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Christine Guhl-Sadovy
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Michael Bange
Commissioner

Emma Rebhorn
Commissioner

Joseph Coviello
Commissioner

June 29, 2026

Re: IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR
FISCAL YEAR 2026 - TRUE-UP, REVISED BUDGETS AND PROGRAM
CHANGES

BPU Docket No. QO25040206

Agenda Date: April 22, 2026 – Agenda Item: 8B

To the Service List:

Please be advised that the New Jersey Board of Public Utilities (“Board”) has issued a non-substantive amendment of its Order dated April 22, 2026, in this matter, setting the revised FY26 budgets.

Errors within the Revised Budget Table on page 6 have been corrected as follows:

1. Total NJCEP + State Initiatives – Line Item Transfers: corrected from (33,813,723) to 0
 - a. All of the individual program line items that sum to this amount listed correctly, the corrected total can be obtained by adding the appropriate lines in the original order.
2. Total NJCEP – Line Item Transfers: corrected from (33,813,723) to 0
 - a. All of the individual program line items that sum to this amount listed correctly, the corrected total can be obtained by adding the appropriate lines in the original order.
3. Total NJCEP – Revised FY26 Budget: corrected from 692,083,321 to 725,897,044
 - a. All of the individual program line items that sum to this amount listed correctly, the corrected total can be obtained by adding the appropriate lines in the original order.
4. BPU Initiatives – Revised FY26 Budget: corrected from 407,317,936 to 441,131,659
This amount was listed correctly in the table in Appendix A on page 27.

5. Clean Energy Affordability – Revised FY26 Budget: corrected from 235,405,603 to 235,405,604
 - a. This change is due to rounding and was listed correctly in Appendix A on page 27.
6. Residential Universal Bill Credit – Revised FY26 Budget: corrected from 102,723,387 to 102,723,388
 - a. This change is due to rounding and was listed correctly in Appendix A on page 27.

Errors within the subtotal lines in Appendix A on page 26 have been corrected as follows:

1. Total NJCEP – Revised FY26 Budget: corrected from 692,083,321 to 725,897,044
 - a. All of the individual program line items that sum to this amount listed correctly, the corrected total can be obtained by adding the appropriate lines in the original order.
2. Planning and Administration – Revised FY26 Budget: corrected from 134,169,390 to 75,543,765
 - a. This amount was correctly listed in the Revised Budget Table on page 6.

No further changes have been implemented to the Amended Order, which has been re-distributed to the parties of record and the attached service list. This correction does not substantively change or alter the Board's decision as all program budget line items were correctly listed in the original order.

The Amended Order will be posted on the Board's website.

Sincerely,

Sherri L. Lewis

Sherri L. Lewis
Board Secretary



STATE OF NEW JERSEY
Board of Public Utilities
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CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY) ORDER
PROGRAMS AND BUDGET FOR FISCAL YEAR 2026)
- TRUE-UP, REVISED BUDGETS AND PROGRAM)
CHANGES) DOCKET NO. QO25040206

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Neil Hlawatsch, Esq., Atlantic City Electric Company
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 22, 2026 public meeting, where the Board considered revisions to the Fiscal Year 2026 ("FY26") budget for New Jersey's Clean Energy Program ("NJCEP") and revisions to the FY26 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

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

issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – FY26.² The Board established FY26 programs and budgets through a Board Order dated June 30, 2025.³

In 2014, the Board delegated authority to Staff to make limited modifications to the NJCEP budget so long as certain conditions are met.⁴ The Delegation Order allows for up to 10% of the Program budget to be reallocated within the Program during any 60-day period. Due to the time-sensitive nature of the changes as they relate to program continuity, Staff-delegated authority was utilized to transfer funds between the Clean Fleet, Multi Unit Dwellings (Chargers), and EV Tourism budget lines prior to the True-Up Budget being presented to the Board. Staff provided written notice to each Commissioner at least seven (7) days prior to implementing these budget revisions, as required by the Delegation Order.

In accordance with the Delegation Order, Staff provided notice of the below-described revisions to the FY26 budget, which were driven by a need to ensure that adequate funding remains available across all Electric Vehicle programs, as described in the notice⁵.

On March 16, 2026, 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 23, 2026. Public comments were accepted through April 1, 2026. The comments are summarized below.

FY26 BUDGET TRUE-UP AND REALLOCATIONS

1. *True-Up*

The FY26 NJCEP budget was established, in part, based upon an estimate of expenses expected to be incurred during Fiscal Year (“FY25”). 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 FY25 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 \$73,055,374 being available for the NJCEP, as shown in the tables below:

(In \$)

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 2026, BPU Docket No. QO25040206, Order dated June 30, 2025.

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

⁵ The NJCEP Proposed Budget – Revised Clean Transportation Budget notice, issued December 5, 2025, is available at https://nj.gov/bpu/pdf/publicnotice/Notice_FY26_EVT_Funding_Change_StakeholderMeeting_Comment-12-5.pdf.

<i>FY25 Programs/Budget Line</i>	<i>FY25 Final Budget</i>	<i>FY25 Actual Expenses</i>	<i>FY25 Year End Board Approved and Committed Carryforward</i>	<i>FY25 Actual Expenses plus Year End Commitments</i>	<i>FY25 Budget Less Actual Expenses and Commitments</i>
Total NJCEP + State Initiatives	865,461,252	328,807,621	309,282,564	638,490,185	227,371,067
State Energy Initiatives	71,200,000	71,200,000	-	71,200,000	-
Total NJCEP	794,261,252	257,607,621	309,282,564	567,290,185	227,371,067
Energy Efficiency Programs	176,578,111	40,019,751	127,371,480	167,391,231	9,186,880
Distributed Energy Resources	152,249,782	4,935,462	9,849,825	14,785,287	137,464,496
RE Programs	23,270,069	6,769,484	3,141,523	9,911,006	13,359,063
Planning and Administration	70,637,275	30,904,551	15,589,391	46,493,942	24,143,333
BPU Initiatives	371,526,015	174,978,374	153,330,345	328,308,719	43,217,296

<i>FY25 Estimated Uncommitted Carryforward</i>	<i>FY25 Budget Less Actual Expenses and Commitments</i>	<i>Difference Between FY25 Estimated Uncommitted Carryforward and Actuals</i>	<i>Other Revenues (Interest Payments)</i>	<i>Additional FY25 Carryforward and Other Revenues</i>
192,515,423	227,371,067	34,855,645	38,199,729	73,055,374

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

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

- a. Residential Universal Bill Credit (RUBC) – \$102,723,388 allocated to provide a universal bill credit to offset utility bill increases, in accordance with Executive Order - 1 (“EO1”)⁷.
- b. C&I Buildings – Decreasing the budget by \$13,184,146 based on migration of activity to the New Construction Program. Funding from LEUP that was not anticipated to be awarded this year was reallocated to RUBC.
- c. LGEA – Increasing the budget by \$2,483,003 to reflect new TRC contract rates. Additionally, projections for program applications increased.
- d. New Construction – Decreasing the budget by \$2,479,373 to reallocate funds to RUBC that were not anticipated to be awarded this year.
- e. Acoustical Testing Pilot – Decreasing the budget by \$62,626 because funding is no longer needed for this program and can be reallocated.

⁶ More information about the programs administered by the Division of Clean Energy is included in NJCEP’s FY26 revised compliance filing (“DCE Compliance Filing”).

⁷ Exec. Order No. 1 (Jan. 20, 2026)

- f. CHP-FC – Increasing the budget by \$1,567,115 to reflect new TRC contract rates. Additionally, projections for program participation increased after changes were made to eligibility.
- g. Energy Storage - Distributed – Decreasing the budget by \$5,867,478 because SBC funding is not needed in FY26.
- h. Resource Adequacy – Decreasing the budget by \$435,242 to reflect funding that is no longer needed after closing out contracts.
- i. Solar Registration – Increasing the budget by \$2,498,911 to reflect new TRC contract rates. Projections for program participation increased based off more recent activity.
- j. Program Evaluation/Analysis – Increasing the budget by \$5,098,511 to support priorities in EO1. Additional funding has been allocated for new program evaluation contracts, including a legally-mandated nuclear feasibility study.
- k. Sustainable Jersey – Decreasing the budget by \$8 to reallocate funds that will not be utilized in FY26.
- l. NJIT Learning Center – Decreasing the budget by \$15,122 to reallocate funds that will not be utilized in FY26.
- m. Outreach, System Maintenance, Other (Program Administrator) – Increasing the budget by \$77,541 to reflect new TRC contract rates.
- n. Memberships – Decreasing the budget by \$24,956 to reflect funding that was anticipated to carryforward into FY26 but was spent in FY25.
- o. Clean Local Energy Advisory and Resource Fellows – Decreasing the budget by \$1,120,000 to reallocate funds that will not be needed in FY26 to RUBC.
- p. Grid Modernization Efforts– Decreasing the budget by \$10,000,000 to reallocate funds that will not be utilized in FY26.
- q. EV Studies, Pilots, and Administrative Support – Decreasing the budget by \$1,500,000 to reallocate funds that will not be utilized in FY26.
- r. Clean Fleet – \$5,000,000 was transferred to EV Tourism in December 2025 through a Staff-approved budget change. An additional \$619,556 was reallocated to RUBC, after it became available from cancelled grants. \$2 million will be shifted from MUD to Clean Fleet in the final iteration of the FY26 True-Up budget. The total budget is decreasing by \$3,619,556.
- s. Multi-Unit Dwellings (Chargers) – \$5,000,000 was transferred to EV Tourism in December 2025 through a Staff-approved budget change. An additional \$5,603,409 was reallocated to RUBC, after it became available from cancelled grants. \$2 million will be transferred to Clean Fleet in the final iteration of the FY26 True-Up budget. The total budget is decreasing by \$12,603,409.

- t. EV Tourism - \$10,000,000 was transferred from Clean Fleet and Multi-Unit Dwellings (Chargers) in December 2025 through a Staff-approved budget change. In addition to the Staff-approved budget change, \$481,180 is being reallocated to RUBC after it became available from cancelled grants. The total budget is increasing by \$9,518,820.

3. *Reallocations and Rationale for the Comfort Partners Program*⁸

Funding between cost categories has been shifted to align with expected need in these service areas.

July 1st 2025 - June 30th 2026 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	\$3,843,199.00	\$273,706.00	\$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	\$62,931,023.00	\$4,766,108.00	\$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

July 1st 2025 - June 30th 2026 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	\$3,814,278.00	\$282,560.00	\$67,838.00	\$65,888.00	\$3,258,119.00	\$139,873.00	\$0.00	\$0.00
JCP&L	\$6,801,036.00	\$532,403.00	\$141,553.00	\$116,053.00	\$5,747,634.00	\$263,393.00	\$0.00	\$0.00
PSE&G- Elec	\$10,602,235.00	\$813,281.00	\$325,548.00	\$274,548.00	\$8,777,405.00	\$411,453.00	\$0.00	\$0.00
RECO	\$409,250.00	\$70,584.00	\$15,584.00	\$15,584.00	\$279,208.00	\$28,290.00	\$0.00	\$0.00
NJNG	\$7,653,290.00	\$286,249.00	\$152,249.00	\$145,582.00	\$6,812,440.00	\$256,770.00	\$0.00	\$0.00
Elizabethtown	\$3,869,398.00	\$293,705.00	\$65,811.00	\$66,196.00	\$3,267,485.00	\$176,201.00	\$0.00	\$0.00
PSE&G-Gas	\$24,738,548.00	\$1,897,655.00	\$759,612.00	\$640,612.00	\$20,480,612.00	\$960,057.00	\$0.00	\$0.00
SJG	\$5,042,988.00	\$360,646.00	\$94,033.00	\$91,296.00	\$4,315,715.00	\$181,298.00	\$0.00	\$0.00
TOTAL	\$62,931,023.00	\$4,537,083.00	\$1,622,228.00	\$1,415,759.00	\$52,938,618.00	\$2,417,335.00	\$0.00	\$0.00
PSE&G - Combined	\$35,340,783.00	\$2,710,936.00	\$1,085,160.00	\$915,160.00	\$29,258,017.00	\$1,371,510.00	\$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:
(In \$)

<i>FY26 Program/Budget Line</i>	<i>FY26 Initial Budget</i>	<i>Additional FY25 Carryforward and Other Revenues*</i>	<i>Line Item Transfers</i>	<i>Revised FY26 Budget</i>
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⁸ More detail about the Comfort Partners Program is included in the Comfort Partners Program FY26 revised compliance filing.

