("NJCEP") budget, provide funding to many of the core programs that address the seven key EMP strategies. The Fiscal Year 2025 ("FY25") 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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[1] New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan: Pathway to 2050, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

[2] Exec. Order No. 315 (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 clean and 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. In addition, in past years the funding from this line item has been used to begin data aggregation services for all chargers funded by State and utility incentives, to design an EV incentive portal for all New Jersey programs and to create an EV Roadmap to better plan and design the long term Clean Transportation strategies across sectors and government entities. In FY23, FY24, and FY25 the work for these projects was part of a modification to the Center for Sustainable Energy ("CSE") contract and funding was moved to the Charge Up Administrative line from this point to pay for those programs. In FY25, this line will allow for additional support as we develop Clean Transportation programs and pilots.

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. In February 2024, CSE began to administer this program. All applications submitted prior to that time were addressed by Staff. In FY25 the line item reflected the total Clean Fleet budget which will fund both State, local, and non-profit entities.

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 FY25 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. In FY23, 142 EVs, 42 Level 2 Public Chargers, 7 Fast Public Chargers, 83 Level 2 Fleet Chargers and 19 Fast Chargers were incentivized. In FY24, $4,144,000 was awarded for 189 EVs and 119 chargers. In FY25 thus far, $1.6 million have been awarded for 60 EVs and 46 Chargers.

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 FY25 under the NJCEP. In FY24, eligible entities were expanded to include non-profits. Eligible entities for this incentive will be municipalities, counties, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, county authorities, and non-profit entities.

Through a rolling application process, eligible entities may apply for a $4,000 incentive for up to 20 light-duty battery EVs, and $10,000 for Class 2B-6 vehicles, as well as incentives for EV chargers. Applicants may receive $5,000 per Level 2 Public Charger (up to the cost of the charger), $4,000 per Fleet Level 2 Charger (up to the cost of the charger), and $50,000 (up to the cost of the charger) for a fleet Direct Current Fast Charger ("DCFC"). In addition, an incentive of up to 50 percent 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. An additional incentive of up to $5,000 may be included for DCFC chargers that are Energy Star certified.

The number of vehicles and chargers that an entity is eligible for will be determined by population size of the entity serves and may be based per location. Grants will be awarded on a rolling basis contingent upon program funding. 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. Staff may implement additional eligibility criteria and caps as necessary to ensure the effectiveness of the program.

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 percent of the time. Eligible vehicle(s) must be paid for and received in order to submit for reimbursement. Chargers must be paid for and installed in order to submit for reimbursement.

All Level 2 charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act (L.2021, c. 464), be a dual-port charger that is capable of charging two vehicles at the same time, and use a Compliant Network Service Provider. DCFC fast chargers must also be dual-port and capable of charging two vehicles at the same time. Chargers

receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent 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 though the sum of public incentives may not exceed 90% of the cost of the charger and Make Ready. 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. In FY23, 1,235 chargers have been incentivized with $5,854,500 funding and in FY24, 1,341 chargers have been incentivized with $6,446,000 funding. In FY25, thus far, over $2.1 million have been awarded for 438 chargers.

The incentive provides $4,000 for the cost of a Level 2 charger (up to the cost of the charger); maximum awards are based on the size of the development/location. Eligible chargers must be accessible to all residents and may be accessible to visitors. All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, be a dual-port charger capable of charging two vehicles at the same time, and use a Compliant Network Service Provider. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent of the time. The MUD incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement though total public incentives may not exceed 90% of the cost of the charger and Make Ready. The MUD incentive may not be stacked with the NJDEP It Pay$ to Plug In Program for the same charger. Chargers must be paid for and installed in order to submit for reimbursement.

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 percent 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 or the Program Administrator, 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 percent affordable (low - and moderate- income) housing may also be eligible for a 50 percent bonus. Applicants may only receive one bonus. Staff may implement additional eligibility criteria and caps as necessary to ensure the effectiveness of the program.

CSE began administering this program in February 2024. 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, this program offers incentives to hotels across the State, moving the State closer to the EV Act which calls for at least 20 percent of franchised locations to have EV chargers by December 2025.

The competitive portion of this 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 DCFC (up to the cost of the charger) for up to two chargers per site.

The EV Tourism corridor program will be a non-competitive grant, administered by the Center for Sustainable Energy. This program provides $50,000 per DCFC (up to the cost of the charger), for up to two chargers at eligible sites located within one mile from the nearest highway exit or intersection along designated eligible highway corridors. Hotels located within one mile of a designated eligible highway corridor can receive $50,000 (up to the cost of the charger) for up to two DCFC, and $5,000 (up to the cost of the charger) for up to two Level 2 chargers. Hotels located within three miles of a designated eligible highway corridor can receive $5,000 (up to the cost of the charger) for up to four Level 2 chargers. Level 2 charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act. All charger incentives require that the charger be a dual-port charger that is capable of charging two vehicles at the same time and uses a Compliant Network Service Provider, and chargers must be publicly accessible. The EV Tourism incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The EV Tourism incentive may not be stacked with the NJDEP's It Pay$ to Plug In Program for the same charger. An additional incentive of up to $5,000 may be included for DCFC chargers that are Energy Star certified.

Grants will be reviewed by Staff or the Program Administrator, assessed, and awarded contingent upon program funding. Staff may implement additional eligibility criteria and

caps as necessary to ensure the effectiveness of the program.

Awards shall be in the form of a reimbursement, based on proof of purchase of eligible EV charging equipment. Chargers must be paid for and installed in order to submit for reimbursement. 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 percent of the time. Chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

CSE will begin administering the EV Tourism corridor program in Spring 2025. All applications submitted prior to that time will be addressed by Staff.

E-Mobility Pilot Programs

In addition to moving towards zero emissions transportation options, 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.

In FY24, the DCE investigated the findings of that report to inform Pilot programs to encourage e-mobility options. 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. Planning work continues in FY25, with the intent to launch future programs.

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. The FY25 budget proposed to fund the second year of the program.

V2G School Bus Pilot

In addition, there is also funding for an "V2G School Bus Pilot" to further the work established by the legislature in the Electric School Bus Program.

Medium Heavy Duty Depot

In January 2024, L. 2023, c. 316 was enacted, which required NJBPU to create a demonstration project for MHD depots encouraging non-wire solutions and storage. The legislation required six projects with up to $2 million for each project. NJBPU is investigating other funding opportunities and partnerships to leverage this funding and achieve the objectives outlined in L. 2023, c. 316.

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[3] called upon all State agencies with responsibility under the Offshore Wind Economic Development Act ("OWEDA") (statute amending L. 2007, c. 340 and L. 1999, c. 23) to work collaboratively towards achieving the goal of 3,500 Megawatts ("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 ("EO 307") further increased the OSW goal to 11,000 MW by 2040. In November 2022, a revised solicitation schedule was announced laying out how New Jersey expects to meet the new goal.

[3] Exec. Order No. 8 (Jan. 31, 2018).

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.

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[4] and was adopted by the Board and released to the public in September 2020.

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.

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 ("WIND Council"), 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 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 adjust the schedule to capture the best benefits for citizens of the State on issues of cost, development of transmission, supply chain establishment, federal tax credits, and more.

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

[4] 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.

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.

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.

Beginning in FY21, the Board entered into a Memorandum of Understanding ("MOU") with the Economic Development Authority ("EDA") to provide funding to support the development and execution of offshore wind workforce, education, research, and innovation programs as part of the development of the to-be-created Wind Institute. The funds provided by the BPU are expected to support the expansion of the Wind Institute Fellowship, which provides funding for New Jersey university students seeking to be at the forefront of advancing knowledge and innovation in the OSW industry, 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 and 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. While the process to establish the Wind Institute through legislation is ongoing, these MOUs provide immediate action to lay a cohesive groundwork for workforce development necessary to support this rapidly growing industry. No additional funding will be provided in FY25.

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.

Also in FY21, the Board entered into a 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"). 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. No new funding will be provided in FY25 for the Wind Port.

In April 2021, PJM issued a solicitation for OSW transmission solutions on behalf of the Board. Proposals were received in September 2021 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 2021, the Board entered into a Memorandum of Agreement ("MOA") with the National Offshore Wind Research and Development Consortium ("NOWRDC") in which FY22 funding supported the Board's multi-year membership in NOWRDC.

FY22, FY23, and FY24 funding has 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 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 order to support the coordinated transmission of the additional 3,500 MW created by EO 307, in April 2023, the Board initiated the second use of the SAA. In February 2024, the Board issued an RFQ to retain a consultant to support Board Staff with SAA 2.0.

In April 2023, the Board issued an RFQ for a consultant to assist Staff in the development of a second Offshore Wind Strategic Plan ("OSWSP2"). In July 2023 a consultant for the second OSWSP was retained. Work on the OSWSP2 is currently ongoing.

To maximize the benefits of the SAA awards, the Board is pursuing a transmission corridor called the Prebuild Infrastructure ("PBI"), for qualified offshore wind projects. In November 2023, the Board issued a solicitation for the PBI. Applications from that solicitation were received in April 2024 and evaluation by Staff and Staff's consultants is currently underway.

In January 2024, the Board retained a consultant to assist Board Staff with the fourth OSW solicitation. The Board issued its fourth Solicitation for between 1,200 and 4,000 MW in April 2024. In February 2025, the fourth Solicitation ended and no awards were made due to

uncertainties with the remaining project bidder, and questions and concerns raised by federal actions with respect to permitting. Ongoing efforts are continuing to evaluate future OSW solicitation opportunities and needs.

In FY25, funding is requested for additional specific activities, including retaining a consultant to assist Staff in the development of future solicitation guidance documents and evaluation of the proposals; continuing funding for the RUCOOL work; continuing funding for a consultant to assist Staff in the OSW Strategic Plan; and continuing funding for NOWRDC.

Solar

Pursuant to the Clean Energy Act of 2018[5] ("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 to 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. A review of the incentives in the ADI Program is required every three years; in FY25, the Board will contract for consulting services to evaluate and recommend incentive levels that will be adopted in March 2026 following stakeholder input and a public comment period.

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

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

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

ADI Capacity Blocks by Market Segment, Energy Year 2025

Market Segments	System Size	MW (dc) Capacity Blocks
Net-Metered Residential	All Sizes	200 MW
Net Metered Non-Residential	All sizes at or below 5 MW (dc)	200 MW
Community Solar	All sizes at or below 5 MW (dc)	Unused EY24 capacity
Remote Net Metering (RNM)	All Sizes at or below 5 MW (dc)	50 MW

On December 7, 2022, the Board established the 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 five market tranches: Tranche 1, basic grid supply projects; Tranche 2, grid supply projects sited on the built environment; Tranche 3, grid supply projects sited on contaminated sites and landfills; Tranche 4, net metered non-residential projects greater than 5 MW; and Tranche 5, energy storage paired with a grid supply solar project 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. The annual solicitation target is 300 MW of new solar generation, and 160 MWh of energy storage paired with solar generation.

The first solicitation under the CSI Program took place in the first quarter of 2023, with the following procurement targets for each tranche:

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
Total	**300**
5. Energy Storage paired with Grid Supply (Tranche 1, 2 or 3)	160 MWh

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 second solicitation of the CSI Program opened November 27, 2023 and closed on February 29, 2024. The total procurement target for the second solicitation remained at 300 MW, allocated as described above. By Order on April 17, 2024, the Board awarded 310.21 MW of solar generation and 80 MWh of storage paired with solar generation, across 8 projects in Tranche 1: Basic Grid Supply and Tranche 3: Grid Supply on Contaminated Sites or Landfills. Projects were selected by lowest SREC-II bid price. Unbid capacity in Tranches 2 and 4 was reallocated to Tranche 1 in order to award additional competitively-priced projects, as was unawarded capacity in Tranche 3 after awards were made in that tranche. The Board determined that awarding competitively-priced capacity over the 300 MW solicitation target was in the best interest of New Jersey ratepayers. Solicitations will continue 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 submitted a substantially similar project (one with an overlapping footprint) to a project they submitted in the first solicitation.

On November 17, 2023, the Board adopted the rule amendments with non-substantial changes, which were published in the New Jersey Register at 55 N.J.R. 2555(a) on December 18, 2023. At the same agenda meeting, the Board approved proposed substantial changes upon adoption to the SuSI Program rules. The proposed substantial changes were also published on December 18, 2023, for a sixty (60)-day comment period in the New Jersey Register at 55 N.J.R. 2461(a). The resulting Notice of Adoption of Proposed Substantial

Changes was not filed before the eighteen (18)-month expiration date and the proposal expired on August 6, 2024. On September 4, 2024, the Board approved two re-proposed amendments to the SuSI Program rules for publication in the New Jersey Register on October 6, 2024, for a sixty (60)-day comment period. On December 18, 2024, the Board adopted the rule amendments for publication in the New Jersey Register.

