

### STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 1<sup>st</sup> Floor Trenton, New Jersey 08625-0350 www.ni.gov/bpu/

IN THE MATTER OF THE UNITED STATES ) ORDER DEPARTMENT OF ENERGY – STATE ENERGY ) PROGRAM – JULY 1, 2025 – JUNE 30, 2026 – ) MODIFICATION OF FUNDING ALLOCATION ) DOCKET NO. QO250	OF ENERGY – STATE ENERGY ) ULY 1, 2025 – JUNE 30, 2026 – )	NO. QO25030172

#### **Parties of Record:**

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

#### BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers the Division of Clean Energy's ("DCE") revised 2025–2026 State Energy Program ("SEP") Plan for submission to the United States Department of Energy ("USDOE"). Board Staff ("Staff") seeks approval to submit a revised 2025-2026 SEP Plan to USDOE that would allocate a total of \$4,787,220 in SEP funds, representing \$3,131,000 in unspent carryover funds and \$1,656,220 in new funding, to several new Market Titles in the following manner: i) \$475,000 to the Eagleton Science and Politics Fellowship Program; ii) \$450,000 to the Clean Local Energy Advisory and Resource ("CLEAR") Fellowship Program; and iii) \$3,387,220 to Clean Transportation Programs. Additionally, \$475,000 would be allocated to the Benchmarking program's budget, which represents a reduction from the previously-approved 2024-2025 SEP Plan. The new 2025-2026 SEP Plan will remove the Electric Vehicle ("EV") Programs for non-investor-owned utility ("Non-IOU") Customers Market Title, although those non-investor owned utility ("non-IOU") customers would be eligible for those same incentives under the new Clean Transportation Programs Market Title.

#### **BACKGROUND AND PROCEDURAL HISTORY**

The SEP was established in 1996 by consolidating two (2) existing programs: i) the State Energy Conservation Program ("SECP"); and ii) the Institutional Conservation Program ("ICP").<sup>2</sup> Both the SECP and ICP were established during the energy crisis of the early 1970s when there was an increase in the United States' dependence on foreign oil. Congress responded with legislation

<sup>&</sup>lt;sup>1</sup> The SEP runs from July 1 of one calendar year through and including June 30 of the following calendar year.

<sup>&</sup>lt;sup>2</sup> 61 Fed. Reg. 35,890 (July 8, 1996).

establishing a broad range of conservation programs, supporting the development of new and more efficient sources of energy, and requiring the USDOE to lead and administer the conservation effort. The SECP was established under the Energy Policy and Conservation Act of 1975, which provided funding to states for a variety of energy efficiency ("EE") and renewable energy activities.<sup>3</sup> The ICP provided schools and hospitals with technical analyses of their buildings and identified the potential savings from proposed energy conservation measures.<sup>4</sup> In creating the SEP, the USDOE combined the SECP and ICP to make it easier for states to apply for grants and to enable both the USDOE and the states to manage them more efficiently.<sup>5</sup> Thus, the USDOE currently provides federal financial assistance and technical support to the states for energy programs through the SEP.<sup>6</sup> The SEP seeks to promote the efficient use of energy and reduce the rate of growth of energy demand through the development and implementation of specific state energy programs. States must comply with USDOE rules governing these financial awards.<sup>7</sup>

To be eligible for SEP grant funding, a state must submit an annual application to the USDOE that is executed by the state's Governor or his/her designee. As part of the application, a state must address both national criteria as well as its own state-based conditions. Each state, therefore, must propose how it intends to use its allocated share of funds to address both the national criteria and that state's own specific energy conditions. The USDOE must approve the activities that the state is planning to undertake for the fiscal year concerned.