Total NJCEP + State Initiatives	869,030,671	73,055,374	-	942,086,044
State Energy Initiatives	216,189,000	-	-	216,189,000
Total NJCEP	652,841,671	73,055,374	-	725,897,044
Energy Efficiency Programs	191,406,296	1,343,708	(14,586,849)	178,163,155
C&I EE Programs	67,463,790	1,343,708	(12,044,850)	56,762,647
C&I Buildings	60,390,071	(1,139,296)	(12,044,850)	47,205,925
LGEA	7,073,719	2,483,003	-	9,556,722
New Construction Programs	69,204,679	-	(2,479,373)	66,725,306
New Construction	69,204,679	-	(2,479,373)	66,725,306
State Facilities Initiative	54,675,202	-	-	54,675,202
Acoustical Testing Pilot	62,626	-	(62,626)	-
Distributed Energy Resources	25,923,043	1,567,115	(5,867,478)	21,622,681
CHP - FC	19,323,828	1,567,115	-	20,890,943
Microgrids	731,738	-	-	731,738
Energy Storage****	5,867,478	-	(5,867,478)	-
Transmission-Scale	-	-	-	-
Distributed	5,867,478	-	(5,867,478)	-
RE Programs	7,372,116	2,498,911	(435,242)	9,435,785
Resource Adequacy	4,346,675	-	(435,242)	3,911,433
Solar Registration	3,025,441	2,498,911	-	5,524,352
Planning and Administration	70,407,798	4,638,098	497,868	75,543,765
BPU Program Administration	10,400,000	-	-	10,400,000
Marketing	7,000,000	-	-	7,000,000
CEP Website	1,423,000	-	-	1,423,000
Program Evaluation/Analysis	44,661,932	4,560,557	537,954	49,760,443
Outreach and Education	6,779,961	77,541	(15,130)	6,842,372
Sustainable Jersey	1,429,980	-	(8)	1,429,972
NJIT Learning Center	1,056,864	-	(15,122)	1,041,741
Outreach, System Maintenance, Other (Program Administrator)	4,293,117	77,541	-	4,370,658
Memberships	142,906	-	(24,956)	117,950
BPU Initiatives	357,732,416	63,007,542	20,391,701	441,131,659
Clean Energy Affordability	133,802,216	63,007,542	38,595,846	235,405,604
Community Energy Grants	13,008,268	-	-	13,008,268
Urban Heat Island Mitigation Grants	5,000,000	-	-	5,000,000
Res Low Income Improvements	65,931,023	-	-	65,931,023
<i>Comfort Partners</i>	<i>62,931,023</i>	-	-	<i>62,931,023</i>
<i>Whole House</i>	<i>3,000,000</i>	-	-	<i>3,000,000</i>
Residential Energy Assistance Payment	48,742,925	-	-	48,742,925
Clean Local Energy Advisory and Resource Fellows	1,120,000	-	(1,120,000)	-
Residential Universal Bill Credit	-	63,007,542	39,715,846	102,723,388
Grid Modernization Efforts	15,000,000	-	(10,000,000)	5,000,000
Electric Vehicle Programs	207,930,200	-	(8,204,145)	199,726,055
Plug In EV Incentive Fund****	80,873,200	-	-	80,873,200
CUNJ Administrative Fund	8,100,000	-	-	8,100,000
CUNJ Residential Charger Incentive****	5,750,000	-	-	5,750,000
EV Studies, Pilots, and Administrative Support	1,500,000	-	(1,500,000)	-

Clean Fleet	29,157,000	-	(3,619,556)	25,537,444
Multi-Unit Dwellings (Chargers)	31,750,000	-	(12,603,409)	19,146,591
EV Tourism	19,800,000	-	9,518,820	29,318,820
Electric School Buses****	15,000,000	-	-	15,000,000
School Bus V2G	4,000,000	-	-	4,000,000
MHD Depot ****	12,000,000	-	-	12,000,000
Workforce Development	1,000,000	-	-	1,000,000

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

**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.

****Statutorily mandated programs.

*****Appendix A provides greater detail on year-to-date activity and availability of program budgets.

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:

FY26 Detailed Budget - Cost Category Budgets (\$)

Program/Budget Line	Total Budget	Administration	Sales	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	508,692,115	19,750,000	7,923,000	750,000	422,097,239	-	58,171,876
Energy Efficiency Programs	54,675,202	-	-	-	54,675,202	-	-
State Facilities Initiatives	54,675,202	-	-	-	54,675,202	-	-
Acoustical Testing Pilot	-	-	-	-	-	-	-
Distributed Energy Resources	731,738	-	-	-	731,738	-	-
Microgrids	731,738	-	-	-	731,738	-	-
Energy Storage	-	-	-	-	-	-	-
Transmission-Scale	-	-	-	-	-	-	-
Distributed	-	-	-	-	-	-	-
RE Programs	3,911,433	-	-	-	-	-	3,911,433
Resource Adequacy	3,911,433	-	-	-	-	-	3,911,433
Planning and Administration	71,173,106	10,900,000	7,923,000	-	2,589,663	-	49,760,443
BPU Program Administration	10,400,000	10,400,000	-	-	-	-	-
Marketing	7,000,000	500,000	6,500,000	-	-	-	-
CEP Website	1,423,000	-	1,423,000	-	-	-	-
Program Evaluation/Analysis	49,760,443	-	-	-	-	-	49,760,443

Outreach and Education	2,471,713	-	-	-	2,471,713	-	-
Sustainable Jersey	1,429,972	-	-	-	1,429,972	-	-
NJIT Learning Center	1,041,741	-	-	-	1,041,741	-	-
Memberships	117,950	-	-	-	117,950	-	-
BPU Initiatives	378,200,636	8,850,000	-	750,000	364,100,636	-	4,500,000
Clean Energy Affordability	172,474,581	-	-	-	172,474,581	-	-
Community Energy Grants	13,008,268	-	-	-	13,008,268	-	-
Urban Heat Island Mitigation Grants	5,000,000	-	-	-	5,000,000	-	-
Residential Low Income Improvements	-	-	-	-	-	-	-
Whole House	3,000,000	-	-	-	3,000,000	-	-
Residential Energy Assistance Payment	48,742,925	-	-	-	48,742,925	-	-
Clean Local Energy Advisory and Resource Fellows	-	-	-	-	-	-	-
Residential Universal Bill Credit	102,723,388	-	-	-	102,723,388	-	-
Grid Modernization Efforts	5,000,000	500,000	-	-	-	-	4,500,000
Electric Vehicle Programs	199,726,055	8,100,000	-	-	191,626,055	-	-
Plug In EV Incentive Fund	80,873,200	-	-	-	80,873,200	-	-
CUNJ Administrative Fund	8,100,000	8,100,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,750,000	-	-	-	5,750,000	-	-
EV Studies, Pilots and Administrative Support	-	-	-	-	-	-	-
Clean Fleet	25,537,444	-	-	-	25,537,444	-	-
Multi-Unit Dwellings (Chargers)	19,146,591	-	-	-	19,146,591	-	-
EV Tourism	29,318,820	-	-	-	29,318,820	-	-
Electric School Buses	15,000,000	-	-	-	15,000,000	-	-
School Bus V2G	4,000,000	-	-	-	4,000,000	-	-
MHD Depot	12,000,000	-	-	-	12,000,000	-	-
Workforce Development	1,000,000	250,000	-	750,000	-	-	-

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

5. Program Changes

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

Compliance Filing, and the Division of Property Management and Construction and BPU Designated Project List (“DPMC/BPU DPL”).

CRA and DCE, TRC, SEP, 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.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

On March 16, 2026, Staff posted on the NJCEP website and distributed to the listservs a Notice regarding the proposed FY26 True-Up, budget revisions, and program changes. Comments were accepted through April 1, 2026. Written comments were submitted by: Bloom Energy Corporation (“Bloom”), Energy Efficiency Alliance of New Jersey (“EEA-NJ”), Isles, Mainspring Energy, Inc. (“Mainspring”), MCR Performance Solutions, LLC (“MCR”), New Jersey Division of Rate Counsel (“Rate Counsel”), New Jersey League of Conservation Voters (“NJLCV”), New Jersey Natural Gas (“NJNG”), Veronica Caward, and are summarized below, along with Staff’s responses.

Budget

Comment: NJLCV noted the carryover amount of \$73,055,374 and urges the Board to fully utilize all available funding during the FY to meet the State’s scale of needs. The commenter noted that the timely deployment of these resources maximizes program impact and ensures responsiveness to changing circumstances.

Response: Staff thank NJLCV for their comment. The carryforward is comprised of interest revenue and additional carryforward from trueing-up the FY25 budget. Staff recognize the importance of spending the allocated funding in the fiscal year but note that carryforward is necessary since awards will sometimes be made years before the actual funds will be paid out.

Comment: Rate Counsel suggested a thorough review of the State Energy Initiatives category to ensure it is not being used to fund unrelated State projects through ratepayer dollars, to comply with EDECA requirements. The commenter expressed concern that these initiatives often lack measurable energy savings metrics, clearly defined participation levels, and standardized cost-effectiveness evaluations. Rate Counsel suggested it is inappropriate to set rates to meet the requirements of the General Fund prior to that appropriation. The commenter further advised the Board to evaluate alternative funding sources, such as proceeds from the Regional Greenhouse Gas Initiative, to offset the financial burdens placed on utility bills.

Response: Staff thank Rate Counsel for their comment and reiterate that BPU has no control over the State Energy Initiatives diversion amount. The diversion amount is set by the State budget each fiscal year. The SEI will continue to be used primarily to support NJ Transit energy-related initiatives, including bus electrification and other clean energy projects, and the costs of State departments’ purchases of products in compliance with P.L. 2020, c. 117 (N.J.S.A. 13:1E-99.126 et seq.), which prohibited the provision or sale of certain single-use carryout bags, plastic straws, and polystyrene foam food service products. Staff note their work involves comprehensively considering how to allocate all available funding sources to achieve their

mission.

Comment: Rate Counsel recommended that the Board immediately return \$73,055,375 in additional FY25 carryforward and other identified revenues to ratepayers through the Residential Universal Bill Credit (RUBC). The commenter noted that these funds represent a prior over-collection from ratepayers and should be prioritized for direct relief to address the current energy affordability crisis. The commenter asserted that any other uncommitted funds that are not essential for current program operations should also be used to provide immediate credits or to reduce future collections.

Response: The \$73,055,375 is comprised of \$34,855,645 in additional carryforward and \$38,199,729 in interest revenue. The FY26 budget was based partially on estimates of prior year (FY25) spending and commitments. This results in some programs spending above or below projections in the prior year. However, this is often a problem of timing, where the obligation or planned activity still exists in the current year. Accordingly, we provide that money to programs in True-Up. The remainder of money allocated in True-Up will support the Utility Business Model Study, Nuclear Feasibility Study, and the RUBC which emerged as mandated initiatives midway through the year. In particular, the RUBC is receiving \$63 million of the additional \$73 million. Further decreases and reallocations were made in the Budget to provide funding for the RUBC for ratepayer relief. While Staff budget conservatively, there has been a concerted and successful effort to reduce the additional carryforward year over year, with the additional \$34.8 million this year representing 4% of the final FY25 Budget. Additionally, the Clean Energy Fund is an interest-bearing account, so the \$38 million that accrued in FY25 is based on available cash flow and existing interest rates.