The Board anticipates opening the third solicitation of the CSI Program in the second quarter of 2025.

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. Pursuant to L. 2023, c. 200, signed by Governor Murphy on January 4, 2024, the Board opened an additional 275 MW of capacity during Energy Year 24. As of January 15, 2025, 495 MW of capacity has been subscribed. Staff anticipates an additional allocation of 250 MW before the end of EY25.

The rules establishing the Community Solar Energy Program were published in the New Jersey Register on October 7, 2024. Staff anticipates the Board will approves a notice of adoption of substantial changes in EY25.

During FY25, the Board has contracted for escrow services, as community solar projects are required to post escrow with the Board; the escrow amount will be reimbursed to the applicant when the registered community solar project commences commercial operation.

Energy Storage

In 2018, Governor Murphy signed the CEA into law. The Act established two goals for energy storage: 600 MW by 2021 and 2,000 MW by 2030. The Act directed BPU to implement a program to achieve the goals. In FY19, the Board retained Rutgers University to conduct an analysis of energy storage ("ES") in New Jersey, pursuant to the CEA. 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. 80 MWh of storage in combination with grid supply solar were awarded in FY24, as a part of the second CSI Program solicitation.

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 and began a stakeholder process 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. Staff, with assistance from a consultant, released a revised Straw Proposal in November 2024 and anticipate providing a recommendation to the Board for Phase 1 of the NJSIP implementation in the first half of 2025. Additional funding is reallocated in FY25 in anticipation of future solicitation awards under Phase 1 of the SIP, which intends to incentivize front-of-the-meter or grid supply projects.

The ES budget line also includes funding for a State match of USDOE funding to improve resiliency at eligible entities. 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. This was followed by further stakeholder engagement to develop a draft rule proposal, which was approved by the Board for posting in the NJ Register on April 30, 2024. This draft Interconnection rule is currently being revised based on extensive stakeholder feedback and staff will go forward with a Notice of Adoption (NOA) and Notice of Proposed Substantial Changes Upon Adoption (NOPSCUA) in the first half of 2025. The remaining five recommendations are being pursued through a Grid Modernization Forum which consists of industry expert workgroups, the first of which was launched in the second half of 2024.

In FY25, Staff will: expand the forum with additional workgroups to continue to oversee the development of the grid modernization proceedings; engage a Phase 2 Grid Modernization Forum program consultant; initiate several Grid Mod Innovation Pilots; and take the next steps towards introducing new and amended rules based on the report's recommendations.

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

<u>Energy Efficiency Transition</u>

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.[6]

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. The 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.

Further, Executive Order 316 ("EO 316") directed that "[i]t is the policy of the State to advance the electrification of commercial and residential buildings with the goal that, by December 31, 2030, 400,000 additional dwelling units and 20,000 additional commercial spaces and/or public facilities statewide will be electrified, and an additional 10 percent of residential units serving households earning less than 80 percent of area median income will be made ready for electrification through the completion of necessary electrical system repairs and upgrades."[7] EO 316 defined electrification as "the retrofitting or construction of a building with electric space heating and cooling and electric water heating systems."[8]

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. Each of the public electric and gas utilities submitted proposals for Triennium 2 in December 2023, and the Board approved all the proposals on October 30, 2024. The new programs commenced on January 1, 2025.

<u>Acoustical Testing Pilot</u>

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

[6] See https://njcleanenergy.com/transition for more information about the EE transition.
[7] Executive Order No. 316 (Feb. 15, 2023).
[8] Ibid.

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.

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), and hosts the website for the Community Solar Project Finder in cooperation with the Board.

New Jersey Institute of Technology

The NJIT Center for Building Knowledge ("CBK") provides research, training, and technical assistance on EE in the State and on select aspects of the NJCEP. The CBK created and manages the New Jersey Clean Energy Learning Center ("NJCELC"), which provides online education for the full range of stakeholder groups engaged with NJCEP. In FY24, CBK hosted the launch of the Campus Consortium for Decarbonization, as led by TRC as part of NJCEP. In FY25, their core activities will include continuing to maintain the NJCELC website, developing new educational materials, and supporting NJCEP initiatives. In FY25, CBK will also focus on tasks such as expanding content in existing areas like heat pumps and benchmarking, supporting the New Construction Program, leading Training for Residential Energy Contractors ("TREC") workforce development program implementation, supporting the Campus Consortium for Decarbonization, developing educational programs on new and emerging technologies, and undertaking miscellaneous educational activities.

Rutgers Center for Green Building

RCGB will continue its 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 the prior calendar year 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 and all subsequent year submissions by July 1st of each program year. In FY24, the Board provided a 90-day grace period for the second reporting year submissions to September 29, 2024. Additionally, Staff has been pursuing and supporting program implementation steps – including outreach, training, 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 two reporting years.

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 compliance was achieved at a higher rate than the commercial sector for the two reporting periods. For 2023, 91% of State buildings were compliant. 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. The State's EPA Portfolio Manager profiles related to benchmarking compliance have 107 properties with buildings above 25,000 sq/ft (65 campuses and 42 single buildings). There is a total of 1,635 buildings that are being tracked under the state portfolio. The State continues to audit buildings and increase the number of profiles for buildings, although not all are required to benchmark.

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 redesigned New Construction Program includes 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 incorporates multiple new components – including a single point of entry, optimized program process flow, 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 building decarbonization incentives offered as part of utility EE programs for existing buildings.

<u>State Facilities Initiative</u>

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 BPU Division of State Energy Services ("SES"), coordinates these projects based on evaluation of capital costs and anticipated energy savings. SES works with energy managers, State agencies, the Office of Management and Budget, and the Treasury Division of Property Management and Construction ("DPMC") to help identify the projects that are viable to move forward and impact energy consumption. Through a MOU, SES and DPMC execute the projects while Treasury Administration helps coordinate the payments. In FY25, **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.[9] In November 2019, the Board entered into an MOU

[9] 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.

with DPMC to establish criteria for selecting and allocating funds on the designated priority list ("2019 MOU").[10] 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 Energy Capital Committee 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 FY25 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 allocation of RGGI funding is anticipated to support the SFI DEP Parks upgrade.

Additionally, the BPU has advocated for changes to the Treasury Circular to enhance the role of agency energy manager. In order to make sure that agency 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. 13 State entities are participating 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 over 50 applications in FY23 and FY24. For FY25, through the State Energy Manager training program, additional State entities will apply for energy audits, which will help shape what other projects will follow. This also aids in the advancement of benchmarking for other State buildings.

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

[10] 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.

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 Feasibility Study of the microgrid program, through which interested applicants could submit applications to help fund TCDER microgrid feasibility studies. The BPU awarded a total of approximately $2 million to 13 public entities consisting of municipalities, counties, and authorities to conduct the feasibility studies.

In FY20, the BPU initiated Phase II Design Phase of the program, which was open to all eligible Phase I participants and which provided incentives for detailed designs of TCDER microgrids. In March 2021, the BPU awarded a total of $4 million to eight applicants. One awardee subsequently withdrew from the program, resulting in a total award of $3,750,000. In FY21, 75 percent of the award ($2,812,500) was provided to each of the seven awardees. The balance of the award will be provided upon approval of the completed design work by Staff. In April 2024, the Board approved a new MOU to continue the design phase of the program.

The BPU has not allocated funds for a prospective construction phase of the program. 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.

Beyond the initial objectives, the study also documented the substantial regulatory and statutory barriers to the implementation of community-scale microgrids. The study report was released in July 2021.

In April 2024, the Board approved a new MOU to continue the design phase of the program.

The BPU has not allocated funds for a prospective construction phase of the program. The future fate of the program will depend in part on the findings of the design studies.

In FY25, funding will continue to support a study to evaluate the design progress and evaluate barriers to Microgrid adoption.

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.

Clean Energy Equity

The OCEE, which was established in 2020, works on cross-cutting energy and equity issues and guides the BPU's programs through an equity lens. One of the programs that the OCEE administers is the Community Energy Plan Grant ("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. Additionally, the Community Energy Plan Implementation ("CEPI") Grant Program, which is intended to serve as a complementary program to CEPG, was approved in 2023, and awards were announced in 2024. This program provides funding to municipalities to implement clean energy, renewable energy, or energy efficient projects in their respective communities.

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's and the OCEE's efforts to directly meet these goals as they relate to OBC.

Finally, 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.

Urban Heat Island Mitigation Grants (formerly Heat Island Pilot)

The OCEE is working 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 in OBCs. This initiative is still in development and 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. Staff is preparing a Request for Public Comment on the proposed program and funding structure, and will incorporate feedback into the final design.

Residential Energy Assistance Payment

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 PAGE Program, which is more focused on moderate-income, 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 FY24, the Board initiated a new initiative called the "Residential Customer Relief Initiative" which was later renamed to Residential Energy Assistance Payment. The intended purpose was to refund a portion of the Societal Benefits Charge, as well as about $21 million in arrearage relief funding, to residential customers most in need of financial assistance. Through the Residential Energy Assistance Payment, approximately $51 million dollars in relief was disbursed to qualifying customers statewide in fall 2024. Out of that total, $5,952,762 was returned due to all eligible recipients already receiving their credit. In FY25, additional funds were identified in the true-up budget process to administer a second round of arrearage relief funding, to again provide a refund to qualifying customers statewide.

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 FY25, this program continues to be funded by the State Energy Program ("SEP") and the SBC.

Community Energy Plan Grants

Through the CEPG Program, local governments identify which strategies of the EMP are most applicable in their communities, what obstacles may exist, what opportunities there may be, and which 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 OBMs. These 48 municipalities were eligible for an enhanced grant amount and additional aid in the form of technical assistance from Sustainable Jersey. All New Jersey municipalities were eligible for $10,000 grants unless they were identified as an OBM, in which case they were eligible for a $25,000 grant, with additional aid in the form of technical assistance to help complete the grant application and technical support to develop the community energy plan after the grant is awarded. The simplified application process and enhanced benefits for OBMs were designed to increase the likelihood of success of and engagement in the program.

On June 8, 2022, the Board awarded grants to 46 municipalities, including 24 OBMs, with grants totaling $820,000. So far, 26 municipalities have submitted their final plans, and the remaining participants are in the final stages of completing their respective plans.

In FY24, the Board approved the third program year for CEPG. The application window for CEPG was opened in December 2023 and closed in May 2024. 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. After evaluation of applications, ninety-two (92) municipalities were awarded grants which amounted to a total of $1,145,000 in program funding.

Also in FY24, the Board for the first time offered grant funding to support municipalities' implementation of their completed community energy plans through creation of the CEPI Grant Program. The program was funded from a mix of federal funding through the Energy Efficiency and Conservation Block Grant ("EECBG") and SBC funding. This new offering provided 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 prioritized funding for OBMs and offered them enhanced technical assistance. The application window for CEPI opened in December 2023, and closed in May 2024. The Board and Sustainable Jersey were active in doing outreach to municipalities throughout the State to inform them of the new grant program. Grant awardees were announced in August 2024. Eighteen (18) projects from sixteen (16) different municipalities were chosen for award. Two (2) municipalities received funding for two separate projects. Total funding amounted to $3,400,086.

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.

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 Clean Energy Fund ("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.

The DCE remains 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 FY25 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.

The marketing plan communicates 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. The most recent marketing contract ended in December 2024. Staff, on December 18, 2024, received Board approval to release an RFP for marketing and advertising services in the amount of up to $7 million per year for two years. Staff anticipate seeking Board approval on a recommended vendor in March 2025.

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.

The Clean Energy Program website Request for Proposal was issued in March 2024, and the Staff anticipate seeking Board approval on a recommended vendor in Q1 2025.

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. The BPU has evolved the evaluation framework to include Enhanced and Gold Rigor practices in support of program theory-based evaluations.

Federal Grid Modernization Program State Match

The BPU is the lead implementing agency that ensures a reliable electric grid and helps facilitate our clean energy transition. To upgrade our grid to support more modern uses and spur clean energy investments, the BPU is allocating $25 million to serve as federal grant matching funds for applications related to the innovative and modern use of the grid, as required by the pending FY25 State budget. The BPU submitted a $27 million dollar Grid Resilience and Innovative Partnerships (GRIP) application to implement Grid enhancing technologies and non-wires alternatives in select circuits in the ACE grid to support more distributed energy resource interconnection.