The USDOE allocates federal monies to New Jersey each year in support of the state's USDOE-approved SEP Plan, which runs for a standard project period of three (3) years with three (3) one (1)-year budget periods, contingent on the availability of federal funds.<sup>8</sup> According to USDOE rules, in the first year, applying states must submit a new application, which will be assigned a new grant number and should reflect the first year's USDOE allocation and other funding sources if applicable.<sup>9</sup> For each of the subsequent years of the project period, each grantee must submit a continuation application reflecting that year's USDOE allocation and any carryover from the previous year.<sup>10</sup>

On May 10, 2023, the Board approved the DCE's 2023–2024 SEP Plan for submission to the USDOE at a budget level of \$1,565,500.<sup>11</sup> The 2023-2024 SEP Plan planned to allocate all funds to the EV Programs for non-IOU customers for the purchase and installation of EV charging equipment and for the purchase of EVs through the BPU's active EV incentive programs during the 2023–2024 program year. These EV incentive programs included New Jersey's Charge Up

<sup>&</sup>lt;sup>3</sup> <u>Ibid.</u>

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> <u>Id.</u> at 35,891.

<sup>6 10</sup> C.F.R. § 420.3.

<sup>&</sup>lt;sup>7</sup> <u>See</u> SEP 2025 <u>Administrative and Legal Requirements Document</u>, available at <a href="https://www.energy.gov/sites/default/files/2025-01/sep-alrd-2025.pdf">https://www.energy.gov/sites/default/files/2025-01/sep-alrd-2025.pdf</a>.

<sup>8</sup> Id. at 4.

<sup>&</sup>lt;sup>9</sup> Ibid.

<sup>&</sup>lt;sup>10</sup> <u>Ibid.</u>

<sup>&</sup>lt;sup>11</sup> In re the United States Department of Energy – State Energy Program – July 1, 2023 – June 30, 2024, BPU Docket No. QO23030172, Order dated May 10, 2023.

New Jersey ("CUNJ") EV Charger Incentive Program, New Jersey's Multi-Unit Dwelling ("MUD") EV Charger Incentive Program, New Jersey's EV Tourism Program, and New Jersey's Clean Fleet EV Incentive Program. The 2023-2024 SEP Plan received USDOE approval on June 30, 2023.

On May 22, 2024, the Board approved the DCE's 2024–2025 SEP Plan for submission to the USDOE at a budget level of \$1,565,500 in new funds, plus \$1,565,500 in carryover funds from the previous year. The 2024–2025 SEP Plan allocated the entirety of the new \$1,565,500 to supporting the BPU's Energy and Water Benchmarking Program and while budgeting the \$1,565,500 in unspent carryover funds towards EV Programs for non-IOU customers. The 2024-2025 SEP Plan received USDOE approval on September 17, 2024.

On April 23, 2025, the Board approved the DCE's 2025–2026 SEP Plan for submission to the USDOE at a budget level of \$1,656,220 in new funds, plus \$3,131,000 in unspent carryover funds.<sup>13</sup> The 2025–2026 SEP Plan continued to support the Energy and Water Benchmarking Program and the EV programs for non-IOU customers, with the new funds being allocated towards the Benchmarking program.<sup>14</sup> However, USDOE staff later notified Staff that additional documentation, or a modified plan, was needed in order to receive approval.

## STAFF RECOMMENDATIONS

Staff seeks to submit a modified version of the 2025–2026 SEP Plan to reallocate unexpended funds from the Benchmarking Program and EV Programs for non-IOU customers to Market Titles as follows: 1) \$475,000 to the Eagleton Fellows; 2) \$450,000 to the CLEAR Fellows; 3) and \$3,387,220 to Clean Transportation Programs. Staff developed the recommended reallocation amounts in consultation with the programs' respective managers to assess additional funding needs.

The proposed program modification would revise the budgets and update program descriptions for the following Market Titles:

# A. Market Title: State Energy and Water Benchmarking New Proposed SEP Budget: \$475,000

The current SEP budget for the State Energy and Water Benchmarking program is \$1,565,500 which was set by the 2024-2025 SEP Plan approved by USDOE. The unapproved 2025-2026 SEP plan submitted in April 2025 proposed a total budget of \$3,221,720. The new proposed budget of \$475,000 more closely aligns with the Benchmarking program's needs.