Comment: Rate Counsel expressed support for the RUBC allocation of \$102,723,388, stating it is consistent with EO1. However, they argued that the Board has failed to engage in any meaningful analysis of the NJCEP budget, and it has over-collected hundreds of millions of dollars from ratepayers each fiscal year. Rate Counsel suggested the Board did not provide meaningful analysis of Clean Energy's spending and the source of the funds going towards the credit. They argued that although this is a credit, it is really a refund of money previously paid by ratepayers in prior years and may or may not go back to the actual ratepayer who paid the money or the amount.

Response: Staff agree that the RUBC is consistent with EO1 and an important tool for addressing affordability concerns in the near term. Staff disagree with Rate Counsel's statement that they did not engage in meaningful analysis and that funds have been over-collected. Staff's ability to budget for the RUBC is the result of budget and program analysis to determine which programs could continue to operate effectively even with reduced budgets. Further, the ability to shift funding does not mean that funds were over-collected, only that there was a shift in the Board's approach in compliance with EO1.

Comment: Rate Counsel argued that the FY26 True-Up budget does not comply with EO1 for the following reasons: 1) BPU did not "review all components of, and rationales for, the SBCs imposed on electric bills, as well as the budget of the Clean Energy Program administered by BPU," as directed in EO1; 2) outside of returning the FY25 overpayment to ratepayers, the BPU engages in little analysis of how FY26 Budget costs may be reduced to benefit ratepayers; 3) the proposed True-Up budget fails to "identify opportunities to increase support for, or investment in, energy efficiency programs for income-qualifying ratepayers to help lower those ratepayers' energy bills"; and 4) the proposed True-Up Budget fails to "consider opportunities to reduce the SBCs in effect for every electric distribution utility without compromising funding for direct energy

assistance programs or income-qualifying ratepayers, including by directing available RGGI proceeds or other resources to those programs.”

Response: Staff thank Rate Counsel for their comment but disagree that the FY26 True-Up Budget does not comply with the requirements in EO1. 1) Staff assess the NJCEP’s portion of SBC funding to ensure compliance with EDECA. NJCEP programs are designed and funded in accordance with EDECA, often addressing initiatives mandated by law. 2) Staff continue to evaluate ways to reduce costs to ratepayers. Such evaluation enabled the reallocation of substantial funds to support the RUBC and the utility business model study, which will benefit ratepayers. More detailed explanations of the analysis will be issued in the FY27 CRA. 3) Staff disagree with this claim. Staff are continuously exploring options to increase support and investment in EE programs for income qualifying ratepayers and low-income communities. The Clean Energy Affordability program staff are making efforts to improve upon longstanding programs, such as the Comfort Partners and Community Energy Plan Grants programs, such as expanding and refining the Overburdened Municipalities (OBM) definition to allow for new municipalities to access more funding through CEPG, and refining implementation measures for income-qualifying customers to provide the deepest energy savings while prudently using ratepayer dollars through the Comfort Partners program. 4) Staff concluded that reducing the SBC at this time, in addition to the diversion amounts, would require cutting programs, going against the initiatives in EO1. Staff note their work involves comprehensively considering how to allocate all available funding sources to achieve their mission.

Comment: Rate Counsel stated that the FY26 True-Up budget continues the historical practice of using unspent funds from prior fiscal years while maintaining the FY26 SBC, resulting in the overcollection of funds from ratepayers in FY26, and that the materials provided by BPU staff do not provide the necessary information, data, explanations, or time for stakeholders or the Board to assess the proposed programs and budget revisions. Rate Counsel demanded that the Board conduct and publish a rigorous, data-driven analysis of the SBC to identify pathways for reducing both existing and future collections. The commenter critiqued the historical "top-down" budgeting approach that collects approximately \$344 million annually from ratepayers without a transparent assessment of program needs or benefits. The commenter requested that the Board provide specific explanations and data for budget adjustments rather than the current cursory, incomplete justifications.

Response: Staff provide analysis and evaluation of programs throughout the year in Board proceedings and information sessions. Staff are interested in sharing additional analysis and information and, accordingly, are currently working to release a more detailed version of the CRA in FY27. Staff will continue to look for ways to provide as much time as possible for stakeholders to review. However, the FY26 True-Up Budget must be approved by the Board prior to May 1, according to EO1. Providing as much time as Rate Counsel would like is not possible.

Comment: Rate Counsel recommended that the Board fulfill its statutory mandate to perform a CRA every four years. The commenter asserted that the Board must analyze the costs and benefits to ratepayers and evaluate market barriers to ensure funds are used prudently. The commenter noted that the Board has failed to provide the statutorily required information and analysis in its documents for over 10 years.

Response: Staff thank Rate Counsel for their comment. Staff recognize the importance of meeting the CRA requirements under EDECA and are committed to providing a more detailed

CRA, starting in FY27.

Comment: NJLCV noted the funding decrease to Grid Modernization. They requested clarification on if additional support for grid modernization is planned for potential offshore wind lease settlements. They noted that a reduction in a significant area without publicly identified sources of funding raises concerns about the State's ability to support increasing levels of renewable energy integration. They emphasized the importance of continued and consistent investment in grid infrastructure to maintain reliability and achieve clean energy goals.

Response: Staff agree with NJLCV that continued investment in grid infrastructure is necessary. Staff clarify that no funding from the Grid Modernization Efforts line, or any other State funding, is planned to be used for the potential offshore wind lease settlements. The Grid Modernization Efforts line will support grid modernization innovation pilots.

Comment: Rate Counsel stated that there were several distinct numerical inconsistencies within the proposed budget tables that must be resolved before final approval can be granted. The commenter provided a detailed "math check" in their comments to demonstrate errors in the reported values for actual expenses and carryforward amounts. The commenter maintained that the Board cannot make a reasoned decision until these discrepancies are corrected and the final numbers are made public for stakeholder review. Rate Counsel recommended that the Board re-issue the corrected budget materials and allow for at least a four-week period for public stakeholder review and comment. The commenter argued that the current 12-day window is insufficient for properly evaluating over \$100 million in fund reallocations. The commenter stated that providing the factual underpinnings for decisions and adequate time for public challenges is essential for maintaining due process and a valid administrative record.

Response: Staff thank Rate Counsel for pointing out inconsistencies in the Budget tables. First, the \$400k that was overcounted in Table 1 was due to the timing of a credit that was issued for one of the MOUs. The credit was originally included in the topline figure, but not the individual Planning and Administration row leading to the discrepancy. When Staff include the credit in the Program Evaluation/Analysis line, the discrepancy is eliminated, leading to no change in the overall Budget.

In Rate Counsel's Math Check for the Budget, they incorrectly added the BPU Initiatives and Residential Low Income Improvements lines. Comfort Partners and Whole House are sub programs of Residential Low Income Improvements and, therefore, should only be counted once. The topline Clean Energy Affordability budget is correct as displayed in the True-Up Budget. Additionally, there are no inconsistencies in the Planning & Administration line.

Staff note the inconsistencies pointed out in the Allocations and Rationale table and agree with the figures that Rate Counsel provided. The inconsistent figures were mistakes. However, the amounts in the actual Budget and corresponding justifications are correct. Accordingly, Staff disagree that the Budget needs to be re-released with an additional comment period. Additionally, Staff are committed to providing as much time as possible for review of the True-Up Budget, but a 4-week comment period is not workable given EO1's True-Up deadline of May 1, 2026.

SEP

Comment: EEA-NJ commented that it supports the proposed language clarifying that all-electric buildings that are not customers of a Gas Distribution Company ("GDC") can be eligible for the program.

Response: Staff appreciate the support.

Energy Efficiency

Comment: NJLCV expressed concern regarding the decrease in the energy efficiency budget to approximately \$178 million. The commenter stated that energy efficiency is a cost-effective tool for long-term ratepayer relief and climate goals, providing ongoing savings rather than one-time payments to residents. The commenter emphasized the benefits of these programs to LMI residents.

Response: Staff recognize the importance of maintaining an adequate budget for energy efficiency programs and will continue to offer and manage these programs while adapting to the Governor's shifting priorities toward ratepayer relief and building generation capacity in the state. Staff acknowledge the benefits of EE programs to LMI residents.

Comment: NJLCV requested greater transparency regarding how utilities allocate funds between gas and electric investments. The commenter suggested that providing disaggregated data would help ensure utility investments align with state clean energy goals.

Response: In advance of each energy efficiency program cycle, the Board reviews proposed allocation of funds by New Jersey's public electric and gas utility companies. On October 30, 2024, the Board approved a second program cycle of energy efficiency programs. The Board orders for each utility can be found at <https://cleanenergy.nj.gov/programs/energy-efficiency>. Each Board order includes a summary table of approved investments by each utility. In addition, the utilities provided an overview of their budgets as part of the January 2025 monthly stakeholder meeting on slide 18, which is available at <https://cleanenergy.nj.gov/calendar/january-2025-energy-efficiency-stakeholder-meeting>. Overall, with the exception of PSE&G, gas and electric investments are disaggregated and transparent for each utility. Staff appreciate the request for greater transparency and will take this request into consideration in developing recommendations for the next cycle of programs.

CHP-FC

Comment: Bloom, NJNG, and MCR commented that they support the proposed revisions that would increase the CHP-FC program's budget, remove its manufacturer cap, and streamline its structure of incentives (essentially by eliminating distinct incentive tier for ≥40% efficient Fuel Cells).

Response: Staff appreciate the support.

Comment: NJNG, MCR, and Mainspring commented that the Board should expand the definition of CHP-FC to include linear generators. They argued that linear generators offer many environmental and energy efficiency benefits that are similar to those offered by the other technologies already included in the definition of CHP-FC. Mainspring also stated that the federal government and other states already recognize those benefits in regulations.

Response: Staff are considering a proposal to add linear generators to the definition of CHP-FC and will, among other things, consider these comments, in making its determination. It expects to make and present its decision as part of the proposed FY27 programs budget process.

Comfort Partners

Comment: NJNG advocated for increasing the budget for the Comfort Partners Program. The commenter reported that current budget caps are being reached prematurely in the fiscal year and argued that additional funding will allow more households to benefit from reduced energy bills and improved home comfort.

Response: Staff agree that Comfort Partners is an essential program for providing energy efficiency and weatherization measures to low-income households. Staff believe that the funding made available in FY26 for the Comfort Partners Program is the appropriate funding level for this program to accomplish FY26 stated goals.

Comment: NJLCV encouraged the Board to increase funding for the Comfort Partners Program beyond its current level. The commenter stated that increased funding is necessary to address inflation and high demand, ensuring that projects in the pipeline can proceed without delay.

Response: Staff agree that the Comfort Partners Program is important and beneficial to income-eligible customers. Despite increased costs due to inflation, the Comfort Partners participant goals have remained very similar over the past couple of years, even with a relatively flat budget, without sacrificing the most impactful energy saving measures in a household. Staff are consistently looking for ways to improve the Program's cost-effectiveness to ensure that the Program can provide services to the greatest number of income-eligible customers without sacrificing vital energy efficiency and weatherization measures and are considering changes to improve program effectiveness for FY27.

Comment: Rate Counsel observed that the current True-Up Budget largely maintains flat funding for energy efficiency programs specifically targeting low- and moderate-income households, such as the Comfort Partners Program. Commenter claimed that this does not satisfy the Governor's directive to identify opportunities to enhance support for these programs. The commenter argued that prioritizing these investments is necessary to address the disproportionate share of income that qualifying households spend on energy costs.