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

To support Staff in submitting federal clean energy grant applications and bring as much federal funding to the State as possible, the Board approved Staff releasing an RFQ on April 17, 2024, to vendors on the State-approved contract. Following the application evaluation period, the Board approved Staff's recommendation to award a contract to McKinsey and Company for federal grant application assistance. As a result, the NJBPU submitted over $700 million worth of applications for federal clean energy grants and has been awarded nearly $400 million in federal funding, including the $156 million Solar For All grant and $182 million in Home Efficiency Rebate funding. The FY25 Clean Energy Fund - Program Evaluation/Analysis budget line was used to fund this work. The NJBPU has received nearly $400 million in federal clean energy grant awards.

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 independent 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 FY25, RCGB will continue to perform and support evaluation studies, including cost-benefit analyses, and other evaluations of State-run EE programs, and participate in 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.

<u>Energy Master Plan Ratepayer Impact Study</u>

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.

Equity in Rates Study

The purpose of this project is to evaluate the effectiveness of current assistance programs and the design of rates and tariffs and to examine the extent to which they protect low- and moderate-income ("LMI") customers from increasing energy burden due to impacts of the clean energy transition. Drawing upon experiences in other jurisdictions, literature studies, and current assistance programs and rate design in New Jersey, a consultant working with Staff will provide recommendations for policies, programs, and changes to rate design to provide a progressive and equitable approach to energy costs for LMI households in FY25.

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.
- On June 10, 2024, preliminary draft rules for the Dual-Use Solar Energy Pilot Program were issued for public comment. Written comments were due on June 24, 2024; 18 written comments were received on behalf of 25 entities.

On October 23, 2024, the Board approved a notice of proposal to amend its existing solar energy rules to include the Pilot Program to be codified at N.J.A.C. 14:8-13 as a new subchapter with amendments to the SuSI Program rules set forth at N.J.A.C. 14:8-11. The Pilot Program is designed to provide incentives to agrivoltaics solar facilities as an adder, or an additional financial incentive, to incentives available under the SuSI Program. The approved Notice of Proposal for the Pilot Program was published on December 2, 2024, to the New Jersey Register for a sixty (60)-day written comment period. Staff hosted a virtual information session on the Dual-Use Pilot Program proposed rules on December 17, 2024.

By Board Order on October 23, 2024 and corrected on January 2, 2025, the Board established the Pilot Program. On January 6, 2025, the Board issued a Notice of Incentive Availability ("NOIA"), inviting all interested parties to submit Expressions of Interest ("EOIs") for pre-qualification in the Dual-Use Pilot Program; the deadline for submission of EOIs was February 14, 2025. Staff evaluated the EOIs, in partnership with RU and State agencies including NJDEP and NJDA, and anticipates issuing determination letters to invite full applications to the Dual-Use Pilot Program in the second quarter of 2025.

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," which will continue in FY25.

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

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 has funded a New Jersey EE and building decarbonization workforce study conducted by the John J. Heldrich Center for Workforce Development at Rutgers University ("Heldrich Center"). The study report was published in 2024 after rounds of reviews conducted by the BPU Staff and the Statewide Evaluator team. It has been presented to a range of stakeholders, including the EE Workforce Development Working Group meeting in October 2023, a meeting of Workforce Development Board Directors in January 2024, and EE monthly stakeholder meeting. The study findings were also instrumental for the BPU-led Training for Residential Energy Contractors ("TREC") formula grant proposal application to USDOE and program designs.

In FY24 and FY25, the BPU collaborated with RCGB, the Heldrich Center, NJIT, and NJDOL to develop and submit New Jersey's application for $3.51 million in formula grant funding from the USDOE (TREC). This funding aims to train residential energy contractors to implement work supported by the Inflation Reduction Act. In January 2025, the BPU received a conditional award. In FY24 and continuing into FY25, utility companies are also 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.

Also in FY24 and FY25, the BPU has been coordinating with the NJDOL to explore the potential establishment of State-funded workforce development initiatives – in partnership with EDA, utility companies, and other employers – that support employment and training services for individuals interested in clean buildings careers.

An in-person Business and Industry Leadership Team ("BILT") meeting in June 2024, co-convened by NJIT and the NJDOL Industry Partnerships teams, and two more virtual BILT meetings in November 2024 and January 2025 respectively, gathered input from workforce development stakeholders (employers, employer associations, training providers, and community-based organizations) regarding barriers and opportunities for equitable workforce development and job pipelines in New Jersey. Forthcoming BILT outcomes in

FY25 will include focus groups and action teams, as well as preliminary conceptualization and gathering feedback on establishment of a State-run, one-stop resource center for the energy efficiency workforce, providing access to training programs, educational resources, and valuable networking opportunities such as BILT. This is in alignment with the Energy Master Plan, which in Strategy 7.6 emphasizes the critical need to establish a "Clean Buildings Hub" for New Jersey to effectively train and educate the construction and building sectors on efficient construction and retrofitting techniques. The EMP also states that the Hub will be instrumental in developing a skilled workforce and fostering a deeper understanding of energy-efficient practices among builders, architects, contractors, engineers, real estate professionals, and code enforcers.

Fiscal Year 2025 Program Budgets

The following table sets out a detailed FY25 budget for programs managed by the DCE:

		FY25 Detailed Budget - Cost Category Budgets ($)					
Program/Budget Line	**Total Budget**	**Administration**	**Sales, Marketing, Website**	**Training**	**Rebates, Grants and Other Direct Incentives**	**Rebate Processing and QA**	**Evaluation**
Total NJCEP	**575,194,054**	**29,789,408**	**8,281,647**	**750,000**	**468,260,931**	**-**	**68,112,068**
Energy Efficiency Programs	**60,362,094**	**-**	**-**	**-**	**60,362,094**	**-**	**-**
State Facilities Initiatives	**60,191,206**	**-**	**-**	**-**	**60,191,206**	**-**	**-**
Acoustical Testing Pilot	**170,888**	**-**	**-**	**-**	**170,888**	**-**	**-**
LED Streetlights Replacement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Distributed Energy Resources	**120,749,089**	**-**	**-**	**-**	**120,749,089**	**-**	**-**
Microgrids	**937,500**	**-**	**-**	**-**	**937,500**	**-**	
Energy Storage	**119,811,589**	**-**	**-**	**-**	**119,811,589**	**-**	**-**
RE Programs	**19,143,721**	**1,475,000**	**-**	**-**	**9,500,000**	**-**	**8,168,721**
Offshore Wind	**19,143,721**	**1,475,000**	**-**	**-**	**9,500,000**	**-**	**8,168,721**
EDA Programs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NJ Wind	**-**	**-**	**-**	**-**	**-**	**-**	**-**
R&D Energy Tech Hub	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Planning and Administration	**66,344,158**	**11,064,408**	**7,531,647**	**-**	**2,054,756**	**-**	**45,693,347**
BPU Program Administration	**10,000,000**	**10,000,000**	**-**	**-**	**-**	**-**	**-**
Marketing	**7,096,055**	**1,064,408**	**6,031,647**	**-**	**-**	**-**	**-**

CEP Website	**1,500,000**	**-**	**1,500,000**	**-**	**-**	**-**	**-**
Program Evaluation/ Analysis	**45,693,347**	**-**	**-**	**-**	**-**	**-**	**45,693,347**
Outreach and Education	**1,904,166**	**-**	**-**	**-**	**1,904,166**	**-**	**-**
Sustainable Jersey	1,159,166	-	-	-	1,159,166	-	-
NJIT Learning Center	745,000	-	-	-	745,000	-	-
Conference	-	-	-	-	-	-	-
Memberships	**150,590**	**-**	**-**	**-**	**150,590**	**-**	**-**
BPU Initiatives	**308,594,992**	**17,250,000**	**750,000**	**750,000**	**275,594,992**	**-**	**14,250,000**
Clean Energy Equity	**105,336,067**	**-**	**-**	**-**	**105,336,067**	**-**	**-**
Community Energy Grants	3,074,268	-	-	-	3,074,268	-	-
Urban Heat Island Mitigation Grants	5,000,000	-	-	-	5,000,000	-	-
Residential Energy Assistance Payment	94,621,799	-	-	-	94,621,799	-	-
Whole House	2,640,000	-	-	-	2,640,000	**-**	**-**
Federal Grid Modernization Program State Match	**25,000,000**	**11,500,000**	-	-	-	-	**13,500,000**
Electric Vehicle Programs	**177,258,925**	**5,500,000**	**750,000**	**-**	**170,258,925**	**-**	**750,000**
Plug In EV Incentive Fund	57,583,925	-	-	-	57,583,925	-	-
CUNJ Administrative Fund	5,500,000	5,500,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,000,000	-	-	-	5,000,000	-	-
EV Studies, Pilots and Administrative Support	1,500,000	-	750,000	-	-	-	750,000
Clean Fleet	25,900,000	-	-	-	25,900,000	-	-
Multi-Unit Dwellings (Chargers)	27,875,000	-	-	-	27,875,000	-	-

EV Tourism	9,900,000	-	-	-	9,900,000	-	-
E-Mobility Programs	6,000,000	-	-	-	6,000,000	-	-
Electric School Buses	30,000,000	-	-	-	30,000,000	-	-
School Bus V2G	2,000,000	-	-	-	2,000,000	-	-
MHD Depot	6,000,000	-	-	-	6,000,000	-	-
Workforce Development	**1,000,000**	**250,000**	**-**	**750,000**	**-**	**-**	**-**

New Jersey's Clean Energy Program™

DIVISION OF CLEAN ENERGY

Comprehensive Energy Efficiency & Renewable Energy Resource Analysis

Funding Levels – Fiscal Year 2025

April 23, 2025

Contents

LIST OF ACRONYMS

- ACE: Atlantic City Electric
- 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
- 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
- DP: Phase II Design Phase
- 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
- EM&V: Evaluation, Measurement, and Verification
- EMP: Energy Master Plan
- EO: Executive Order
- EPA: Environmental Protection Agency
- ES: Energy Storage
- ETG: Elizabethtown Gas
- EV: Electric Vehicle
- EV Law: Electric Vehicle Act
- FC: Fuel Cell
- FS: Phase I Feasibility Studies
- FY: Fiscal Year
- GRIP: Grid Resilience and Innovation Partnerships
- LMI: Low and Moderate Income
- MHD: Medium and Heavy Duty
- MOU: Memoranda of Understanding
- MUDs: Multi-Unit Dwellings
- MW: Megawatts
- MWh: Megawatt-hour
- NJ: New Jersey
- NJBPU: New Jersey Board of Public Utilities

- NJCEP: New Jersey's Clean Energy Program
- NJIT: New Jersey Institute of Technology
- NJNG: New Jersey Natural Gas
- NJSIP: New Jersey Storage Incentive Program
- OMB: Office of Management and Budget
- OSW: Offshore Wind
- OSWSP: Offshore Wind Strategic Plan
- OSWSP 2: Second Offshore Wind Strategic Plan
- OWEDA: Offshore Wind Economic Development Act
- PBI: Prebuild Infrastructure
- Pilot Program: Community Solar Pilot Program
- PJM: Pennsylvania Jersey Maryland
- PSE&G: Public Service Electric and Gas
- RAP: Rutgers Agrivoltaics Program
- RCGB: Rutgers University's Center for Green Buildings
- RE: Renewable Energy
- RFP: Request for Proposal
- RFQ: Request for Quotation
- RMI: Research and Monitoring Initiative
- RU: Rutgers University
- SAA: State Agreement Approach
- SAA 2.0: State Agreement Approach 2.0
- SBC: Societal Benefits Charge
- SES: Division of State Energy Services
- SFI: State Facilities Initiative
- SJG: South Jersey Gas
- SREC: Solar Renewable Energy Certificate
- SREC-II: Solar Renewable Energy Certificate II
- SuSI: Successor Solar Incentive Program
- TCDER: Town Center Distributed Energy Resources
- TI: Transition Incentive
- TRC: TRC Energy Solutions
- USDOE: United States Department of Energy
- USF: Universal Service Fund

HISTORY/BACKGROUND

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 Energy Efficiency ("EE") and Class I Renewable Energy ("RE") programs statewide. Collectively, these programs form New Jersey's Clean Energy Program™. 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").[1]

On January 31, 2018, Governor Phil Murphy signed Executive Order No. 8 ("EO8")[2], which directed the New Jersey Board of Public Utilities ("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 ("EO92"), which increased the goals for offshore wind energy generation to 7,500 megawatts by 2035. In September 2022, Executive Order 307 further increased the Offshore Wind ("OSW") goal to 11,000 megawatts ("MW") by 2040. In November 2022, a revised 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 ("CEA"), 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.