**Program Description:** Through this Market Title, the 2025–2026 SEP Plan will continue supporting expanded access to benchmarking services to buildings over 25,000 square feet as part of the BPU's Energy and Water Benchmarking Program. It aims to do so in a number of ways, including but not limited to providing funding for the following:

<sup>&</sup>lt;sup>12</sup> In re the United States Department of Energy – State Energy Program – July 1, 2024 – June 30, 2025, BPU Docket No. QO24040208, Order dated May 22, 2024.

<sup>&</sup>lt;sup>13</sup> In re the United States Department of Energy – State Energy Program – July 1, 2025 – June 30, 2026, BPU Docket No. QO25030172, Order dated April 23, 2025.

<sup>&</sup>lt;sup>14</sup> Id.

 Utility data aggregation and access services for owners and operators of commercial buildings not required to benchmark by the New Jersey Clean Energy Act of 2018<sup>15</sup> but who would like to voluntarily benchmark, consistent with the process followed by the regulated utilities pursuant to the Benchmarking Order;<sup>16</sup>

- Utility data aggregation and access services for owners and operators of commercial buildings who are served by unregulated utility companies by offering grant funding to non-IOU electric companies and non-regulated water companies to provide these services consistent with the process followed by the regulated utilities pursuant to the Benchmarking Order;
- Deliverables from the program's Customer Relationship Management ("CRM") vendor to provide and manage a CRM system and a team to include a help desk, support outreach, manage communications, and process and review applications for exemptions from the Benchmarking Requirement with Staff oversight, as well as make final determinations on exemption applications and appeals regarding such determinations. Additionally, the CRM Vendor performs other services as needed for building owners with Staff oversight. The CRM system sends notifications to owners of buildings covered under the Benchmarking Requirement ("Covered Buildings") about pending reporting obligations and deadlines, late notices, and non-responses, as well as whether their building itself still qualifies as a Covered Building; and
- Engaging a third-party vendor or subcontractor to update the list of buildings covered by the Benchmarking Law in each future reporting year.

The proposed program modification would add the following Market Titles to the scope of work:

## A. Market Title: Eagleton Fellows New Proposed SEP Budget: \$475,000

**Program Description:** Rutgers University's Eagleton Institute of Politics administers an Eagleton Science and Politics Fellowship Program in which Doctoral-level scientists and engineers are placed within New Jersey's executive and legislative branches to apply their training and expertise in the development and implementation of State policy. DCE employs several Eagleton Fellows who support Staff work on energy storage, grid modernization, urban heat islands, and other program areas.

## B. Market Title: CLEAR Fellows New Proposed SEP Budget: \$450,000

**Program Description:** CLEAR Fellows would provide energy expertise and/or stakeholder engagement to collaborate with and provide technical assistance to local entities throughout New Jersey to enhance energy efficiency. By offering valuable resources, the fellows would support municipalities and other organizations in implementing sustainable practices that benefit both their operations and the wider community, increasing clean energy and affordability. Staff anticipates launching this program during Fiscal Year 2026.

<sup>&</sup>lt;sup>15</sup> L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et al.).

<sup>&</sup>lt;sup>16</sup> In re the Implementation of P.L. 2018, c.17 – Energy and Water Benchmarking of Commercial Buildings, BPU Docket No. QO21071023, Order dated September 7, 2022 ("Benchmarking Order").