Response: While Staff agree that an increased budget would allow for increased reach to more customers, Staff are considering changes to the Program to reach more customers by increasing cost-effectiveness of the Program, rather than adding more dollars to this fund. The goal of Program evaluation and revision is to ensure that the Program provides the deepest energy-saving measures to the most eligible customers. In addition, through ratepayer bill assistance initiatives such as REAP, which is an initiative specifically for those who disproportionately struggle with paying energy bills, the Board aims to offset energy cost burdens for income-eligible households.

Whole House

Comment: NJLCV expressed concern about the potential elimination of the \$3 million Whole House Pilot Program ("WHPP") in future budgets. The commenter urged the Board to refine and improve the program based on lessons learned rather than discontinuing it to ensure continuity for low-income household.

Response: Staff note and thank the NJLCV for their comment and will take this into account when developing the FY27 budget.

Comment: EEA-NJ is encouraged by the Board's continuation of funding for the WHPP and recommended that the Board adjust the WHPP by applying lessons learned from its initial implementation in Trenton to address structural challenges. The commenter suggested incorporating the WHPP directly into Comfort Partners to streamline service or potentially relocating the pilot to Newark or Camden. The commenter further proposed that if the program remains separate, the Board should contract with a local organization to manage its administration.

Response: Staff note and appreciate EEA-NJ's recommendations. Based on lessons learned from the WHPP, Staff are considering ways to restructure the program.

Urban Heat Island

Comment: NJLCV commended the Board for maintaining \$5,000,000 in funding for Urban Heat Island Mitigation Grants. The commenter encouraged the Board to ensure the program remains robust to build climate resilience in heat-vulnerable and overburdened communities.

Response: Staff appreciate NJLCV's support and agree that there is a growing demand for funding climate resilience and cooling-efficiency initiatives, through the UHI program, in overburdened and heat-vulnerable communities. Staff will work with the Center for Urban Policy Research (CUPR) at Rutgers University to monitor and report program outcomes that will inform future program years and funding.

Bill Credits

Comment: NJLCV noted the Residential Energy Assistance Payment is level with the base allocation but represents a decrease from the FY26 total of \$92 million that included supplemental funding. They noted that the funding may have been redirected to the new Residential Universal Bill Credit. While they commended the Board for providing immediate relief to ratepayers, they emphasized that short-term bill assistance must be paired with long-term investments in clean energy, energy efficiency and electrification to reduce costs in the long-term.

Response: Staff thank NJLCV for their comment. To provide clarity, no funding from REAP was reallocated to RUBC. The \$48.7m carried forward from the previous year and was used to fund the second iteration of REAP. Staff agree that while short-term credits are helpful, investments in clean energy are the best way to reduce energy costs in the long-term.

Clean Local Energy Advisory and Resource Fellows

Comment: NJLCV noted that the Clean Local Energy Advisory and Resource Fellows ("CLEAR") program was eliminated from the budget. The commenter encouraged the Board to reconsider funding this program in future cycles as it plays a critical role in building local capacity for clean energy initiatives.

Response: Staff agree that the CLEAR initiative is an important program to build local capacity and provide municipal support in accessing clean energy program offerings. Staff are currently considering restructuring the initiative; therefore, Staff do not anticipate needing funds provided through the NJCEP budget.

Clean Transportation

Comment: NJLCV highlighted the proposed decrease in Clean Fleet Program funding to \$23.5 million. The commenter recommended that the Board improve reporting transparency regarding the percentage of total fleets that are electric to better assess progress toward statutory targets.

Response: Staff thank NJLCV for their comments and suggestions regarding the Clean Fleet Program. Staff evaluate program participation data to ensure that any reallocation of funds are carefully considered and anticipate that the reduced budget will be adequate to keep the program open based on recent participation data. Staff also acknowledge the importance of reporting transparency and continue to work towards improving these processes to assess program performance and progress towards State goals.

Comment: NJLCV noted the significant reduction in funding for electric vehicle charging in multi-unit dwellings. The commenter encouraged the Board to provide clarity on progress toward the 2025 goal of 15 percent charger coverage and to address barriers such as restrictive condominium bylaws and equitable access to charging infrastructure.

Response: Staff thank NJLCV for their comments and suggestions regarding the Multi-Unit Dwelling Program. Staff evaluate program participation data to ensure that any reallocation of funds are carefully considered and anticipates that the reduced budget will be adequate to keep the program open based on recent participation data. Staff also acknowledge the importance of reporting transparency and continue to work towards improving these processes to assess program performance and progress towards State goals. Staff recognize the deployment barriers highlighted, and note that Staff continuously monitor and evaluate market and program data with the purpose of informing program adjustment to address barriers and to ensure equitable access to charging infrastructure for residents who lack access to charging options.

Comment: NJLCV acknowledged the increase in EV Tourism program funding to \$29.3 million to support waitlisted projects. The commenter recommended providing transparency on whether this funding is intended to support broad infrastructure goals in light of potential losses from other sources.

Response: Staff thank NJLCV for their comments regarding the EV Tourism Program. Staff note that the EV Tourism Corridor subprogram was specifically designed to target deployment of EV charging infrastructure along high-impact travel corridors and to further encourage the build-out of more chargers at overnight lodging establishments, another goal of the EV Act. Overall, the goals of the EV Tourism Program are to increase deployment of chargers at corridor and community locations with the intent to increase equitable access to charging and to reduce range anxiety throughout the state.

Comment: NJLCV commended the Board for maintaining \$15 million in funding for the Electric School Bus Program. The commenter asserted that continued State leadership is vital for public health and cleaner transportation, particularly with priorities shifting at the federal level.

Response: Staff thank NJLCV for their support of the Electric School Bus Program.

Comment: NJLCV applauded the proposed \$10 million budget increase for the EV Tourism program. The commenter explained that this additional funding, when paired with existing resources, will successfully address the \$12.8 million waitlist for the EV Tourism Corridor Program and provide \$2 million to support the hotel track.

Response: Staff thank NJLCV for their support and note that the budget reallocation was noticed

on December 5, 2025. The EV Tourism Corridor program was reopened on January 9, 2026, including the additional funding for the hotel track. The application was closed on February 23, 2026, due to fully expending the budgeted funds.

Comment: NJLCV expressed concern regarding the proposed \$5 million reductions to both the Clean Fleet and Multi-Unit Dwelling programs. The commenter cautioned against decreasing these budgets, despite remaining unencumbered funds, because both programs support high-need sectors. The commenter highlighted that these programs face implementation and awareness challenges that require sustained funding and strategic marketing.

Response: Staff thank NJLCV for their comment and note that ongoing marketing efforts are underway which have led to increases in MUD and Clean Fleet applications. Staff believe the updated budget will be sufficient to meet demand this fiscal year and the shift provides additional funds to the EV Tourism Program which saw demand beyond its current budget.

Comment: NJLCV suggested that any funding increases for the EV Tourism program should be drawn from other areas of the budget rather than cutting funds for Clean Fleet or MUD programs. The commenter advocated for greater flexibility and strategic planning in how these programs are promoted and deployed. The commenter noted that while mid-year adjustments show responsiveness to program demand, continued support for critical transportation sectors remains essential.

Response: Staff thank NJLCV for their comment and note that the budget reallocation was strategically derived to maintain continuity of services in the MUD and Clean Fleet programs while providing additional funds for the EV Tourism program. Staff consistently monitor market conditions and program demand and adapt programs accordingly to maximize the public good.

Comment: Veronica Caward expressed support for the transfer of funds from the Clean Fleet and Multi-Unit Dwelling programs to address a \$12.8 million waitlist for the EV Tourism Corridor Program. The commenter explained that fully funding these applications will support rural mobility, the tourism economy, and overall state EV readiness. The commenter expressed support for using \$2 million to reopen the hotel track of the EV Tourism Corridor Program. The commenter suggests that reopening this track will ensure equitable geographic distribution and help tourism destinations align with state emissions-reduction goals.

Response: Staff thank Veronica Caward for their support. Staff note that the EV Tourism Corridor program was reopened on January 9, 2026, including the additional funding for the hotel track. The application was closed on February 23, 2026, due to fully expending the budgeted funds.

Comment: Isles expressed support for the EV Tourism program but voiced significant concern that its funding increases may come at the expense of the Clean Fleet and Multi-Unit Dwelling (MUD) programs. The commenter urged the Board to protect funding for the Clean Fleet and MUD Programs and opposes the proposed \$5 million reduction in each program budget. The commenter noted that clean fleet initiatives help address public health issues related to air pollution while facilitating shared mobility in urban areas. The commenter also asserted the MUD EV Charging program is crucial for promoting infrastructure equity and ensuring the state meets its overall clean energy objectives, highlighting the significant number of residents in urban centers live in multi-unit dwellings and are frequently excluded from standard electric vehicle incentive programs. The commenter recommended that funding for both programs be protected and that the Board should consider increasing MUD charging investments.

Response: Staff thank Isles for their comment and note that the budget reallocation was strategically derived to maintain continuity of services in the MUD and Clean Fleet programs while providing additional funds for the EV Tourism program. Staff believe the updated budget will be sufficient to meet demand this fiscal year for the MUD and Clean Fleet programs.

Comment: Isles advocated for the continued development of e-mobility programs, including microtransit and rideshare services, across state departments and agencies. The commenter referenced the success of existing all-electric community-based microtransit programs that connect residents to vital resources like jobs and healthcare.

Response: Staff recognize the importance of e-mobility programs and continue to consider options for pilot programs that would encourage e-mobility in the most impactful ways.

Comment: Rate Counsel opposed the proposed \$10 million increase for the EV Tourism program claiming there is a lack of evidence that spending over \$200,000 per charger provides a benefit to ratepayers. The commenter suggested that the high participation and large waitlist for this program may indicate that it is over-incentivized at the expense of ratepayers. The commenter argues that the Board must demonstrate a clear relationship between the program and electric vehicle adoption while balancing infrastructure development with ratepayer impacts.

Response: Staff thank Rate Counsel for their comment. Staff note that the maximum standard incentive provided by the EV Tourism program is \$180,000 per dual-port charger. Bonus incentives of fifty percent (50%) are available for chargers located in OBMs and a \$5,000 bonus incentive is available for DCFCs that are ENERGY STAR certified. As of January 13, 2026, a total of \$27,545,000 in funding had been reserved for 162 chargers bringing the average incentive to \$170,031. More information can be found at on the EV Tourism Incentive Statistics webpage: <https://chargeup.njcleanenergy.com/ev-tourism-incentive-statistics>.

The increase in incentive levels, and the corresponding increase in the budget, was implemented in response to current market conditions. At the inception of the EV Tourism program, DCFCs predominately were 50kW; however, the market has progressed and DCFC of up to 350kW are common. A 50kW DCFC can fully charge an EV in about an hour while a 350kW DCFC can charge it in about 10 minutes with a fast charging EV. Charging speed is a critical barrier to EV adoption, with 69% of respondents in a UC EPIC poll stating that EVs take too long to charge. Therefore, incentivizing faster charging is an essential strategy to increase EV adoption. This is why the EV Tourism incentive required chargers to be at least 100kW.

The association between installing EV chargers and EV adoption is well established in several studies. If people cannot charge their EV then they will not buy one. DCFC are critical to bridging the charging barrier because they provide convenient access to charging for New Jersey residents that cannot charge at home. Additionally, they allow people on extended trips to quickly charge along their route. Range anxiety, the fear that people will run out of charge and get stuck, is an additional barrier towards widespread adoption with 54% of CUNJ incentive recipients citing range anxiety as a major concern.