[1] 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.
[2] 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 Energy Solutions ("TRC") to manage the Commercial & Industrial ("C&I") EE programs. In 2007, the Board engaged Applied Energy Group ("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

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 ("EMP"). 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 EMP 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 EMP.

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.

The BPU, with guidance from other State agencies and assistance from a consultant, will coordinate the State's efforts to develop a 2024 EMP that makes 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. In December 2023, Energy and Environmental Economics, Inc. was selected as the consultant to prepare the 2024 EMP. A series of public hearings and small-group workshops were held in the Spring and Summer of 2024 to solicit input from stakeholders to help inform Staff's drafting of the 2024 EMP. Staff anticipate finalizing the 2024 EMP in the first quarter of 2025.

FUNDING LEVELS

The funding recommendations for FY25 considered NJCEP's historic results and forecasts for the year. BPU Staff ("Staff") is recommending that the Board maintain the Societal Benefits Charge ("SBC") funding level of $344,665,000 for FY25. The following table summarizes the appropriate funding levels for NJCEP's FY25 budget.

Proposed FY25 Funding Levels*		
CEP Budget Category	**FY25 New SBC Funding**	**Total FY25 Funding**
Total NJCEP + State Initiatives	**344,665,000**	**786,161,592**
State Energy Initiatives	**71,200,000**	**71,200,000**
Total NJCEP	**273,465,000**	**714,961,592**
Energy Efficiency Programs	**55,248,963**	**195,471,296**
C&I EE Programs	**19,375,745**	**55,811,570**
New Construction Programs	**35,873,218**	**60,404,447**
State Facilities Initiative	**0**	**59,991,206**
Acoustical Testing Pilot	**0**	**3,277,175**
LED Streetlights Replacement	**0**	**15,986,898**
Distributed Energy Resources	**44,039,929**	**93,188,194**

CHP - FC	14,539,929	31,500,694
Microgrids	0	1,687,500
Energy Storage	29,500,000	60,000,000
RE Programs	5,126,349	23,770,070
Offshore Wind	1,000,000	19,643,721
Solar Registration	4,126,349	4,126,349
EDA Programs	29,000,000	29,000,000
NJ Wind	22,000,000	22,000,000
R&D Energy Tech Hub	7,000,000	7,000,000
Planning and Administration	15,949,548	65,748,942
BPU Program Administration	10,000,000	10,000,000
Marketing	0	7,096,055
CEP Website	0	1,500,000
Program Evaluation/Analysis	22,638	40,399,757
Outreach and Education	5,882,117	6,602,540
Memberships	44,793	150,590
BPU Initiatives	124,100,211	307,783,090
Clean Energy Equity	16,600,211	119,524,165
Federal Grid Modernization Program State Match	25,000,000	25,000,000
Electric Vehicle Programs	82,500,000	162,258,925
Workforce Development	0	1,000,000

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

ENERGY EFFICIENCY

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. In December 2023, the utilities proposed programs for the next three-year cycle of utility programs, for implementation beginning on January 1, 2025.

Additionally, Executive Order 316 ("EO 316) directed that "[i]t is the policy of the State to advance the electrification of commercial and residential buildings with the goal that, by December 31, 2030, 400,000 additional dwelling units and 20,000 additional commercial spaces and/or public facilities statewide will be electrified, and an additional 10 percent of residential units serving households earning less than 80 percent of area median income will be made ready for electrification through the completion of necessary electrical repairs and upgrades."[3] EO 316 defined electrification as "the retrofitting or construction of a building with electric space heating and cooling and electric water heating systems."[4]

The FY25 NJCEP proposal provides continuation of EE funding for new construction programs for residential, governmental, commercial, and industrial markets, as well as the Local Government Energy Audits Program; Energy Savings Improvement Program; Large Energy Users Program; and Combined Heat and Power – Fuel Cells Program. 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

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

[3] Executive Order No. 316 (Feb. 15, 2023).
[4] Ibid.

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. Updated incentive levels became effective for all market segments on March 13, 2023, following a one-year review. A review of the incentives in the ADI Program is required every three years; in FY25, the Board will contract for consulting services to evaluate and recommend incentive levels that will be adopted in March 2026 following stakeholder input and a public comment period.

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 (dc) 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 non-substantial 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 resulting Notice of Adoption of Proposed Substantial Changes was not filed before the eighteen (18)-month expiration date and the proposal expired on August 6, 2024. On September 4, 2024,

the Board approved two re-proposed amendments to the SuSI Program rules for publication in the New Jersey Register on October 6, 2024, for a sixty (60)-day comment period. On December 18, 2024, the Board adopted the rule amendments for publication in the New Jersey Register.

The CSI Program awards Solar Renewable Energy Certificate II ("SREC-IIs") through a competitive solicitation, with separate solicitations for five market tranches: Tranche 1, basic grid supply projects; Tranche 2, grid supply projects sited on the built environment; Tranche 3, grid supply projects sited on contaminated sites and landfills; Tranche 4, net metered non-residential projects greater than 5 MW; and Tranche 5, energy storage in combination with a grid supply solar project 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 Megawatt-hour ("MWh") of solar electricity production; pre-qualified projects compete on bid price only. The annual solicitation target is 300 MW of new solar generation, and 160 MWh of energy storage paired with solar generation.

The first solicitation of the CSI Program took place in the first quarter of 2023, with the following procurement targets for each tranche:

Tranche	**Target (MW)**
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
TOTAL	**300**
5. Storage paired with Grid Supply Solar (Tranche 1, 2, or 3)	160 MWh

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 in Quarter 4 of 2023 on an expedited timeline.

The second solicitation of the CSI Program opened November 27, 2023, and closed on February 29, 2024. The total procurement target for the second solicitation remained at 300 MW, allocated as above. By Order on April 17, 2024, the Board awarded 310.21 MW of solar generation and 80 MWh of storage paired with solar generation, across 8 projects in Tranche 1: Basic Grid Supply and Tranche 3: Grid Supply on Contaminated Sites or Landfills. Projects were selected by lowest SREC-II bid price. Unbid capacity in Tranches 2 and 4 was reallocated to Tranche 1 in order to award additional competitively priced projects, as was un-awarded capacity in Tranche 3 after awards were made in that tranche. The Board determined that awarding competitively priced capacity over the 300 MW solicitation target was in the best interest of New Jersey ratepayers. Solicitations continue on an annual basis going forward. The Board anticipates opening the third solicitation of the CSI Program in the second quarter of 2025.

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 aimed 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 December 31, 2024, 112 community solar projects with 170 MW capacity have come online, and they serve more than 20,000 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 Public Service Electric and Gas ("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 April 11, 2024, the tranches for Jersey Central Power and Light Company, Atlantic City Electric Company ("ACE"), and Rockland Electric Company also closed to new registrations as capacity filled for each tranche. Pursuant to L. 2023, c. 200, signed by Governor Murphy on January 4, 2024, the Board opened an additional 275 MW of capacity during Energy Year 2024. As of January 15, 2025, 495 MW of capacity has been subscribed. Staff anticipates an additional allocation of 250 MW before the end of EY25. During FY25, the Board contracted for escrow services, as Community Solar projects are required to post escrow with the Board, the amount of which will be reimbursed to the applicant when the registered Community Solar project commences commercial operation.

To further support cost savings for low-income ratepayers by making solar more accessible, the Board submitted a $250 million Solar for All grant application to the Environmental

Protection Agency ("EPA") in 2023. In April 2024, New Jersey was awarded $156,120,000 that will be administered through the Board to accelerate the clean energy transition in underserved communities.

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. 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.

On June 10, 2024, preliminary draft rules for the Dual-Use Solar Energy Pilot Program were issued for public comment. Written comments were due on June 24, 2024; 18 written comments were received from 25 entities.

On October 23, 2024, the Board approved a notice of proposal to amend its existing solar energy rules to include the Pilot Program to be codified at N.J.A.C. 14:8-13 as a new subchapter with amendments to the SuSI Program rules set forth at N.J.A.C. 14:8-11. The Pilot Program is designed to provide incentives to agrivoltaics solar facilities as an adder, or an additional financial incentive, to incentives available under the SuSI Program. The approved Notice of Proposal for the Pilot Program was published December 2, 2024, to the New Jersey Register for a sixty (60)-day written comment period. Staff hosted a virtual

information session on the Dual Use Pilot Program proposed rules on December 17, 2024.

By Board Order on October 23, 2024, and corrected on January 2, 2025, the Board established the Pilot Program. On January 6, 2025, the Board issued a Notice of Incentive Availability ("NOIA"), inviting all interested parties to submit Expressions of Interest ("EOIs") for pre-qualification in the Dual-Use Pilot Program; the deadline for submission of EOIs is February 14, 2025. Staff anticipates evaluating the EOIs, in partnership with RU and State agencies including NJDEP and NJDA, and issuing determination letters to invite full applications to the Dual-Use Pilot Program in the second quarter of 2025.

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 MW 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 Pennsylvania Jersey Maryland ("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 a Request for Quotation ("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 New Jersey ("NJ") ratepayers hundreds of millions of dollars.

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 NJ's natural resources and wildlife.

In September 2022, Governor Murphy signed EO 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 created by EO 307, in April 2023, the Board initiated the second use of the SAA 2.0 ("SAA 2.0"). In February 2024, the Board issued an RFQ to retain a consultant to support Board Staff with SAA 2.0.

In April 2023, the Board issued an RFQ for a consultant to assist Staff in the development of a second Offshore Wind Strategic Plan ("OSWSP 2"). In July 2023 a consultant for the second OSWSP was retained. Work on the OSWSP 2 is currently ongoing.

To maximize the benefits of the SAA awards, the Board is pursuing a transmission corridor called the Prebuild Infrastructure ("PBI"), for qualified offshore wind projects. In November 2023, the Board issued a solicitation for the PBI. Applications from that solicitation were received in April 2024 and evaluation by Staff and Staff's consultants is currently underway.

In January 2024, the Board retained a consultant to assist Board Staff with the fourth OSW solicitation. The Board issued its fourth Solicitation for between 1,200 and 4,000 MW in April 2024. In February 2025, the fourth Solicitation ended and no awards were made due to uncertainties with the remaining project bidder, and questions and concerns raised by federal actions with respect to permitting. Ongoing efforts are continuing to evaluate future OSW solicitation opportunities and needs.

In FY25, funding is requested for specific activities, including continued funding for the Rutgers University Center for Ocean Observing Leadership work, continued funding for a consultant to assist Staff in the OSW Strategic Plan, continued funding for the National Offshore Wind Research and Development Consortium, and the ongoing Wind Institute activities.

OTHER DISTRIBUTED ENERGY RESOURCES

Microgrids

In 2012, Superstorm Sandy gives NJ an energy resilience wake up call. In 2014, NJBPU funded the New Jersey Institute of Technology Town Center Distributed Energy Resources Potential Report. In 2015, the EMP 2015 Update called for increasing the use of microgrids. In 2016, NJBPU releases a Microgrid Report. Between 2017 and 2019, NJBPU established a Town Center Distributed Energy Resources Microgrid Incentive Program Phase I Feasibility Studies, and provided $2 million funding assistance for thirteen municipalities/county entities to prepare FS reports. In 2020, NJBPU Staff solicited DP incentive applications from FS participants, received 11 applications, and recommended funding 8 applications. In 2021, NJBPU entered into MOUs and granted awards totaling $3.75 million for 7 awardees. Between 2022 and 2024, engineering designs were prepared by awardees via their consultants. In 2024, the NJBPU approved DP MOU extensions.

Energy Storage

In 2018, Governor Murphy signed the CEA into law. The Act establishes two goals for energy storage: 600 MW by 2021 and 2,000 MW by 2030. The Act directed BPU to implement a program to achieve the goals. In FY19, the Board retained RU to conduct an analysis of energy storage ("ES") in NJ pursuant to the CEA. 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 April 7, 2021. The second CSI solicitation, announced awards in April of 2024, including 80MWh of storage paired with solar generation. Phase Two of the energy storage program was launched in September 2022 with the issue of a straw proposal and stakeholder process for the New Jersey Storage Incentive Program ("NJSIP"). In 2023, BPU issued a Request for Information to solicit and receive further stakeholder commentary. Staff, with assistance from a consultant, released a revised Straw Proposal in November 2024 and anticipate providing a recommendation to the Board for Phase 1 of the NJSIP implementation in the first half of 2025.