# C. Market Title: Clean Transportation Programs New Proposed SEP Budget: \$3,387,220

**Program Description:** These programs will offer financial incentives to customers for the purchase and installation of EV charging equipment and for the purchase of EVs through the BPU's current EV incentive programs and any future EV incentive programs that the BPU offers during the 2025–2026 program year. The main difference between this Market Title and the "Electric Vehicle Programs for Non-IOU Customers" Market Title that was included in previous SEP plans is that under this new Market Title financial incentives will be available to both Non-IOU and IOU customers. BPU's current EV incentive programs include the following:

## i. CUNJ EV Charger Incentive Program

This EV program is designed to lower the overall cost of EV charger ownership. The CUNJ EV Charger Incentive Program provides a \$250 incentive for the purchase and installation of eligible Level-Two charging stations.<sup>17</sup> The SEP Plan will continue to support expanded program eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment and will provide up to fifty percent (50%) of the Make-Ready costs, or a maximum of \$5,000, for the residential chargers.<sup>18</sup>

## ii. New Jersey's MUD EV Charger Incentive Program

This EV program is designed to encourage owners and operators of MUDs to provide EV chargers for residents and guests. Awards available under New Jersey's MUD EV Charger Incentive Program include \$4,000 toward the purchase of a dual-port, networked, Level-Two EV charging station. The SEP Plan will continue to support program eligibility by offering incentives to IOU customers and expand eligibility to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment and fifty percent (50%) of the Make-Ready costs for Level-Two EV chargers or a maximum of \$5,000.

#### iii. New Jersey's EV Tourism Program

This program provides unique attractions and overnight lodging establishments with the opportunity to apply for up to six (6) Level-Two chargers and two (2) Direct Current ("DC") Fast Chargers.<sup>19</sup> The program and the EV Tourism Corridor subprogram, provide grants up to \$5,000 for an eligible Level-Two charger, or up to the cost of the

<sup>&</sup>lt;sup>17</sup> Level-Two EV charging equipment offers charging through 240-Volt (in residential applications) or 208-Volt (in commercial applications) electrical service. It is common for home, workplace, and public charging.

<sup>&</sup>lt;sup>18</sup> "Make-Ready" means the pre-wiring of electrical infrastructure at a parking space or set of parking spaces to facilitate easy and cost-efficient future installation of Electric Vehicle Service Equipment ("EVSE"), including, but not limited to, Level Two EVSEs and direct-current fast chargers. N.J.S.A. 48:25-2. More specifically, Make-Ready includes expenses related to service panels, junction boxes, conduit, wiring, etc. necessary to make a particular location able to accommodate EVSE on a "plug and play" basis.

<sup>&</sup>lt;sup>19</sup> DC Fast Chargers are a higher power output type of EVSE utilized to charge an electric vehicle from the grid. <u>See</u> EV Act, N.J.S.A. 48:25-2 ("Definitions Relative to the Use of Electric Plug-In Vehicles"), for further detail regarding what constitutes a DC Fast Charger.

charger and grants of up to \$180,000 for a DC Fast Charger. The SEP Plan will continue to support program eligibility by offering incentives to IOU customers and expand eligibility to non-IOU customers to support the purchase and installation of eligible charging equipment and fifty percent (50%) of the Make-Ready costs for Level-Two EV chargers or a maximum of \$5,000 and an incentive of fifty percent (50%) of the Make-Ready costs or a maximum of \$50,000.

#### iv. New Jersey's Clean Fleet EV Incentive Program

This program supports municipal and state governments as they transition their fleets to EVs. The program allows local and state government entities in New Jersey to apply for grants of up to \$4,000 for purchasing battery EVs, \$5,000 for public Level-Two chargers, up to \$180,000 for a DC Fast Charger, \$4,000 toward the purchase of one (1) or more fleet Level-Two EV charging station(s) that are not available to the public, 50% of the Make-Ready costs (or a maximum of \$5,000) per Level-Two charging station(s) (fleet), and fifty percent (50%) of the cost per charging station (or a maximum of \$50,000) for each eligible DC Fast Charger Make-Ready. The SEP Plan will continue to support program eligibility by offering incentives to IOU customers and expand eligibility to non-IOU customers to support the purchase and installation of eligible charging equipment and fifty percent (50%) of the Make-Ready costs for Level-Two EV chargers or a maximum of \$5,000 and up to \$50,000 for DCFC chargers.