Building additional DCFC is essential to EV adoption because New Jersey does not have enough chargers. Using the *U.S. Department of Energy's Alternative Fuels Data Center EV Infrastructure toolbox* to reach the EV Act goal of 2 million EVs by 2035, assuming that 80% of charging will occur at home, the State will need an estimated:

- 1,284,501 single-family ports

- 103,450 shared private charging ports
- 76,479 public Level 2 ports
- 3,918 public DCFCs

As of December 31, 2025, New Jersey had 3,301 Level 2 ports and 1,908 DCFC ports meaning that significant development is still necessary to support EV adoption.

Given the importance of DCFC charging to EV adoption, Staff have an obligation to assess current market conditions and adapt the programs to use ratepayer dollars effectively. When the original incentive levels were instituted, the market primarily was 50kw DCFC; however, the market has developed significantly since the original incentive and higher level DCFC are the norm directly in response to consumers' needs. The increased incentive levels were proposed based on input and feedback collected from applicants, site owners, and EV service industry providers as well as program data on equipment costs. Staff will continue to collect cost data to ensure that incentive structures remain appropriate for current market conditions. DCFC that are 100kW+ cost roughly between \$100,000 and \$700,000 depending on the kW, configuration, and brand. Per our terms and conditions, the incentive may cover no more than 90% of the charger's cost.

Under the previous incentive level, uptake was low because the incentive level was not sufficient to encourage development given the changed market landscape. The large upfront capital investment required to install chargers is difficult for a lot of business, governments, or nonprofit entities to make despite the potential for increased revenue due to the chargers. Given current market conditions, this means many entities that would like to install chargers are not able to. However, as EV adoption increases, charger utilization will increase making traditional market incentives more impactful. Additionally, charger manufacturing costs may decrease as charger manufacturers produce at scale. The spike in participation shows that the incentive successfully attracted much needed development. As the market matures, Staff expect that incentives will no longer be necessary.

Comment: Rate Counsel recommended that the Board perform an analysis on the impact of removing \$10 million from MUD and Clean Fleet programs. The commenter highlighted that these programs provide incentives for low-income developments, government entities, and non-profits. The commenter suggested that the Board should prioritize increasing participation in these programs or reallocating funds where they provide the greatest overall benefit to ratepayers.

Response: Staff thank Rate Counsel for their comment and note that the budget reallocation was strategically derived to maintain continuity of services in the MUD and Clean Fleet programs while providing additional funds for the EV Tourism program. Ongoing marketing efforts are underway for both MUD and Clean Fleet which have led to increased applications in both programs. These marketing initiatives are ongoing, and Staff are actively working to ensure relevant stakeholders are able to take advantage of the program. Staff consistently monitor market conditions and program demand and adapts programs accordingly to maximize the public good. Staff believe the updated budget will be sufficient to meet demand for the remainder of the fiscal year.

Comment: Rate Counsel requested that the Board provide stakeholders with essential information regarding program grantees, charger locations, and specific incentive amounts. The commenter pointed out that the Board has failed to explain how an additional \$3.5 million beyond the existing waitlist will be spent. The commenter insisted that such information and analysis are required for stakeholders to provide meaningful input on the proposed budget changes.

Response: Staff are committed to ensuring stakeholders have reliable information about our programs. A list of awardees, location, and number of chargers is available on the Electric Vehicles page on the Clean Energy Website: <https://cleanenergy.nj.gov/programs/electric-vehicles?section=past-awards>. The list of FY26 awardees is available at: [0b130c3b75b189779df5fbb717a0d0fb0c0829a4.pdf](https://cleanenergy.nj.gov/programs/electric-vehicles?section=past-awards). Additionally, the list of FY25 awardees is available at: [db5bc173b45a10877b1403199e713a6b92d27cd0.pdf](https://cleanenergy.nj.gov/programs/electric-vehicles?section=past-awards). A data dashboard with many program statistics is available at <https://chargeup.njcleanenergy.com/ev-tourism-incentive-statistics>.

Workforce Development

Comment: NJLCV commented that \$1 million for workforce development is insufficient to meet the demand for the offshore wind and renewable energy sectors. The commenter strongly encouraged the Board to increase investments and engage with labor unions and educational institutions to identify workforce needs

Response: Staff recognize the job and economic growth potential associated with the deployment of offshore wind and the need for offshore wind workforce development efforts that will ensure a workforce is in place to support the industry when needed. Staff note that funding from prior budget allocations remains available for offshore wind workforce development, and Staff are exploring ways to best utilize such funds to support renewable energy workforce development. The FY26 budget reflects a reduction in funding for this fiscal year due to uncertainty around offshore wind deployment as a result of federal policy and competing funding priorities related to projects that will ease capacity market prices and help stabilize ratepayer bills. The state will reassess whether future funding should be obligated to strengthen workforce development efforts as the industry progresses in future years.

REVISIONS TO PROPOSED FY26 True-Up Budget, Compliance Filings, and CRA

Following the posting of the FY26 True Up-Budget, Compliance Filings, and CRA and stakeholder comments received in regard to the draft True-Up budget, revised budgets, and program changes, the documents were revised as follows.

1. Budget: \$2 million was transferred from MUD to Clean Fleet to fund pending applications, and RUBC was moved from Planning and Administration to BPU Initiatives.
2. DCE Compliance Filing: updated to reflect the above budget changes.

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 FY26 Budget Revisions include the True-Up, reallocations, and detailed budgets.

Staff recommend that the Board adopt and approve the Proposed FY26 Budget Revisions and the revised CRA, DCE Compliance Filing, TRC Compliance Filing, SEP 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 FY26 Budget Revisions to the EE and RE listservs, posted them on the NJCEP website, and solicited written comments about them from stakeholders and the public. Staff and the Board considered and responded to those comments. Accordingly, the Board **FINDS** that the processes utilized in developing these proposed budget revisions and programs were appropriate and provided stakeholders and interested members of the public with adequate notice and opportunity to comment.

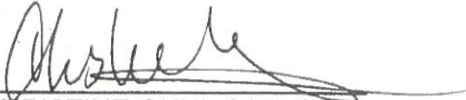
Having reviewed and considered the revised compliance filings, the Board **FINDS** that budget revisions will benefit customers and are consistent with the goals of reducing energy usage and associated emissions. Therefore, the Board **HEREBY APPROVES** the revised CRA, DCE Compliance Filing, TRC Compliance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

The Board has reviewed the FY26 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 FY26 Budget Revisions and programs recommended by Staff.

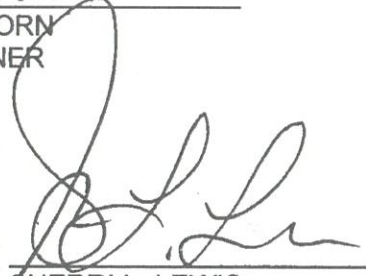
This Order shall be effective on April 22, 2026.

DATED: April 22, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT
DR. ZENON CHRISTODOULOU
COMMISSIONER
MICHAEL BANGE
COMMISSIONER
EMMA REBHORN
COMMISSIONER
JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
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 CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR
2026

DOCKET NO. QO25040206

SERVICE LIST

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Appendix A:

<i>FY26 Program/Budget Line</i>	<i>Revised FY26 Budget</i>	<i>YTD Spending</i>	<i>YTD Commitments</i>	<i>Remaining FY26 Budget*</i>
Total NJCEP + State Initiatives	942,086,044	410,004,924	505,343,154	26,737,967
State Energy Initiatives	216,189,000	216,189,000	-	-
Total NJCEP	725,897,044	193,815,924	505,343,154	26,737,967
Energy Efficiency Programs	178,163,155	29,319,343	148,843,812	-
C&I EE Programs	56,762,647	9,208,423	47,554,224	-
C&I Buildings	47,205,925	5,878,423	41,327,502	-
LGEA	9,556,722	3,330,000	6,226,722	-
New Construction Programs	66,725,306	15,975,974	50,749,332	-
New Construction	66,725,306	15,975,974	50,749,332	-
State Facilities Initiative	54,675,202	4,134,946	50,540,256	-
Acoustical Testing Pilot	-	-	-	-
Distributed Energy Resources	21,622,681	4,465,791	17,156,890	-
CHP - FC	20,890,943	4,465,791	16,425,152	-
Microgrids	731,738	-	731,738	-
Energy Storage	-	-	-	-
Transmission-Scale	-	-	-	-
Distributed	-	-	-	-
RE Programs	9,435,785	3,803,862	4,909,079	722,844
Resource Adequacy	3,911,433	1,452,867	1,735,722	722,844
Solar Registration	5,524,352	2,350,995	3,173,357	-
Planning and Administration	75,543,765	18,238,892	50,289,750	7,015,123
BPU Program Administration	10,400,000	5,779,728	4,620,272	-
Marketing	7,000,000	2,819,661	4,180,339	-
CEP Website	1,423,000	925,750	497,250	-
Program Evaluation/Analysis	49,760,443	4,625,428	38,122,006	7,013,009

Outreach and Education	6,842,372	3,972,489	2,869,882	-
Sustainable Jersey	1,429,972	667,905	762,067	-
NJIT Learning Center	1,041,741	536,838	504,903	-
Outreach, System Maintenance, Other (Program Administrator)	4,370,658	2,767,747	1,602,912	-
Memberships	117,950	115,836	-	2,114
BPU Initiatives	441,131,659	137,988,036	284,143,623	19,000,000
Clean Energy Affordability	235,405,604	85,189,078	137,216,527	13,000,000
Community Energy Grants	13,008,268	153,750	2,854,518	10,000,000
Urban Heat Island Mitigation Grants	5,000,000	-	5,000,000	-
Res Low Income Improvements	65,931,023	39,420,247	23,510,776	3,000,000
Comfort Partners	62,931,023	39,420,247	23,510,776	-
Whole House	3,000,000	-	-	3,000,000
Residential Energy Assistance Payment	48,742,925	45,615,080	3,127,845	-
Clean Local Energy Advisory and Resource Fellows	-	-	-	-
Residential Universal Bill Credit	102,723,388	-	102,723,388	-
Grid Modernization Efforts	5,000,000	-	-	5,000,000
Electric Vehicle Programs	199,726,055	52,798,958	146,927,097	-
Plug In EV Incentive Fund	80,873,200	32,582,500	48,290,700	-
CUNJ Administrative Fund	8,100,000	2,566,588	5,533,412	-
CUNJ Residential Charger Incentive	5,750,000	518,569	5,231,431	-
EV Studies, Pilots, and Administrative Support	-	-	-	-
Clean Fleet	25,537,444	1,180,636	24,356,808	-
Multi-Unit Dwellings (Chargers)	19,146,591	695,666	18,450,925	-
EV Tourism	29,318,820	255,000	29,063,820	-
Electric School Buses	15,000,000	15,000,000	-	-
School Bus V2G	4,000,000	-	4,000,000	-

<i>MHD Depot</i>	<i>12,000,000</i>	-	<i>12,000,000</i>	-
<i>Workforce Development</i>	<i>1,000,000</i>	-	-	<i>1,000,000</i>

*This table is intended to provide further detail on the NJCEP Budget as of True-Up, by displaying the remaining program budgets, net of year-to-date spending and commitments.

**Totals may not add up precisely due to rounding

New Jersey's Clean Energy Program™

FISCAL YEAR 2026 PROGRAM DESCRIPTIONS AND BUDGETS



DIVISION OF CLEAN ENERGY

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

April 22, 2026

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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 (“EE”) 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, released on November 24, 2025, reflects 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, coordinated the State’s efforts to develop the 2024 EMP and also provided 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 included public hearings and allowed 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 2026 (“FY26”) Compliance Filing provides program descriptions and budgets for the NJCEP.

The budget information includes, among other things, carryforward amounts, some of which reflect incentive commitments and contractual obligations made but not yet paid (Pipeline of Board Approved Projects/Allocations in the FY26 Budget Table). Many projects, especially the larger ones with larger incentives, can take two or more years from commitment to final incentive payment because the projects are large and complex. An early incentive commitment is necessary for the applicant to secure the financing to proceed to make the investments necessary to design and construct the project.