Grid Modernization

To support the integration of distributed energy resources into the electric transmission and distribution system on NJ, 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 come to a rule proposal, which was approved by the Board for posting in the NJ Register on April 30, 2024. The remaining five recommendations are being pursued through industry expert workgroups that launched in the second half of 2024.

Additionally, Staff submitted a $27 million grant application to the United States Department of Energy ("USDOE") as part of the Grid Resilience and Innovation Partnerships ("GRIP") grant program on April 17, 2024. The BPU's GRIP application seeks to expand distributed energy resource hosting capacity in constrained circuits in ACE's service territory. ACE and Electric Power Research Institute are partners on the proposal. To upgrade our grid to support more modern uses and spur clean energy investments, the BPU is allocating $25 million to serve as federal grant matching funds for applications related to the innovative and modern use of the grid.

BPU INITIATIVES

Clean Energy Equity

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 programs, including much of the EE work overseen by the OCEE, is addressed under Strategy 3 of the 2019 EMP. In addition, the Comfort Partners Compliance Filing further outlines the work that is being performed through this program.

ELECTRIC VEHICLES

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 Electrical Vehicles ("EVs") and the development of supporting plug-in EV charging infrastructure.[5] 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. At least 330,000 registered light-duty, plug-in EVs in NJ by December 31, 2025, and at least 2 million EVs registered in NJ by December 31, 2035.
2. At least 85% of all new light-duty vehicles sold or leased in NJ shall be plug- in EVs by December 31, 2040.
3. At least 25% of State-owned non-emergency light duty vehicles shall be plug-in EVs by December 31, 2025.
4. 100% of State-owned non-emergency light-duty vehicles shall be plug-in EVs 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. Establishment of goals by the DEP, in consultation with the Board for vehicle

[5] N.J.S.A. 48:25-3 to -11.

electrification and infrastructure development for medium and heavy duty vehicles by December 31, 2020.

In FY21-FY24, NJCEP continued to advance those goals in a variety of different ways. The Board approved four Electric Distribution Companies petitions to launch light-duty EV public charging, and Staff is working with utility staff to ensure the successful implementation of those programs. Staff sought stakeholder input on the subject of Medium and Heavy Duty ("MHD") EV charging to provide multiple opportunities for input on MHD investment and on mechanisms for rate recovery and rate setting for MHD EV charging. Additionally, the Board approved Minimum Filing Requirements for MHD Plans on October 23, 2024, with the Electric Distribution Companies required to file their MHD Plans within 120 days of Board Order approval for Staff review.

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 EVs in the State and assist NJ residents in making the switch to driving EVs 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 continue to implement an incentive program which moves the State forward on transportation electrification, while decreasing greenhouse gas emissions. Staff launched the post-purchase incentive in May 2020 and the point-of-sale incentive began in July 2021. Since the launch of CUNJ over $120 million has incentivized over 36,000 EVs.

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, in the second year of the program over 4,000 chargers received over $1 million in incentives.

The EV Law also established goals to encourage the State-owned non-emergency light-duty vehicle EV adoption. The EV Law calls for at least 25 percent of the fleet to be plug-in EVs by December 31, 2025, and 100 percent by December 31, 2035. In order to achieve those goals, after a successful pilot program utilizing the 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 NJ, reducing range anxiety for our residents, and encouraging EV driving tourists to choose NJ as their tourism destination. In FY24, the EV Tourism, Clean Fleet, and MUD programs continued and have provided significant funding to hundreds of additional chargers, in February 2024 began to be administered by the same entity that administers the CUNJ program. In FY24, Staff added funding for an E-Mobility Pilot Program; due to staff constraints that program creation will continue into FY25. Staff proposes to continue all the Clean Transportation programs from FY24, as well as adding funding for an MHD Depot charging program as envisioned by A4794 and funding

for a Vehicle to Grid School Bus Pilot in consultation with DEP's School Bus Program, which is also funded in this budget.

STATE ENERGY SERVICES

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. 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[6] and on November 13, 2019[7]. 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.[8]

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 Heating, Ventilation and Air Conditioning 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. DPMC-led projects are given project numbers and bid through the State's procurement process. All issued RFPs are available through NJStart. Additionally, the BPU allocation of RGGI funding is anticipated to support the SFI DEP Parks upgrade.

OUTREACH AND EDUCATION

In FY25, 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

[6] In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. QO17010075, Order dated February 22, 2017.
[7] In re the Memorandum of Understanding Between the New Jersey Division of Property Management and Construction, Department of Treasury and the New Jersey Board of Public Utilities Regarding the State Facilities Initiatives Program
[8] 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. EO21020265, Order dated February 17, 2021.

reduction plans.

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

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 FY25, 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.

Funding in FY25 was 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.

In addition to the above-mentioned studies, Staff developed the Equity and Rates Study. The purpose of this project was to evaluate the effectiveness of current assistance programs and the design of rates and tariffs and to examine the extent to which they protect low- and moderate-income ("LMI") customers from increasing energy burden due to impacts of the clean energy transition. Drawing upon experiences in other jurisdictions, literature studies, and current assistance programs and rate design in NJ, a consultant working with Staff will provide recommendations for policies, programs, and changes to rate design to provide a progressive and equitable approach to energy costs for LMI households.

SBC COLLECTION SCHEDULE

For FY25, the allocation of the funding to utilities is based on the statewide Universal Service Fund ("USF") 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

	2022-23 Estimated Retail Revenues (000)*	% of Total Revenues
Electric	$7,792,555	63.78%
Natural Gas	$4,424,411	36.22%
Total	$12,216,966	100.00%

Year	Total Funding Level	Electric	Natural Gas
Allocation %		**63.78%**	**36.22%**
FY25	$344,665,000	$219,843,533	$124,821,467

*** Retail revenues from PSE&G USF filing Attachment A dated June 28, 2023**

Projected Sales Volumes														
Estimates of Normalized Jurisdictional Sales														
Units in (000s)														
	2023	2023	2023	2023	2023	2023	2024	2024	2024	2024	2024	2024		
	July	August	September	October	November	December	January	February	March	April	May	June	Total	
Gas Therms*														
NJNG	20,484	19,847	19,963	36,678	72,233	113,636	137,753	119,195	95,398	53,352	29,953	20,761	739,254	16%
SJG	21,425	19,102	21,212	21,922	34,323	65,064	93,722	92,482	80,805	54,392	31,615	23,459	559,524	12%
PSE&G	76,490	66,959	72,280	104,519	221,774	380,288	464,794	475,549	399,805	266,088	151,563	94,883	2,774,992	60%
ETG	20,444	20,536	20,002	21,036	38,466	65,554	82,327	83,573	69,854	53,767	31,605	20,476	527,640	11%
Total	138,843	126,444	133,458	184,155	366,797	624,542	778,595	770,798	645,861	427,600	244,736	159,580	4,601,410	100%
Electric MWH														
PSE&G	3,874,591	3,864,288	3,480,104	2,983,244	2,880,566	3,284,901	3,361,212	3,146,862	3,098,537	2,820,087	2,702,927	3,142,034	38,639,355	57%
JCP&L	1,989,661	2,126,400	1,943,235	1,529,494	1,360,696	1,507,575	1,694,934	1,641,053	1,577,097	1,395,325	1,306,240	1,544,503	19,616,213	29%
ACE	889,070	971,871	912,190	630,978	614,361	639,859	741,892	697,376	643,928	604,628	550,196	696,563	8,592,911	13%
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	6,909,613	7,119,288	6,480,448	5,259,543	4,958,353	5,546,516	5,925,946	5,596,751	5,428,164	4,923,998	4,658,166	5,505,853	68,312,639	100%
*Gas sales exclude wholesale therms														
Source: 6/28/23 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

FY25	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
PS-Electric	$12,469,197.93	$12,436,040.70	$11,199,660.83	$9,600,667.25	$9,270,230.17	$10,571,460.20	$10,817,043.62	$10,127,222.24	$9,971,703.88	$9,075,595.52	$8,698,552.16	$10,111,683.27	$124,349,057.78
JCP&L	$6,403,121.34	$6,843,173.17	$6,253,714.67	$4,922,212.55	$4,378,987.10	$4,851,673.34	$5,454,631.11	$5,281,230.96	$5,075,409.99	$4,490,431.11	$4,203,738.43	$4,970,514.00	$63,128,837.76
ACE	$2,861,202.96	$3,127,671.75	$2,935,606.13	$2,030,612.06	$1,977,134.90	$2,059,192.13	$2,387,553.88	$2,244,292.65	$2,072,286.74	$1,945,811.67	$1,770,640.36	$2,241,676.91	$27,653,682.14
RECO	$502,975.24	$504,384.81	$466,377.90	$372,754.11	$330,605.38	$367,456.96	$411,633.15	$358,700.24	$349,499.42	$334,557.33	$317,964.31	$395,046.56	$4,711,955.41
NJN	$555,672.24	$538,398.17	$541,539.89	$994,954.56	$1,959,457.68	$3,082,575.12	$3,736,799.04	$3,233,368.29	$2,587,831.70	$1,447,270.61	$812,538.04	$563,173.91	$20,053,579.25
SJG	$581,188.13	$518,175.14	$575,423.84	$594,686.67	$931,068.15	$1,764,987.19	$2,542,366.71	$2,508,733.32	$2,191,970.55	$1,475,493.53	$857,614.02	$636,379.60	$15,178,086.86
PS-Gas	$2,074,916.03	$1,816,376.17	$1,960,722.50	$2,835,256.55	$6,016,028.94	$10,315,996.00	$12,608,360.48	$12,900,117.01	$10,845,430.43	$7,218,121.35	$4,111,414.21	$2,573,882.49	$75,276,622.14
ETG	$554,580.06	$557,075.73	$542,590.02	$570,639.12	$1,043,459.04	$1,778,269.49	$2,233,267.11	$2,267,067.09	$1,894,914.68	$1,458,526.03	$857,342.15	$555,448.12	$14,313,178.65
Total	$26,002,853.93	$26,341,295.62	$24,475,635.80	$21,921,782.88	$25,906,971.37	$34,791,610.43	$40,191,655.11	$38,920,731.80	$34,989,047.39	$27,445,807.14	$21,629,803.66	$22,047,804.87	$344,665,000.00

CONCLUSION

In February 2023, Governor Murphy's EO315[9] directed 100% of the electricity sold in the state to be derived from clean sources of electricity by January 1, 2035. Staff's FY25 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 NJ on the path toward achieving the Governor's clean energy goals.

[9] Executive Order No. 315.

Charge Up New Jersey

Fiscal Year 2025 Compliance Filing

April 23, 2025

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Table of Contents

I. Introduction

This Fiscal Year 2025 ("FY25") Compliance Filing provides the program description for the Charge Up New Jersey Program (the "Program"), administered by the New Jersey Board of Public Utilities ("BPU" or the "Board") and its Division of Clean Energy ("DCE"). The Charge Up New Jersey Program was developed in accordance with S-2252, L. 2019, c. 362, codified at N.J.S.A. 48:25-1 to -11 ("EV Act"), and amending, in relevant part, N.J.S.A. 48:3-60(a)(3), which directed the Board to establish and implement a program to incentivize the purchase or lease of new light-duty plug-in electric vehicles ("EV") in the State of New Jersey, as well develop an incentive for residential, at-home EV charging equipment.

II. Program Purpose and Strategy Overview

The Program was mandated by the signing of S-2252 into law on January 17, 2020, by Governor Murphy. The Program has been developed in three phases. Phase One of the Program enabled New Jersey residents who purchased or leased an eligible EV between January 17, 2020, and December 15, 2020, to apply for an incentive post-purchase. Phase Two provided an incentive at the point of sale. The vehicle incentive is supported by the 10-year, non-lapsing Plug-in Electric Vehicle Incentive Fund in the amount of $30 million annually, funded by the societal benefits charge ("SBC"). Phase Three, launched in July 2022, provides the Electric Vehicle Charger Incentive. This FY25 Compliance Filing covers Phases Two and Three of the Program.

The FY25 Program launched in two-phases, first on July 10, 2024 with a flat rate incentive, and then on September 17, 2024, an additional incentive for lower income applicants was introduced. The increased income-based incentive, Charge Up+ is not available retroactively if an applicant purchased or leased an eligible vehicle prior to the introduction of the additional incentive.

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

Phase Two – The Point-of-Sale Vehicle Incentive: In the summer of 2021 Phase Two launched, following Board approval. Phase Two was designed to further simplify the process for applicants, so that the applicant benefits from the incentive at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive is applied in full directly at the time of the point-of-sale ("POS") or transaction, and all documentation is facilitated by the salesperson or representative at the dealership or showroom. The incentives are paid by the Program Administrator to the dealership or showroom to reimburse them in full for the incentives paid to consumers.