The proposed program modification would revise the budget for the following Market Title and remove it from the scope of work:

# A. Market Title: Electric Vehicle Programs for Non-IOU Customers New Proposed SEP Budget: \$0

**Program Description:** This program was intended to offer financial incentives to non-IOU customers for the purchase and installation of EV charging equipment and for the purchase of EVs through the BPU's current EV incentive programs. Non-IOU customers do not pay a Societal Benefits Charge and therefore do not qualify for State-funded clean energy programs, including the EV programs. Non-IOU customers will remain eligible for these incentives under the new Market Title of "Clean Transportation Programs," though eligibility will be expanded to IOU customers as well.

#### **DISCUSSION AND FINDINGS**

The revised 2025–2026 SEP Plan continues to align with the goals of both the SEP and New Jersey Energy Master Plan ("EMP"). It includes the continued development and implementation of the following programs:

A. The Benchmarking Program, which will fulfill the benchmarking requirements and goals set forth in the New Jersey Clean Energy Act of 2018 and the EMP.

<sup>&</sup>lt;sup>20</sup> As authorized by the Electric Discount and Energy Competition Act (N.J.S.A. 48:3-49 et seq.), New Jersey public electric and gas utilities' rates include funding for programs that provide societal benefits such as low-income programs, gas plant remediation, nuclear plant decommissioning, social programs such as the Universal Service Fund and Lifeline, and the Clean Energy Program. <u>See also</u> N.J.S.A. 48:3-60.

B. The CLEAR Fellowship Program, which will enable a stronger foundation to help fulfill many of the EMP's goals by providing resources to municipalities and organizations to clean energy and affordability;

- C. The Eagleton Fellowship, which will support Staff's work towards several EMP goals including the following: Accelerate Deployment of Renewable Energy and Distributed Energy Resources; Maximize Energy Efficiency and Conservation and Reduce Peak Demand; and Decarbonize and Modernize New Jersey's Energy System;<sup>21</sup> and
- D. The Clean Transportation Programs, which will expand the eligibility of customers served by New Jersey's Clean Energy Program.

The Board <u>HEREBY FINDS</u> that the modifications to the 2025–2026 SEP Plan described above will enable the SEP to more effectively achieve its goals: contributing to conservation of energy, reducing the rate of growth of energy demand and resource dependence on oil, advancing State and Federal energy conservation and efficiency goals, and protecting New Jersey residents from energy supply disruption risks and vulnerabilities. Accordingly, the Board <u>HEREBY APPROVES</u> the revised 2025–2026 SEP Plan and <u>HEREBY ACKNOWLEDGES</u> the revised budgets of the aforementioned Market Titles as recommended by Staff. The Board <u>HEREBY DIRECTS</u> Staff to submit the revisions to the USDOE for approval and to take appropriate measures to implement the programs subject to and consistent with the USDOE's approval of the modifications. The Board also <u>HEREBY DIRECTS</u> Staff to submit future requests to the USDOE to extend the performance period or true-up market title budgets of the SEP Plan if necessary.

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<sup>&</sup>lt;sup>21</sup> <u>Id.</u> at 94, 136, and 173

The effective date of this Order is September 25, 2025.

DATED: September 25, 2025

**BOARD OF PUBLIC UTILITIES** 

BY:

CHRISTINE GUHL-SADOVY

**PRESIDENT** 

DR. ZENON CHRISTODOULOU

COMMISSIONER

MICHAEL BANGE COMMISSIONER

ATTEST:

**BOARD SECRETARY** 

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

IN THE MATTER OF THE UNITED STATES DEPARTMENT OF ENERGY - STATE ENERGY PROGRAM - JULY 1, 2025 - JUNE 30, 2026 - MODIFICATION OF FUNDING ALLOCATION

#### **DOCKET NO. Q025030172**

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