The NJCEP is a signature initiative of the BPU that promotes increased 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

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).

added to the DCE. The OCEE oversees the development and implementation of clean energy policies, technologies, and programs, including workforce development and EE programs, to better serve New Jersey's overburdened communities ("OBCs") and to ensure equitable participation in clean energy programs and distribution of related benefits. Working with other BPU teams, the OCEE is ensuring that programs are developed and implemented through an equity lens, while leveraging the many existing DCE programs that aim to serve OBCs.

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

This strategy centers its attention on decarbonizing the transportation sector through vehicle electrification, reducing vehicle miles traveled, and lowering port and airport emissions. To support electric vehicle ("EV") adoption, several key NJCEP programs have been created through Board action 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. Staff note that many EV projects take time, so funds that have already been reserved for a grantee need to be rolled over to future fiscal years as BPU pays the grantee once the project has been completed.

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 FY26, this line allows 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 FY26, the line item reflects the total Clean Fleet budget which will fund both State, local, and non-profit entities.

New Jersey's Electric Vehicle Law³ ("the EV Act") 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 State's light-duty fleet to be plug-in EVs by the end of 2025 and 100 percent by the end of 2035.⁴ To achieve these goals, the BPU continues the program in FY26 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, 147 EVs, 46 Level 2 Public Chargers, 7 Fast Public Chargers, 83 Level 2 Fleet Chargers and 22 Fleet Fast Chargers were awarded with \$5,902,000 in funding. In FY24, \$4,086,000 was awarded for 169 EVs, 21 Public Level 2 Chargers, 73 Fleet Level 2 Chargers, 8 Public Fast Chargers, and 13 Fleet Fast Chargers. In FY25, \$3,230,000 was awarded for 112 EVs, 25 Public Level 2 Chargers, 16 Fleet Level 2 Chargers, 14 Public Fast Chargers, and 20 Fleet Fast Chargers. In FY26, as of December 31, 2025, \$5,598,000 has been awarded for 17 EVs, 7 Public Level 2 Chargers, 19 Public Fast Chargers, 2 fleet Level 2 Chargers, and 13 Fleet Fast 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 continues in FY26 under the NJCEP. In FY24, eligible entities were expanded to include non-profits. Eligible entities for this incentive include 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 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 90% cost of the charger), \$4,000 per Fleet Level 2 Charger (up to 90% cost of the charger), \$60,000 (up to 90% cost of the charger) per 50-100 kW Direct Current Fast Charger ("DCFC"), \$100,000 (up to 90% cost of the charger) per 100-200 kW DCFC, and \$180,000 (up 90% the cost of the charger) per 200 kW+ DCFC. In addition, eligible entities may apply for 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. An additional incentive of up to \$5,000 may be included for DCFCs that are Energy Star certified.

The number of vehicles and chargers that an entity is eligible for will be determined by population size that 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

³ L. 2019, c. 362 (N.J.S.A. 48:25-1 et seq.).

⁴ N.J.S.A. 48:25-3(a)(8).

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, battery electric equipment, 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) and battery electric equipment 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. DCFCs 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 or vehicle.

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 awarded incentives for 736 Level 2 Chargers, funded with \$5,075,500. In FY23, 1,307 Level 2 Chargers have been incentivized with \$6,162,500 in funding. In FY24, 1,281 Level 2 Chargers have been incentivized with \$5,822,661 in funding. In FY25, \$4,773,916 was awarded for 1,348 Level 2 Chargers. In FY26, as of December 31, 2025, 345 Level 2 Chargers have been awarded for \$1,742,000 in funding.

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. In FY22, 148 Level 2 Chargers and 56 DCFCs have been incentivized with \$5,236,000 in funding, in FY23, 43 Level 2 Chargers and 14 DCFCs have been incentivized with \$915,000 in funding, in FY24, 56 Level 2 Chargers and 20 DCFCs have been incentivized with \$1,280,000 funding, and in FY25, 3 Level 2 Chargers and 30 DCFCs have been incentivized with \$1,640,000 in funding. In FY26, as of December 31, 2025, 4 Level 2 Chargers and 60 DCFCs have been incentivized with \$11,860,000 in funding under the non-competitive EV Tourism corridor program.

The competitive portion of this program provides \$5,000 for the cost of a Level 2 charger (up to 90% of the cost of the charger) for up to six Level 2 chargers per site, \$60,000 for the cost of a 50-100 kW DCFC (up to 90% of the cost of the charger), \$100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger), and \$180,000 for the cost of a 200 kW+ DCFC (up to 90% of the cost of the charger), for up to two DCFC per site.

The EV Tourism corridor program is a non-competitive grant, administered by CSE designed to encourage fast corridor charging by incentivizing 100kW and greater chargers in corridor locations. This program provides \$100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger), and \$180,000 for the cost of a 200 kW+ DCFC, for up to two DCFC chargers at eligible sites located within one mile of the nearest highway exit or intersection along designated eligible highway corridors. Hotels located within three miles of a designated eligible highway corridor can receive \$5,000 per charger (up to 90% of the cost of the charger) for up to four Level 2 chargers. Hotels located within one mile of a designated eligible highway corridor can receive \$100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger), and \$180,000 for the cost of a 200 kW+ DCFC (up to 90% of the cost of the charger) for up to two DCFCs, and \$5,000 per charger (up to 90% of the cost of the charger) for up to two Level 2 chargers, or up to one DCFC and up to three Level 2 chargers, for a total of four chargers. Level 2 charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus. 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 DCFCs 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 began administering the EV Tourism Corridor program in Spring 2025. Applications for the competitive EV Tourism program will continue to 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 FY26, 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.

While SBC funding has been removed in the FY26 budget, the Board is still considering the program. Staff will recommend budget allocations as needed.

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.”

Since FY24, the State Budget has dedicated \$15 million annually from the NJCEP budget for this program.

V2G School Bus Pilot

In addition, there is also funding for a “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 continues to investigate 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

Resource Adequacy

The Offshore Wind Program is now part of a larger Resource Adequacy effort.

Executive Order 8⁵ called upon all State agencies with responsibility under the Offshore Wind Economic Development Act ("OWEDA") to work collaboratively towards achieving the goal of 3,500 megawatts of OSW by 2030 and to establish a vibrant offshore wind market in New Jersey and in the region. Executive Order 92 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.

Since 2018, the Board has run four competitive offshore wind solicitations that have resulted in a cumulative award of 7,500 MW to Qualified Offshore Wind Projects. The Board retained consulting services to support the solicitation process following the release of a Request for Quotation ("RFQ") in fiscal years FY19, FY20, FY24; consulting costs are in part recovered through the OSW applicants' application fees, as allowed under OWEDA. 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 April 2023, the Board issued an RFQ for a consultant to assist Staff in the update the 2020 Offshore Wind Strategic Plan. In July 2023, a consultant for the second Offshore Wind

⁵ Exec. Order No. 8 (Jan. 31, 2018).

Strategic Plan was retained and work on the plan is currently ongoing.

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 retained a consultant to assist Staff with the SAA process and 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.

To maximize the benefits of the SAA awards, the Board sought to pursue 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. To date, no award has been made.

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. No additional funding will be provided in FY26.

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, FY24, and FY25 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 New Jersey’s coast.

For FY26, funding will continue to support ongoing contractual obligations associated with offshore wind transmission and generation projects and solicitations, the second Offshore Wind Strategic Plan, and specific activities, including work with RUCOOL and NOWRDC.

Nuclear

As part of the State’s efforts to address the increases in electricity demand as a result of load growth from AI data centers, new manufacturing facilities, and transportation electrification, Staff worked with the Governor’s Office, NJDEP, and NJEDA to release a Request for Information in May 2025 to explore the role and opportunity to develop new nuclear energy resources to advance the State’s affordability, resource adequacy, and clean energy goals. Staff will continue to work closely with the Governor’s Office, NJDEP, and NJEDA to review stakeholder input and additional information that would be needed to advance new nuclear electricity generation in New Jersey.

In January 2026, legislation A5517 was passed directing BPU to conduct a study on the feasibility of developing advanced nuclear reactors throughout the state.

Board staff are currently determining which funds can be utilized or reallocated for consultant support to assist in exploring the feasibility of new nuclear generation. Potential consultant support could include work on feasibility, siting, stakeholdering, analyzing supply chain and workforce needs, and contracting mechanisms.

Solar

Pursuant to the Clean Energy Act of 2018⁶ (“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 Incentive (“SuSI”) 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 SuSI. 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, remote net metered projects, and community solar projects; and a Competitive Solar Incentive (“CSI”) Program for grid supply projects, energy storage paired with grid supply solar generation and large 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 in the ADI Program by market segment designed to result in at least 450 MW per year of net metered solar, remote net metered solar, and community solar. The ADI Program also includes the Community Solar Energy Program as a market segment. Updated incentive levels became effective for all net-metered market segments on March 13, 2023, following a one-year review. Following a one-year review of the Community Solar Energy Program, updated incentive levels became effective on April 30, 2025. A review of the incentives in the ADI Program is required every three years; in FY26, the Board will determine updated incentive levels that will be adopted in March 2026 following stakeholder input and a public comment period.

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

⁶ Clean Energy Act, L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_.PDF.

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
Remote Net Metered	Up to 5 MW (dc)	\$90	N/A
Community Solar	Up to 5 MW (dc)	\$80	N/A

ADI Capacity Blocks by Market Segment, Energy Year 2025

Market Segments	System Size	MW (dc) Capacity Blocks	Revised Capacity Blocks (as of 3/26/25)
Net-Metered Residential	All Sizes	200 MW	275 MW
Net Metered Non-Residential	All sizes at or below 5 MW (dc)	200 MW	125 MW
Community Solar	All sizes at or below 5 MW (dc)	250 MW	
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 generation, energy storage paired with grid supply solar generation, and net metered solar installations over 5 MW in size. The CSI Program awards SREC-IIIs 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.

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. 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. 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 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-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-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-day comment period. On December 18, 2024, the Board adopted the rule amendments which were published in the New Jersey Register at 57 N.J.R. 200(b) on January 21, 2025.

On April 23, 2025, the Board announced the third solicitation for the CSI Program, for which the prequalification window opened May 14, 2025. The total solicitation capacity target remains 300 MW of solar generation and 160 MWh of paired energy storage, with the following procurement targets per tranche:

Tranche	Procurement Target (MW)
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1. Basic Grid Supply	150
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites and Landfills	55
4. Net metered non-residential Installations larger than 5 MW	15
Total	300
5. Energy Storage paired with Grid Supply (Tranche 1, 2 or 3)	160 MWh

For the third CSI Program solicitation, the Board expanded the land use categories eligible to participate in Tranche 2: grid supply on the built environment, to include land classified as industrial and commercial complexes and extractive mining sites. Floating solar sites are also eligible to compete in Tranche 2 on a cost basis. Additionally, the Board updated the documentation required for projects seeking to prequalify in the CSI Program to align with the revised PJM Interconnection process, and set solicitation price caps to protect New Jersey ratepayers from excessive bids.

On July 16, 2025, the Board extended the solicitation window, scheduled to close July 23, 2025, to September 30, 2025. This allowed applicants to account for changes in the qualification requirements for the federal investment tax credit (ITC) issued by the Internal Revenue Service. On September 10, 2025, the Board took further action to provide flexibility by allowing projects that receive an award in the third CSI solicitation to withdraw if they are unable to qualify for the ITC. Such projects would be allowed to participate in the next available solicitation, if the project provided documentation of the assumed project revenues and costs justifying the re-bid. At the March 4, 2026 Board meeting, the Board awarded three projects.