The total amount of the FY25 Charge up New Jersey Program was approximately $33 million, which included $3 million in estimated carryforward funding from FY24. In addition to the $30 million allocated from the Clean Energy Fund, an additional $20 million was appropriated from the State General Fund to support.

Phase Three – The Electric Vehicle Charger Incentive: P.L. 2019, c. 362 authorized the BPU to develop and launch an incentive of up to $500 for at-home, residential EV charging equipment, funded through the SBC. As a result of feedback received during the stakeholder process for the Charge Up New Jersey Program, the Phase Three incentive amount was established at $250 when Phase Three launched in July 2022 during FY23. The FY25 budget

was estimated at $4.5 million, which included an estimated $3.5 million in carryforward funding from FY24 for this program.

III. Program Description

The intent of the Charge Up New Jersey Program is to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State and assist New Jersey residents with making the switch to driving electric, consistent with N.J.S.A. 48:25-4(a). The FY25 Charge Up New Jersey Program ("FY25 Program") addresses the key market barrier of vehicle cost by offering a financial incentive at the point-of-sale – the time at which the applicant takes possession of the vehicle. Eligible applicants that have purchased or leased an eligible vehicle on or after the launch of the FY25 Program can receive the incentive at the time of the transaction at participating New Jersey dealerships or showrooms ("Dealerships or Showrooms"). Eligible FY25 Program applicants that have ordered an eligible vehicle on or after the launch of the FY25 Program can receive the incentive at the time they take possession of the vehicle and complete the sales or lease transaction. Specifically, they will receive their incentives as a line-item deduction on their purchase or lease contract that directly reduces the price they pay for the vehicle. The Dealership or Showroom will then apply for reimbursement from the Program Administrator who will process such applications on a first-come, first-served basis and reimburse Dealerships and Showrooms for the cost of the incentives they provided to eligible recipients.

The FY25 Program will follow the guidelines set by the EV Act and utilize best practices from similar incentive programs in other states.

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

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

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

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The Program seeks to support New Jersey residents who purchase or lease an eligible EV by providing an incentive at the POS. Applicants must meet the following requirements in order to be eligible to receive the vehicle incentive. The eligibility requirements will be checked by the dealer or showroom representative prior to completing the transaction to ensure the applicant meets the criteria to receive a POS incentive.

The applicant must:

1. Be a resident of the State of New Jersey at the time of vehicle purchase or lease, which will be verified via a current New Jersey Driver's License. Only a New Jersey Driver's License is eligible for residency verification. Utility bills, tax documentation, and other items with the applicant's address will **not** be accepted.

a. Active-duty military members stationed in New Jersey, with permanent residency in another state, **will** qualify. Current military orders will be accepted as proof of residency documentation.
b. The Charge Up New Jersey Program is limited to individuals only. Businesses and other commercial entities, non-profits, governments, and public entities are **not** eligible for this incentive.

2. Remain a resident of the State of New Jersey for at least two (2) years after the purchase or lease of the eligible EV that receives an incentive under the Program. This requirement does not apply to customers with permanent residency in another state who qualified for the incentive because they were active-duty military members stationed in New Jersey at the time they ordered, purchased, or leased their vehicle.
3. Acknowledge that the entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of the FY25 Point-of-Sale Program, and in the State of New Jersey at a participating Dealership or Showroom.
    a. Vehicles ordered in advance of the launch of the FY25 Point-of-Sale Program will not be eligible for an incentive.
    b. A vehicle ordered, purchased, leased, and/or delivered out-of-state is not eligible for the incentive, including vehicles ordered online and delivered outside of the State; any vehicle ordered online must be delivered in New Jersey to qualify for the incentive.
    c. New Jersey residents, or active-duty military members stationed in New Jersey, who place an order with a participating New Jersey Dealership or Showroom to deliver a vehicle in New Jersey will be deemed to have placed that order in New Jersey regardless of whether they were physically in the State at the time.
4. Agree that the Program Administrator will deem a purchase or lease completed when the purchaser or lessee of the vehicle has executed and signed a purchase contract, lease, or security agreement. The applicant must commit to not modifying the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
5. Retain ownership, or an active lease agreement, and registration of the vehicle with the New Jersey Motor Vehicle Commission for a minimum of thirty-six (36) consecutive months immediately after the vehicle purchase or lease date. Customers who lease their vehicle must ensure that their original lease agreement explicitly lists a term of 36 months or longer.
6. Acknowledge that applicants may receive only up to three (3) vehicle incentives from the Program throughout the 10-year period that the Program is active.
7. To be eligible for the Charge Up+ increased income-based incentive, applicants must meet the above requirements and submit tax documentation to the Program Administrator verifying that their most recent tax filing Modified Adjusted Gross income ("MAGI") met the following requirements before the dealership submits an application in the applicant's behalf for the order, purchase, or lease of an eligible vehicle:
    - Maximum MAGI of $75,000 for single tax filers;
    - Maximum MAGI of $112,500 for head of household tax filers; and
    - Maximum MAGI of $150,000 for joint tax filers.
    - An applicant claimed as a dependent on another taxpayer's state and/or federal income tax returns is not eligible for the Charge Up+ additional incentive.

Vehicle Eligibility

Eligible vehicle models are listed on the website. Pursuant to the EV Act, an eligible vehicle for the Program is defined as:

- A new light-duty plug-in electric vehicle with a Manufacturer Suggested Retail Price* ("MSRP") below $55,000;

- The entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of the FY25 Point-of-Sale Program;
- The order date shall be defined as the date which the customer places a down payment of any sort on the vehicle;
- Purchased or leased in the State of New Jersey at a participating Dealership or Showroom; and
- Registered in New Jersey to a New Jersey resident (or active-duty military stationed in New Jersey).

*In order to maintain a consistent and standardized approach to the MSRP cap under the Program:

- The MSRP and its impact on incentive eligibility will be taken into account only up to the point-of-sale. Any additions made to the vehicle thereafter that would otherwise alter the value of the vehicle will not alter the vehicle's eligibility for an incentive under the Program.
- The MSRP cap **will include** all line items on the purchase or lease agreement which relate to the value of the vehicle itself (including but not limited to battery upgrades, autonomous upgrades, wheel and tire packages, audio, and infotainment system).
- The MSRP cap **will not include** maintenance or vehicle care packages, additional vehicle accessories (i.e. first aid kits, floor mats, cargo nets, etc.), destination and delivery charges, tax, registration fees, title fees, and documentation fees since these line items do not relate to the value of the vehicle itself, but rather to the logistics, care, and maintenance of the vehicle.

Incentives for Eligible Vehicles

Staff of the BPU ("Staff") is primarily focused on structuring the Program's incentive amount to encourage buyers or lessors who might otherwise not have considered an EV due to cost concerns. Staff recognizes that the Program should prioritize "incentive-essential" customers; therefore, the FY25 structure provides an additional incentive to low-and –moderate income qualified applicants. This structure is a result of reviewing best practices in other states, as well as feedback gained through the stakeholder process. The resulting incentive tiers will result in the most EVs on the road and retain the spirit of the EV Act.

As such, eligible electric vehicles, up to an MSRP of $55,000, will have a fixed incentive of $2,000. Those income qualified applicants, as identified in the Applicant Eligibility requirements, will be eligible for an additional incentive in the amount of $2,000. Applicants who wish to claim the Charge Up+ additional income-based incentive will be required to pre-qualify with the Program Administrator by providing tax documentation verifying their MAGI or providing proof of participation in an approved public income-verified program. Orders, purchases and leases made before the official introduction of Charge Up+, the increased income-based incentive, are not eligible for this additional incentive.

Incentives that are reserved at the time of order must have the same MSRP at the time of order and the time of the purchase or lease transaction.

Dealerships and Showrooms are expected to calculate the correct incentive, including verifying that a low-or-moderate income participant has received pre-qualification for the additional income-based incentive by the Program Administrator before applying it. Neither the BPU nor Program Administrator are responsible for miscalculated incentive amounts. Dealerships and Showrooms shall be responsible for verifying eligible vehicle models on the program website. Vehicle models not listed on the website are not eligible for an incentive. Dealerships and Showrooms shall acknowledge that the vehicle's Original Equipment Manufacturer ("OEM") must submit a request form to the BPU to add new vehicle years, makes, and models to the program website. Dealerships and Showrooms may reach out to the Program Administrator for clarification regarding the MSRP and incentive amount prior to finalizing the vehicle transaction.

Ineligible vehicles under the Program include:

- Aftermarket plug-in hybrid EVs ("PHEV");
- Pre-owned plug-in EVs;
- EV conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood or low speed EVs;
- Electric motorcycles, as well as other two or three wheeled EVs;
- Any vehicles purchased or leased outside the State of New Jersey;
- Any vehicles purchased, ordered, or leased prior to the launch of the FY25 Program;
- Any PHEV purchased, ordered or leased on or after January 1, 2023;
- Any vehicle not on the approved eligibility list on the program website, including year, make, and model;
- Any vehicle ordered, purchased, or leased after the FY25 Program has officially paused and the BPU has proceeded to evaluate Program funding; and
- Any vehicle ordered, purchased, or leased after the FY25 Program has officially closed.

V. Program Requirements

Application Process

Phase One – The Post-Purchase Program: Eligible applicants for the Post-Purchase Program purchased their vehicles between January 17, 2020, and December 15, 2020. The application period for the Post-Purchase Program closed on March 15, 2021. FY25's Charge Up Program does not include a post-purchase incentive.

Phase Two – The Point-of-Sale ("POS") Program: Dealerships and Showrooms must enroll to participate in the Program by providing dealership and showroom contact and Automated Clearing House ("ACH") information via the dedicated Program website in advance of the Program's launch. Upon verification of information submitted through the enrollment application, representatives will gain access to a log-in portal to submit applications and check the status of existing applications on behalf of their customers. CSE provides dealerships with training on the incentive reimbursement application process and Program requirements.

For an individual to receive the incentive, they must purchase or lease an eligible EV from a participating Dealership or Showroom in the State of New Jersey. Dealership representatives will verify vehicle and applicant eligibility at the POS. After verifying eligibility, the representative will be required to reduce the contracted purchase or lease price by the full incentive amount. The incentive must be reflected as a clearly identifiable line item deduction in the contract. The representative will upload the required documentation to the Program application portal. Required documentation for each incentive application includes:

- New Jersey vehicle registration;
- Signed and executed vehicle contract;
- Proof of New Jersey Driver's License or Military Orders; and a
- Signed copy of the Program Terms and Conditions.*

Applicants who wish to claim the additional income-based incentive will be required to pre-qualify with the Program Administrator by providing tax documentation verifying their most recent tax filing MAGI. An applicant claimed as a dependent on another taxpayer's state and/or federal income tax returns is not eligible for the Charge Up+ additional incentive regardless of their income. Required documentation can include, but is not limited to:

- Tax return transcript from current or previous years;

- Alternate Proof of Income including W2's, Wage and Income Transcript, or other IRS documents;
- Bank statements or other documents for proof of income; and
- A document proving that the applicant is receiving public assistance from an approved program, if applicable. A list of approved programs is listed on the Program website.

These document requirements may also apply to the applicant's household members to ensure a complete financial picture has been presented.*

*At the time a representative applies for an incentive through the Program portal, the most current version of the Terms and Conditions will apply. In addition, an electronic signature will be accepted and considered valid for the acknowledgement and signing of the Program Terms and Conditions.

Funding will be reserved upon application submission. Dealers shall submit incentive applications through the Dealer Web Portal at https://chargeup.njcleanenergy.com. Dealerships and Showrooms may reserve funds at time of order and have fourteen (14) days from time of order to submit their application to reserve funding. If a dealership or showroom elects not to reserve funding at the time of vehicle order, they must notify the customer in writing that while eligible for the Charge Up Incentive, no funds shall be reserved until the purchase or lease transaction, at which point funding may not be available. Dealerships and Showrooms will have fourteen (14) calendar days from the purchase or lease transaction date to apply for a reimbursement of the incentive from the Program. Applications started more than fourteen (14) calendar days after the vehicle transaction is completed will be blocked from submitting an application. Once an application is started, representatives will have fourteen (14) calendar days to complete the application and submit for review by the Program Administrator. The BPU will reserve the incentive funds once the application is submitted. If the application is cancelled due to inactivity or improper documentation, the representative will need to reapply. The representative will work directly with the CSE to submit or resubmit required documents, as necessary, to meet Program requirements. Approved applications will be batched at least monthly for ACH payment issued directly to the Dealerships or Showrooms.

If the Program Administrator announces that the Program will close due to expending all available funds, there will not be an opportunity to reserve funds for orders made outside of the normal fourteen (14)-day window.

Applicant Responsibilities

Point-of-Sale applicants must obtain the incentive directly from the participating Dealership or Showroom via a deduction of the full incentive amount on their purchase or lease contract before the Program closes. Incentives will not be issued post-purchase or post-lease or after the Program has closed. Applicants must adhere to the Vehicle Eligibility and Applicant Eligibility requirements defined in Section IV above and agree to the Program Terms and Conditions in place at the time of application submission.

Applicants who wish to claim the Charge Up+ additional income-based incentive will be required to pre-qualify with the Program Administrator by providing tax documentation verifying their MAGI. This documentation may include tax transcripts, IRS Wage & Income Forms, proof of participation in another eligible income-verified program, or other IRS documents to ensure a complete financial picture has been reviewed for the applicant. The additional incentive will not be applied post-purchase, which means that pre-qualification must occur prior to the vehicle's sale or lease. Applicants who submit a pre-qualification application but purchase a vehicle before approval are in violation of the Terms and Conditions and will not receive the additional income-based incentive regardless of whether they would have otherwise been eligible.

Dealership Participation Requirements

Participating Dealerships and Showrooms shall only apply incentives to eligible applicants and vehicles in accordance with Terms and Conditions. Participating Dealerships and Showrooms must notify eligible customers

of the existence of the incentive and the enhanced incentive at the point-of-sale. Participating Dealerships and Showrooms must communicate to customers that the line-item deduction on the purchase or lease contract is a function of the Charge Up New Jersey Program. Participating Dealerships and Showrooms must deliver vehicles to customers prior to completing applications for purchased and leased vehicles. No further actions, such as additional charges, vehicle mark-ups, payment contingencies or holds, shall be taken against the customer for the incentive. The full incentive is to be applied at the point-of-sale, and the Charge Up+ additional income-based incentive requires applicants to pre-qualify prior to purchase or lease. The enhanced incentive requires applicants to pre-qualify prior to purchase or lease. Incentives may not be held until the application is approved, nor issued as a check after the transaction is completed. Participating Dealerships and Showrooms may not recover the value of the incentive from a customer in the event that an application is cancelled due to Dealership or Showroom error or penalty.

(Example: The Program Administrator denies an incentive reimbursement application because the Dealership or Showroom submitted/completed the application past the fourteen (14) calendar day deadline, or any other deadline established by the Program Administrator in accordance with the Terms and Conditions. In this scenario, the Dealership or Showroom is prohibited from clawing back or attempting to claw back the value of the incentive from the customer.)

In order to ensure consumer confidence in the Program and prevent price gouging, dealers must provide fair, transparent pricing details. Price markups that diminish the value of the State's incentive for the consumer are not permitted. Dealers may not include mark-ups or market price adjustments for which there is no specific line item or additional underlying value. The Program Administrator may therefore deny any incentive reimbursement application when the total pre-incentive price paid by the customer exceeds the MSRP without justification. For example, the Program Administrator may deny an incentive reimbursement application for a vehicle sold above MSRP when there are no line items demonstrating that the customer received additional product or service options in exchange for paying a pre-incentive price that exceeds MSRP. The Program Administrator may likewise deny an application when line-item charges for additional product or service options appear to significantly exceed their typical market value.

Dealerships and Showrooms shall be required to provide weekly order data and estimated delivery dates to the Program Administrator. Dealers are encouraged to collect all supporting documentation required for an incentive at the time of order.

Dealerships and Showrooms that violate the Terms and Conditions risk denial of incentive reimbursements to which they would otherwise be entitled. CSE may bar such Dealerships and Showrooms from continuing to participate in the FY25 Program and/or future program years.

Reservation of Incentive Funds at time of Order

In order to boost consumer confidence in the Program, the Program Administrator provides an opportunity for Dealerships and Showrooms to reserve funding at the time of order. Applications must be started within fourteen (14) calendar days of order.

If Dealerships or Showrooms do not intend to reserve funding at the time of order, they must provide written notice to the applicant that eligible vehicles will remain eligible for the incentive at the time of purchase or lease, pending availability of Program funds.

Dealerships and Showrooms that do not enter orders must provide updates to the Program Administrator regarding the number of pending orders as outlined in the Terms and Conditions.

For vehicles that reserve funding at the time of order, the MSRP at the time of order must match the MSRP at time of purchase or lease.

If the Program Administrator announces that the Program will close due to expending all available funds, there will not be an opportunity to reserve funds for orders made outside the normal fourteen (14)-day window.

Failure to Adhere to Program Requirements

If a vehicle for which an incentive payment was issued is sold, returned, or traded in, a lease is transferred or assumed by another party, or the applicant leaves the state prior to the expiration of the minimum ownership period or lease agreement in or the minimum post-purchase or lease residential period, the purchaser or lessee may be required to reimburse the Program. Exemption from the thirty-six (36)-month period in Section IV(5) or the two (2)-year residential requirement in Section IV(2) may be allowed if necessitated by unforeseen or unavoidable circumstances, such as military relocation outside the State of New Jersey, death of an applicant, or determination by the Program Administrator that the vehicle has been totaled.

To qualify for an exemption, applicants will be required to submit a written request to the Program Administrator (CSE) and include official documentation demonstrating proof of one of the above-noted circumstances. CSE will review all submitted exemption requests and respond back with either an approval, denial, or request for additional documentation within fourteen (14) days of submission. All exemption requests will be stored with the original application in the incentive processing platform. To request an exemption for a special circumstance other than those listed above, an applicant can submit a written request explaining the circumstances along with any official corresponding documentation. The Program Administrator will review the appeal request with BPU to determine if the requirements for an exemption have been met.

Changes to the Program

In the event the federal government establishes a new incentive or tax credit for EVs effective during the FY25 Program, Board Staff may reduce the amount of the Program incentive by up to fifty (50) percent to ensure the efficacy and solvency of the Program without reducing the sum of all available incentives to eligible applicants.

Appeal Process

Dealerships, Showrooms, or applicants must email their appeals to BPU Staff at EV.Programs@bpu.nj.gov within forty-five (45) calendar days of the date the Program Administrator notified them that it was denying their application or reimbursement application. The written appeal must set forth the basis for the appeal by describing the relevant issue(s) in detail and explaining why the applicant or Dealership or Showroom believes BPU Staff should grant the appeal. Dealerships' and Showrooms' and applicants' written appeal must include their contact information, a copy of the FY25 Program application or reimbursement application they submitted, and a copy of the required documents submitted with the application.

Appeals will not be granted in cases where an applicant fails to establish strict adherence to the FY25 Terms and Conditions unless an applicant establishes to the satisfaction of BPU that an exemption to the FY25 Terms and Conditions is warranted. Applicants filing an appeal on the grounds of exceptional circumstances must state the same in their appeal, must fully describe the basis of any claims, and provide any necessary documentation to support the claims. For appeals that allege exceptional circumstances, BPU in its sole discretion shall determine: (1) whether the stated reason for the exemption rises to the level of exceptional circumstances; and (2) whether

the exceptional circumstances raised and successfully supported by an applicant justify granting the appeal.

BPU Staff will review the submitted documentation and respond as soon as possible. BPU Staff will acknowledge receipt of appeals within five (5) business days of submission. If, after five (5) business days, an applicant or a Dealership or Showroom has not received an acknowledgment, they should contact the BPU at EV.Programs@bpu.nj.gov. After acknowledging receipt of an appeal, BPU Staff will review the submitted documentation and provide a substantive response as soon as possible.

False Statements

An applicant, Dealership, Showroom, or vehicle manufacturer providing a false statement in any of the information submitted to the FY25 Program may be criminally liable in accordance with applicable state or federal statutes. Any such false statement could result in incentive denial or incentive reimbursement denial and/or removal from the Charge Up New Jersey Program for a Dealership, Showroom, or vehicle manufacturer and a finding of ineligibility beyond FY25 for an applicant.

Incentive Application Submission

The Program Administrator will process all eligible incentive reimbursement applications. The Program Administrator will directly reimburse the Dealership or Showroom for the cost of providing the incentive once the Program Administrator determines that the applicant was eligible to receive it.

Ineligible Vehicles

Vehicles ordered, purchased, or leased prior to the FY25 Program's launch date are not eligible for an incentive. Vehicles ordered, purchased or leased after the FY25 Program has closed are not eligible for an incentive if a reservation was not submitted in accordance with terms and conditions of the Program. Dealerships and Showrooms shall be responsible for making this point clear at the time the vehicle is ordered or purchased and shall require the vehicle buyer or lessee to provide written acknowledgement that this information was disclosed to them.

Dealership or Showroom Location, FY25 Program Registration, Vehicles Offered, and Timing of Application Submissions

To participate in the point-of-sale program, a Dealership or Showroom must be located in the State of New Jersey and offer new, incentive-eligible vehicles for purchase or lease. In addition, dealerships and showrooms must register with the Program Administrator and enroll in the FY25 Program to be recognized as an eligible New Jersey Dealership or Showroom capable of offering the incentive at the point-of-sale ("Dealers," or "Dealership or Showroom").

Dealers or showrooms shall submit incentive reimbursement applications through the Dealer Web Portal at https://chargeup.njcleanenergy.com. Dealers or showrooms shall have fourteen (14) calendar days from the Vehicle Transaction Date to submit the application, including the required documents outlined in the Terms and Conditions. The BPU will reserve the incentive funds once the Dealer submits the application. The Program Administrator will cancel any applications not submitted and/or updated within fourteen (14) calendar days of the Vehicle Transaction Date, and the BPU will release any funds reserved for the canceled application. The Program Administrator will notify the Dealer of the cancellation via email. Dealers or showrooms are responsible for ensuring that they receive and review these email communications.

VI. Electric Vehicle Charger Incentive

Phase Three of the Program, the Electric Vehicle Charger Incentive, launched in July 2022.

Applicant Eligibility

Applicants must meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive ("Charger Incentive") offered by the Program. The eligibility requirements will be checked by the Program Administrator.

Equipment Eligibility

EV Charging station funding programs that are managed by BPU require grantees to utilize a Network Service Provider that can satisfy certain requirements ("Compliant Network Service Provider"). Under the Charger Incentive of the Charge Up New Jersey Program, only a new Level-Two EV charger capable of capturing data (also known as a "smart" or "networked" charger) intended for residential use that has been pre- approved by the State of New Jersey, is ENERGY STAR certified, and uses a Compliant Network Service Provider is eligible for an incentive. The pre-approved eligibility list of chargers that meet these requirements shall be provided on the Charge Up website and shall be updated regularly. Applicants agree to comply with all data sharing requirements as directed by the Program.

Incentives for Eligible Equipment

The Charger Incentive will utilize the same platform as Phase One of the Charge Up New Jersey vehicle incentive and operate as a post-purchase incentive. The incentive amount will be $250. The incentive will not cover the associated installation costs, permitting fees, etc., though utilities may offer incentives to install the "make ready" infrastructure for residential chargers. The incentive amount may not exceed the purchase price of the charger. To be eligible for the incentive, applicants would need to upload scanned copies of all required documents.

Required Documentation

- Proof of purchase and installation of an eligible Level-Two smart charger, either a digital or scanned hard copy, with the date of purchase clearly visible;
- Scanned photo of the serial number on the charging equipment itself; and
- New Jersey Driver's License as proof of residence and a unique identifier and a valid New Jersey EV registration showing a residential address in New Jersey;
    - One charger incentive per NJ address (including one per apartment in a Multi-Unit Dwelling); and
    - Each applicant (tracked by their New Jersey Driver's License) may receive up to two (2) charger incentives throughout the duration of the 10-year Charge Up New Jersey Program, but no more than one per address. Applicants may only receive one (1) charger incentive per EV registration (tracked by VIN number).

Waiver Process

- Upon Board Staff's determination that an applicant has shown good cause to waive the requirements set forth in Section VI, the Program Administrator shall have the authority to grant exceptions to the program parameters for the Electric Vehicle Charger Incentive.

VII. Call Center Coordination

The Program Administrator, CSE, maintains a call center for the Program, which employs thirty (30) individuals trained in processing light-duty EV incentives. The call center has a dedicated toll-free phone number and program specific email for applicant inquiries. The CSE has been working closely with the New Jersey Clean Energy Program main call center in order to create a seamless pathway for customer inquiries and Program information.