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 tranches fill within the first ten days of the registration period. 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. On April 23, 2025, the Board expanded the capacity under the CSEP to include an additional 250 MW allocated among the four electric distribution company territories. Registration for this capacity opened on April 30, 2025, with the initial registration period running through May 13, 2025. As in the first registration period detailed above, this registration period utilized a first-come, first-served process with a tiebreaker based on subscriber savings.

The rules establishing the Community Solar Energy Program were published in the New Jersey Register on October 7, 2024. Rule amendments incorporating substantial changes were adopted by the Board and published to the New Jersey Register on March 17, 2025 at 57 N.J.R. 594(a).

During FY25, the Board 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.

At the March 4, 2026 Board meeting, the Board opened a new 3,000 MW capacity block for CSEP.

Energy Storage

In 2018, Governor Murphy signed the CEA into law. The CEA established two goals for energy storage: 600 MW by 2021 and 2,000 MW by 2030. The Act directed BPU to develop and implement a program to achieve these 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.

BPU is addressing energy storage in two separate proceedings. 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.

On September 29, 2022, Staff issued a straw proposal and began a stakeholder process for an ES program, the Garden State Energy Storage Program (“GSESP”), formerly proposed as the New Jersey Storage Incentive Program (“NJ SIP”). Three stakeholder meetings were held, and written comments were received on the Straw Proposal.

The GSESP Straw Proposal suggested the creation of two energy storage programs: (1) Incentives for stand-alone front-of-meter energy storage (“transmission-scale”) physically connected to a New Jersey electric distribution company (“EDC”); and (2) Incentives for stand-alone behind-the-meter energy storage (“distributed or customer level”) physically located on the premises of a customer receiving transmission and/or distribution service from a New Jersey EDC.

On August 8, 2023, BPU issued a Request for Information to solicit and receive further stakeholder commentary. Together, over 100 sets of comments were received about the program.

On November 7, 2024, Staff, with assistance from a consultant, released a revised Straw Proposal, and associated draft Rules. Written comments were due on December 18, 2024.

On November 20, 2024, Staff held and led a public stakeholder meeting, with over 300 attendees, and about 30 stakeholders provided public comments during the meeting. Staff received 60 comments.

Phase 1 of the GSESP was approved for launch by the Board on June 18, 2025, in conjunction with proposed rulemaking - N.J.A.C. 14:8-14, Garden State Energy Storage Program – which was published in the New Jersey Register on August 4, 2025, at 57 N.J.R. 1651(a), which followed the Board’s approval of a contract with Daymark Energy Advisors (“Daymark”) on May 21, 2025. Daymark serves as the Program Manager and has been assisting Staff with program design and solicitation management. Phase 1 of the GSESP represents the first incentive structure designed to facilitate transmission-scale energy storage development in the State. Phase 1 of the GSESP will provide annual fixed incentives, paid out over 15 years, to at least 1,000 MW of new energy storage capacity in New Jersey. Eligible participants in

Phase 1 solicitations include transmission-scale energy storage projects (i.e., projects that have an installed capacity of at least 5 MW); solar-plus-storage project applications that do not qualify for storage incentives under the Board's SuSI Program and have a storage component with an installed capacity of at least 5 MW; and storage additions of 5 MW or greater to existing solar facilities or other Class I renewable energy resources, provided the storage component does not also receive a direct monetary incentive, such as a grant or rebate, from the BPU or any other New Jersey program specifically designed to support storage.

On June 25, 2025, the pre-qualification window opened for Tranche 1. To be eligible for a guaranteed pre-qualification review that provided an opportunity to identify and correct deficiencies, pre-qualification materials were required to be submitted by July 23, 2025. Applicants were required to submit any questions by August 11, 2025. On August 15, 2025, Staff communicated pre-qualification deficiencies to applicants. On August 20, 2025, final bid submissions were due, and Staff received 23 prequalification request applications, which totaled more than 1,300 MWs and 3,500 MWh of energy storage capacity. The Board subsequently reviewed and considered the submitted bids. At the March 4 Board Agenda meeting, the Board approved incentive awards to three winning energy storage projects with a combined nameplate or installed capacity of 355 MW.

On August 22, 2025, Governor Murphy signed into law P.L. 2025, c. 136, which requires the Board to approve incentive awards to at least 350 MW of transmission-scale storage by December 31, 2025, and 1,000 MW of transmission-scale storage by June 30, 2026.

Additional funding was reallocated in FY25 in anticipation of future solicitation awards under Phase 1 of the GSESP, which intends to incentivize transmission-scale energy storage 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.

In FY26, funding for the launch of the GSESP will be supported by the \$125 million the State received pursuant to the Ocean Wind Projects settlement.⁷ The funds are intended to be used to support investments in clean energy programs, which may include the deployment of energy storage, which will help achieve the State's clean energy goals. Specifically, Phase 1 of the GSESP aims to incentivize transmission-scale energy storage projects, which is expected to ease capacity market prices and help stabilize customers' bills. Staff will continue to utilize all available funding, including reallocating SBC funding, to support DCE programs and maximize ratepayer benefits. Phase 2 of the GSESP will focus on incentivizing distributed storage. Staff anticipates Phase 2 to launch in the second quarter of 2026, in line with EO2,⁸ and will be funded from outside of the NJCEP.

⁷ State v. Orsted, 2024, accessed May 6, 2025, from [https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1354270].

⁸ Exec. Order No. 2.

Grid Modernization

New Jersey's interconnection rules and processes require updating in order to achieve 100 percent clean energy by 2050, as most distributed generation sources needed to support the clean transition will need to be interconnected to the electric distribution and/or transmission grids. In FY22, Staff engaged a contractor to identify areas of the DER interconnection process in most need of improvement, in order to reflect national best practices. Necessary updates to the State's interconnection rules include but are not limited to: updates to the interconnection request 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 for modernizing New Jersey's electric distribution grid. The first four were short-term and relatively ready for codification into the New Jersey Administrative Code (N.J.A.C.), while the latter five were more significant market transformations that required additional stakeholdering. Straw amendments and new rules to N.J.A.C. 14:8-5, which pertains to the interconnection of distributed energy resources (DERs) to electric distribution company (EDC) distribution systems, were issued for public comment to implement the first four 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. The Notice of Proposed rulemaking (NOP) was then published to the NJ Register on June 2, 2024. Staff received fifteen sets of stakeholder comments on the proposed amendments and new rules in the NOP. Staff summarized and responded to all published comments, a majority of which did not require substantial changes to the proposed provisions. Staff brought a Notice of Adoption (NOA) and Notice of Proposed Substantial Changes (NOPSC) before the Board on May 21, 2025, detailing the amendments/new rules which could be adopted without substantial changes and further proposed changes based upon stakeholder feedback, respectively. The NOA and NOPSC were both published to the New Jersey Register on July 7, 2025, after which the NOPSC was subject to another round of stakeholder comments. Staff received nine sets of stakeholder comments on the proposed amendments and new rules featured in the NOPSC. After summarizing and responding to all published stakeholder comments, Staff brought a second Notice of Adoption before the Board on November 21, 2025, to adopt all proposed amendments and new rules at N.J.A.C. 14:8-5. The adopted amendments and new rules were published to the New Jersey Register on January 5, 2026.

The remaining five recommendations are being pursued through the Grid Modernization Forum, which consists of multiple stakeholder workgroups with members of each New Jersey EDC, relevant New Jersey government agencies, National research organizations, DER developer representatives, and industry experts. Staff has engaged a program consultant to help facilitate, oversee, and capture discussions of the workgroups in order for the Board to

go forward with additional rule proposals in the future. The first workgroup, named Integrated Distribution of DERs (IDDER), launched in July 2024 and has the objective of identifying minimum requirements for EDC proactive system upgrade plans. These plans will detail three- and ten-year goals for increasing hosting capacity at the distribution level and ensuring adequate EDC monitoring/control over DER outputs. Proposed straw rules will be published for stakeholder comment within the first quarter of 2026.

In FY26, Staff will continue to: expand the forum with additional workgroups to continue to oversee the development of the grid modernization proceedings; initiate several Grid Mod Innovation Pilots; and take the next steps towards introducing new and amended rules based on the workgroup 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

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 running from July 2021 to December 2024 ("Triennium 1") that featured new ways of managing and delivering EE directly from public gas and electric utility companies to their customers and that, since July 1, 2021, began to transition the State to what are expected to be some of the highest energy savings in the country.⁹

The Triennium 1 EE programs disbursed approximately \$1.25 billion in financial incentives to ratepayers statewide and reduced customers' annual utility bills by \$600 million, annual

⁹ See <https://njcleanenergy.com/transition> for more information about the EE transition.

electricity usage by 3 million megawatt hours, equivalent to the use of approximately 330,000 households per year, and annual natural gas usage by 8.5 million MMBtu. Triennium 1 resulted in 1.4 million metric tons of annual greenhouse gas emission reductions, which is equivalent to approximately 300,000 cars removed from the road per year. These results prove that EE works to reduce energy demand and helps reduce generation-related price increases that will take effect in June 2025.

In February 2023, 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.”¹⁰ EO 316 defined electrification as “the retrofitting or construction of a building with electric space heating and cooling and electric water heating systems.”¹¹

To build upon the successes of Triennium 1, in October 2024, the BPU approved the second cycle of EE programs (“Triennium 2 EE programs”), including new building decarbonization start-up programs and demand response programs. Collectively, over \$3.75 billion has been budgeted for the Triennium 2 EE programs, which will be implemented over a 30-month period from January 1, 2025 through June 30, 2027. This investment will help the State achieve Governor Murphy’s goals outlined in EO 316 and are anticipated to reduce annual electricity usage by 2.3 million megawatt hours, annual natural gas usage by 8.9 million MMBtu, and annual greenhouse gas emissions by 1.5 million metric tons.

The Board-approved utility-run Triennium 2 EE programs offer on-bill repayment or comparable third-party financing, with more favorable terms for income-qualifying customers and small commercial entities. 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 incorporation of on-bill financing into EE programs.

Sustainable Jersey

Through contracts with the BPU, Sustainable Jersey has supported the adoption of clean energy across New Jersey 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 so they can participate directly in clean energy programs and encourages local residents and businesses to realize the energy and economic benefits that result from clean energy programs.

¹⁰ Executive Order No. 316 (Feb. 15, 2023).

¹¹ Ibid.

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 municipalities that receive grants through the Community Energy Plan Grant ("CEPG") Program and Community Energy Plan Implementation ("CEPI") Grant Program (described further below). Overburdened Municipalities receive priority technical assistance in these programs to ensure they have the resources needed to successfully complete the grant projects. Lastly, Sustainable Jersey 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 New Jersey 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 included continuing to maintain the NJCELC website, developing new educational materials, and supporting NJCEP initiatives. In FY25, CBK also focused on tasks such as expanding content in existing areas like heat pumps and benchmarking, supporting the New Construction Program, supporting planning for Training for Residential Energy Contractors workforce development program implementation, supporting the Campus Consortium for Decarbonization, developing educational programs on new and emerging technologies, and undertaking miscellaneous educational activities. In FY26, CBK will continue the activities performed in FY25 in addition to providing administrative support to the Business and Industry Leadership Team Initiative and developing updated implementation and educational materials for the Comfort Partners Program.

Center for Urban Policy Research (formerly known as the Rutgers Center for Green Building)

The Center for Urban Policy Research ("CUPR") will continue its work analyzing cost-effective amendments to NJ energy codes and co-facilitating the NJ Energy Code Collaborative. The CUPR 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. Additionally, the CUPR assisted the BPU in conducting a study on the feasibility, marketability, and costs of implementing large-scale geothermal heat pump systems in the State and report on the same, as mandated by L. 2023, c. 328. This report was approved by the Board on January 28, 2026.