VIII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all Program participants. Staff at the CSE will verify and ensure all applications for adherence to eligibility requirements and technical information contained within this FY25 Compliance Filing. Applicant and representative information, supplied via the secure program platform, will be housed in the program database, and electronic files will be maintained containing all application documents. The State Contract Managers for the Program will perform internal quality assurance reviews on monthly program reports.

The CSE has guiding program documentation, including Standard Operating Procedures, Implementation Manuals, and quality control procedures to ensure that a rigorous standardized process is adhered to by all incentive processing specialists. The State Contract Managers for the Program will evaluate the CSE's quality control activities based on the processes documented in an approved Program Management Plan.

New Jersey's Clean Energy Program
FY 2025 Program Descriptions and Budgets

Utility Residential Low Income

Comfort Partners Program

Proposed Program Description and Budget

April 23, 2025

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 Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), New Jersey Natural Gas Company ("NJNG"), Elizabethtown Gas Company ("Elizabethtown"), Rockland Electric Company ("RECO"), Public Service Electric & Gas Company ("PSE&G"), and South Jersey Gas Company ("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. In addition to these goals, Executive Order 316 ("EO 316") has a broad directive to provide "maximum support for building electrification, with a primary focus on the needs of low- and moderate-income customers" which this Program is intended to support.[1] To achieve these objectives, several market barriers must be overcome. Key among these are: (1) lack of information on either how to improve efficiency or the benefits of efficiency; (2) low-income customers do not have the capital necessary to upgrade efficiency or even, in many cases, keep up with regular bills; (3) low-income customers are the least likely target of market-based residential service providers due to perceptions of less capital, credit risk, and/or high transaction costs; (4) split incentives between renters and landlords; and (5) the presence of health and safety barriers that prevent energy efficiency work from being completed. 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 targets low-income households in New Jersey. The target population is characterized by high-energy burdens, which is the percent of a household's median annual income that is used to pay for electricity and gas bills. Program participation is prioritized by energy use, with the goal of serving highest energy users first.

The Program is available to households with income at or below 250% of the federal poverty guidelines. Households located within a Low-Income designated census tract or NJ designated overburdened community ("OBC") census block may also qualify via the income self-certification process detailed in the Location Based Eligibility section of this document. Customers who receive aid from Supplemental Security Income, Home Energy Assistance, Universal Service Fund, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families, Section 8 Housing, Medicaid, Supplemental Nutrition Assistance Program, or General Assistance may also be

[1] Executive Order No. 316 (Feb. 15, 2023).

categorically eligible. Customers who could take advantage of Comfort Partners or engage with another State-sponsored energy saving implementation program will directly benefit from the weatherization and health and safety measures offered as part of the program.

To be eligible, 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, and the residence must be their primary home. Fuel oil and propane customers that are not good candidates for the Program will be referred to the Department of Community Affairs' Weatherization Assistance Program ("WAP") for services in conjunction with a memorandum of agreement between Comfort Partners and WAP. Customers who heat with fuel oil where WAP cannot reasonably provide critical services, such as repairing or replacing oil fired heating systems, may be considered for conversion to natural gas by Comfort Partners. In addition, customers who receive natural gas service from an investor- owned New Jersey natural gas utility and electric service from a municipal electric company will be eligible for all Comfort Partners electric and natural gas saving services. Ineligible customers are referred to either WAP, a Utility-led Moderate Income Home Weatherization Program, or a Utility-led Home Performance with Energy Star ("HPwES") Program for services. Referrals are 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 barriers to enrollment in the Program, the Comfort Partners Working Group ("Working Group") utilizes location-based eligibility ("LBE"). LBE removes the burden of income verification and creates more trust with interested, yet hesitant, potential customers. 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 or low-income Overburdened Communities ("OBCs") are eligible to participate in Comfort Partners without providing income verification documentation. Customers 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 follow the current Comfort Partners Procedures Manual suspected fraud guidelines.

Offerings and Customer Incentives

The measures considered for each home include: 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 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 DCA's 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. In addition, under the "2009 Pilot", the Program evaluates homes in order to consider repairing and installing items that may not directly save energy but are necessary for installing energy-saving measures. Examples of the type of work that is conducted under the 2009 Pilot include, but are not limited to, the remediation of mold/moisture, lead and asbestos, rodent/bug infestations, structural damage, collapsing ceilings, roof repairs, electrical repairs, major plaster repair, sewer leaks/backup, and major chimney problems including incorrect flue design. For instance, repairing a roof before installing attic insulation, as provided for in the 2009 Pilot, would fall under this category. This is only available to homes owned by the occupants and does not include renters. To account for inflation and price escalation since the inception of the 2009 Pilot, the Program is seeking to increase the spending cap for these barriers from $5000 to $7500 per project. By doing this, the Program would be able to extend its reach to more customers who are in greatest need of the assistance provided by this program.

Cost-effectiveness is assessed on a site-specific basis, excluding health and safety. All installed measures and energy education services are provided free of charge. The selection of measures designed to reduce heating and cooling is guided by a spending calculation based on past energy consumption, which 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 confers with the appropriate utility after documenting reasons for requesting to exceed the spending guideline. In cases where there is more than one utility manager that must be contacted for approval, the gas utility manager should be contacted first and they will send the request to the electric utility manager. Each utility will decide to what extent additional work can be performed.

Refrigerator or freezer replacement is 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, based on ENERGY STAR or similar efficiency standards, is eligible for free replacement with a new energy-efficient model. These values and procedures are updated to reflect changes in refrigerator efficiency.

The cost-effective installation of energy-efficient lighting products is based upon the wattage and the estimated average daily run time for the existing lamp. Domestic hot water and other custom measures are installed according to Program guidelines.

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

Delivery Methods

Electric and natural gas utilities with overlapping service territories 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, the Utilities contract with five (5) installation contractors and one (1) quality assurance contractor to perform the work in customers' homes.

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

As of fiscal year 2024, the Utilities are fully transitioned to the new web-based system, eTrack+. PSEG Services Company serves as the Contract Administrator for the agreement 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 are subject to verification and inspection by an independent contractor(s) hired by the Utilities. Quality assurance processes are continually reviewed and updated as necessary.

Program Procedures

The Program procedures, specifications, and guidelines are outlined in the Comfort Partners Procedures Manual. Those involved in the Program, including Utility representatives, contractors, and BPU Staff, must utilize this manual to guide their work within the Program.

Specifications within the manual tell installers how to install a given measure, but are not intended to provide all the information needed to do a job properly or to determine whether a given measure should be installed. The measure selection procedures provide guidance

to installers regarding the decision-making process for installing a measure and the rationale behind it.

The manual can be amended at any time as proposed by the Working Group, Comfort Partners approved contractors, or BPU Staff; however, **any changes to the manual must be approved by BPU Staff before being implemented.**

Budgets

Appendix A provides a detailed budget for the Program. An increase of $5,953,022 is being proposed for the remainder of Fiscal Year 2025. The increase in budget would allow the program to complete a backlog of work from the Fiscal Year that is due to a robust pipeline of projects. 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 as well as the development, maintenance, and support of eTrack+. 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").[2] No budget modification shall be deemed approved until BPU Staff notifies the Utilities of approval. Budget modifications will be subject to all pertinent language reflected in the February Order, which includes the following:

1. Funds may be reallocated between Utilities and line items within the Program budget provided the overall Board-approved Program budget remains unchanged, and the overall statewide administrative costs for the Program are not increased;

2. Up to 10% of the Program budget may be reallocated within the Program during any 60-day period; and

3. The Program budget may be reduced if it appears unlikely that the Program budget will be exhausted. The Program budget may be determined to be underperforming, after a review of commitments, Program goals, participation levels, performance trends and other relevant factors. The Program budget reductions shall be limited 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

[2] 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.

Goals

In the Fiscal Year 2025 Comfort Partners Program Compliance filing, the target for the number of electric service customers to be served and committed is 4,523 on a twelve-month basis from July 1, 2024 through June 30, 2025. The target for the number of natural gas service customers to be served and committed is 4,178 on a twelve-month basis from July 1, 2024 through June 30, 2025. The production goals for the program have decreased in recent years despite the budget staying the same, which is due to several factors. Vendors were granted a 4.7% Consumer Price Index (CPI) adjustment, which was incorporated into their contracts and is set to be applied at the beginning of Contract Year 3 (Fiscal Year 2024). Furthermore, inflationary pressures and rising prices of goods and materials, particularly those subject to cost-plus markup invoicing, have led to an increase in average job values. Lastly, the proposed expansion of spending on the "2009 Pilot" program necessitates additional expenditure per project.

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.[3] Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 3,521 MWH of electric and 26,700 MMBTU of natural gas during Fiscal Year 2025, with a lifetime savings of approximately 39,504 MWH of electric and 475,538 MMBTU of natural gas.

Appendix A

Fiscal Year 2025 Comfort Partners Budget

July 1st 2024 - June 30th 2025 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	$3,809,328.00	$282,560.00	$67,838.00	$65,888.00	$3,258,119.00	$134,923.00	$0.00	$0.00
JCP&L	$6,673,061.00	$530,203.00	$139,353.00	$113,853.00	$5,637,634.00	$252,018.00	$0.00	$0.00
PSE&G- Elec	$10,652,582.00	$888,648.00	$326,208.00	$275,208.00	$8,810,405.00	$352,113.00	$0.00	$0.00
RECO	$408,400.00	$70,584.00	$15,584.00	$15,584.00	$279,208.00	$27,440.00	$0.00	$0.00
NJNG	$7,648,665.00	$286,249.00	$152,249.00	$145,582.00	$6,812,440.00	$252,145.00	$0.00	$0.00
Elizabethtown	$3,843,198.00	$273,705.00	$65,811.00	$66,196.00	$3,267,485.00	$170,001.00	$0.00	$0.00
PSE&G-Gas	$24,856,025.00	$2,073,512.00	$761,152.00	$642,152.00	$20,557,612.00	$821,597.00	$0.00	$0.00
SJG	$5,039,763.00	$360,646.00	$94,033.00	$91,296.00	$4,315,715.00	$178,073.00	$0.00	$0.00
TOTAL	$62,931,022.00	$4,766,107.00	$1,622,228.00	$1,415,759.00	$52,938,618.00	$2,188,310.00	$0.00	$0.00
PSE&G - Combined	$35,508,607.00	$2,962,160.00	$1,087,360.00	$917,360.00	$29,368,017.00	$1,173,710.00	$0.00	$0.00

[3] 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.

BPU and DPMC Designated Project List
State Facilities Initiative Funds True Up FY25[i]

Agency	Contract	FY25 Total BPU Funds	Detail
Ag	Pabil Bug Lab	$5,200,000.00	HVAC
DCA	Ashby Bldg.	$4,250,000.00	HVAC
DHS	Ancora Psychiatric Hospital	$3,010,000.00	ECMs
DHS	Greenbrook Regional	$1,845,000.00	ECMs
DHS	Greystone Psychiatric Hospital	$2,500,000.00	ECMs
DHS	Trenton Psychiatric Hospital	$2,620,000.00	ECMs, Switch Gear Upgrades
DHS	Woodbine Developmental	$1,350,000.00	ECMs
DHS	Kohn Training Center	$687,000.00	Lighting, Chillers
DHS/Treasury	Hagedorn	$60,000.00	Lighting/Utility Tunnels
DOH	Northern Medical Examiner	$150,000.00	Lighting/Controls
DMAVA	Vet Haven South	$279,000.00	HVAC
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	$3,200,000.00	HVAC

DOE	Katzenbach School	$3,500,000.00	HVAC, VAV
DOL	Labor Bldg.	$1,300,000.00	HVAC
JJC Law & Public Safety	JJC Johnstone Campus	$1,350,000.00	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	$2,300,000.00 [i]	ECMs
OIT	OIT Hub	$700,000.00	Data Center
Treasury	State Museum	$390,000.00	Lighting and Controls
Treasury	225 West State Street	$900,000.00	BMS
Treasury	State Library	$80,000.00	Lighting Upgrades
Treasury	State Facility Under 250 kw	$500,000.00	Lighting Upgrades
Treasury	Roebling Building	$120,000.00	Lighting Upgrades
BPU	Energy Tracking System	$500,000.00	Energy Management
	Total Project Funding	**$60,623,000.00**	

[i] Table may not sum to line item due to timing differences, such as carryforward of project funds and payments. Funds for previously committed projects have been reallocated based on updated schedules and priorities.

[i] The BPU allocation of RGGI funding is anticipated to support the SFI NJDEP Parks upgrade