Benchmarking

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 EE. 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 and required building owners and operators to provide their first submissions by October 1, 2023 and provided a grace period for the first two reporting years. All subsequent year submissions have a deadline of July 1 of each program year. In FY25, for the 2024 benchmarking reporting year, the Board provided a 90-day grace period for the second reporting year submissions to September 29, 2024. In FY26, the Board no longer provided a grace period for building owners and operators and required the submission deadline of July 1.

CUPR supports 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 FY25, CUPR updated the list of commercial buildings through the same analysis and modeling as FY24. For FY26, CUPR will continue to update the list of commercial buildings and assist Staff in the development of a comprehensive report for the benchmarking 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 square feet 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. In 2023, 91% of State buildings were compliant. Currently, 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 square feet (65 campuses and 42 single buildings). A total of 1,635 buildings 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. For FY26, Staff are analyzing both private and State building data in collaboration with CUPR from the 2024 benchmark reporting year.

In FY24 and FY25, Staff pursued and supported program implementation steps – including outreach, training, and rulemaking – to ensure that building owners and operators are able to benchmark their buildings. Staff will continue these efforts in FY26.

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, which launched on May 1, 2025, 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 was 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 has been working with the investor-owned utility companies to offer building decarbonization incentives as part of utility EE programs for existing buildings.

State Facilities Initiative

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

The 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 FY26, no new funding has been provided to further upgrade State facilities. Instead, funds have carried over from FY25 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.¹² In November 2019, the Board entered into an MOU with DPMC to establish criteria for selecting and allocating funds on the designated priority

¹² In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. Q017010075, Order dated February 22, 2017.

list (“2019 MOU”).¹³ 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 FY26 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.

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. Thirteen 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. SES has seen a substantial increase in applications in recent years, from less than ten applications in FY22 to over sixty-five applications during the FY23 to FY25 period. For FY26, 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 recently updated Treasury Circular 26-05 deals with energy management at state facilities. New requirements for state agencies include benchmarking of facilities, development of Strategic Energy Management Plans (SEMP), and reporting of energy efficiency savings. The State Facilities Initiative will support these efforts through energy management training and technical assistance.

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

This strategy addresses the planning, finance, and implementation of electricity distribution system upgrades to accommodate increased electrification and DER integration; exercising regulatory jurisdiction and increasing oversight over transmission upgrades to ensure prudent investment and cost recovery from ratepayers; modifying rate design and the

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

ratemaking process to empower customer energy management; and maintaining gas pipeline system reliability and safety while planning for future reductions in natural gas consumption.

Town Center Distributed Energy Resources (“TCDER”) 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 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. Staff are evaluating the next potential steps based on the findings of the design studies and determining recommendations on funding the construction phase of these projects. Of the seven projects in the program, three have submitted, and BPU has approved, the design studies. The remaining four are pending.

New Jersey Corporation of Advanced Technology (“NJCAT”) Geothermal Study

NJCAT’s role is to provide NJDEP and NJBPU with technical expertise, evaluation tools, and outreach support to advance geothermal demonstration projects across New Jersey. These themes are designed to fill the remaining needs and/or gaps associated with other NJBPU triennium decarbonization programs. Its objectives include building a report that establishes the technical and site-selection criteria, identifying funding streams, building workforce and community awareness through education and training initiatives, and assessing feasibility through the additional buildout and delivery of GIS tools and calculators. Deliverable assets range from guidance documents, funding and evaluation framework recommendations, and site assessments within the GIS tool development, CESA calculator feedback, and outreach materials. Through technical support and workforce development, NJCAT helps integrate geothermal project planning with state policy goals and careful consideration of ratepayer impact. NJCAT was hired by the NJDEP via a NJBPU-NJDEP MOU (2023). Work is to be completed in Q1/Q2 2026.

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 Affordability

The OCEE, established in 2020, works on cross-cutting energy and equity issues and guides the BPU’s programs through an equity lens. The OCEE administers programs including energy bill assistance, local government energy improvements, and intersectional programming that addresses health and safety and extreme heat challenges in relationship with energy consumption. The energy bill assistance initiatives led by the OCEE are the Residential Energy Assistance Payment (“REAP”) and the Residential Universal Bill Credit (“RUBC”). The second iteration of credits through REAP were approved by the Board in July 2025. Rather than distributing a one-time bill credit, the second iteration of REAP is spread over seven months to provide continuous assistance to residents needing help with their bills. RUBC was established to provide \$100 in bill credits to all households with an active electric account and is meant to help residents deal with increased rates on their electric bills.

Additionally, and complementary to the Department of Environmental Protection's ("NJDEP") Overburdened Communities ("OBCs"), the OCEE, as requested by the Board, established the definition of Overburdened Municipalities ("OBMs") to better identify municipalities that would most benefit for increased grant awards as part of the BPU programming. This definition allowed the Board to better prioritize low- and moderate-income and OBCs by municipal boundaries. Though the term OBMs was created with the CEPG in mind, the term is used in other BPU programs.

EMP Strategy 6 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 Energy 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 OBCs.

Finally, there are ongoing outreach efforts taking place in working groups around enhanced incentives for LMI communities and OBMs 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, are 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 Urban Heat Island ("UHI") Mitigation Program is a holistic program created with the goal of reducing extreme heat, increasing energy resilience and reducing energy consumption. After a comprehensive review of stakeholder feedback, potential mitigation measures and program structure options, program staff adjusted and finalized the program. The Board approved the program in July 2025. Details of the Board Order are available here: <https://www.nj.gov/bpu/pdf/boardorders/2025/20250716/8E%20ORDER%20Urban%20Heat%20Island%20Mitigation%20Program.pdf>.

To open the application window for the program, a Notice of Funding Availability ("NOFA") was approved by the Board in October 2025 and posted in the New Jersey Register on October 16. The application window opened on October 28, 2025 and closed on January 11, 2026. Board Staff reviewed the applications that were submitted during the application window, and recommended awardees will be presented to the Board for approval. Staff anticipates awarding recipients of the grants in Q3 of FY26.

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 have 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. Additionally, the BPU provides funding for the USF and PAGE programs. During the 2024 program year, USF provided \$173,420,279 of assistance, covering 225,690 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 the Fresh Start and PAGE programs, the Board dispersed approximately \$70 million during the 2024 program year.

In the Spring of 2024, the Board established a new initiative, now known as the REAP. The first round of REAP disbursed approximately \$45 million in relief to qualifying customers statewide in the Fall of 2024. 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. Presently, \$25 credits are being applied each month for seven months to approximately 260,886 customers, totaling to \$45,665,050 in total relief provided by the BPU.

Residential Universal Bill Credit (“RUBC”)

In 2025, the Board introduced the RUBC as a way to alleviate additional energy bill burdens caused by the increase in electric rates and the continued need for cooling in the wake of extreme heat. RUBC was developed in response to Governor Murphy’s announcement in June 2025 that funding from the Solar Alternative Compliance Payment (“SACP”) and the Regional Greenhouse Gas Initiative (“RGGI”) would be put towards ratepayer relief.

RUBC is available to all households with an active electric account with one of the public, investor-owned utilities. Credits were structured so that residents would receive two monthly credits of \$50 during the September and October billing cycles. Staff is awaiting final certification results from each participating utility, and the expectation is that results will be reported out when all information is available.

Lastly, Executive Order 1 (“EO1”) issued by Governor Sherrill calls for the Board to provide another round of credits through RUBC to “offset increases in the cost of electricity supply due to take effect in 2026.” According to EO1, the initial set of RUBCs should be issued no later than July 1, 2026. To that effect, Board Staff anticipates opening another iteration of credits in the near future, once necessary details are determined.

Whole House Pilot Program

Using federal funding, the BPU and Green and Healthy Homes Initiative (“GHHI”) designed and launched New Jersey’s Whole House Pilot Program (“WHPP”) in Trenton during FY23. In FY24 and FY25, the State continued to fund this program through NJCEP and federal funds.

The BPU established this program to pilot the expansion of 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 has to date been addressed through the Comfort Partners Program and the Weatherization Assistance Program in a limited capacity. Additionally, the Board expanded the WHPP in FY24 to include building electrification as an option for customers in Trenton.

GHHI administered the WHPP until the contract ended at the end of FY25, on June 30, 2025. Staff determined that the contract end date and a pause in funding the program created the opportunity to perform an overall program review to determine successes, challenges, and ways to improve upon the Program in future years. However, as a result of public feedback, in FY26, WHPP funding was made available in the NJCEP budget.

Community Energy Plan Grant & Community Energy Plan Implementation 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 78 OBCs. All New Jersey municipalities were eligible for \$10,000 grants unless they were identified as an OBC, in which case they were eligible for a \$25,000 grant, with additional aid in the form of technical assistance to help complete the grant application and technical support to develop the community energy plan after the grant is awarded. The simplified application process and enhanced benefits for OBCs 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 OBCs, with grants totaling \$820,000.

In FY24, the Board approved the third program year for CEPG. Along with the third program year was an updated list of OBMs, the criteria for which was expanded so that more municipalities can receive the assistance they need. Ninety-two municipalities were awarded grants which amounted to a total of \$1,145,000 in program funding.

Also in FY24, the Board introduced the CEPI grant program. The program was designed to complement the already existing CEPG Program by providing funding to municipalities to implement clean energy projects that were identified in their respective community energy plans. The program was funded from a mix of federal funding through the Energy Efficiency and Conservation Block Grant (“EECBG”) and SBC funding. Eighteen projects from sixteen municipalities were chosen for award. Two municipalities received funding for two separate projects. Total funding amounted to \$3,400,086.

The fourth program year for CEPG was opened for applications in the summer of 2025. Applications have been received and are being reviewed by staff. The program structured remained largely the same, with the exception of new requirements for program participants to post the completed plans on their municipal websites and to promote the plans through posting on social media. The goal of the new requirements is to better ensure that residents in the municipality are aware of what is included in the final plan.

Staff are working to develop and finalize a second program year for CEPI based on lessons learned from the first program year. Staff’s intention is to make the program more accessible and effective for participating municipalities with the goal of fostering more clean energy projects through the State.

EMP Strategy 7: Expand the Clean Energy Innovation Economy

This strategy seeks to develop New Jersey’s clean energy economy, through workforce training, clean energy finance solutions, and investing in innovative research and development programs. 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.

Marketing

The NJCEP Marketing Plan is designed to enhance knowledge and awareness among businesses, local government, and residents of EE, 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 and other NJ-based institutions.

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 to vendors on State Contract T3067. The Board approved Staff's recommendation to award a contract to the Setroc Group at the April 23, 2025 Board meeting.

Clean Energy Program Website

CleanEnergy.nj.gov (formerly NJCleanEnergy.com) supports the NJCEP's goals by providing information to the public about all of the division's offerings. Following award of a State contract to a winning bidder, a redesigned website was launched in January to increase public awareness of the benefits of clean and efficient energy and of the incentives and financial assistance available to ratepayers. It provides 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 Board approved a vendor on April 23, 2025. The new website was launched during the Board Meeting on January 14, 2026.

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. This line will fund the utility business model study required by E01.

Energy Efficiency

The FY26 NJCEP proposal provides continued funding for evaluation, measurement, and verification (“EM&V”) of utility- and State-run EE program outcomes for residential, governmental, and commercial and industrial markets. EM&V provides guidance and feedback to improve the delivery of EE programs, to improve the calculation of savings from the EE programs, and to evaluate the cost-effectiveness of the EE programs, which all support EMP 3.1.3.

EM&V of EE programs is managed by BPU’s EE EM&V Working Group (“EM&V WG”), which is comprised of Staff, utilities and their independent evaluators, the NJCEP program administrator, and Rate Counsel. The working group is led by the Statewide Evaluator (“SWE”). The EM&V WG developed a shared EM&V framework which describes the roles, responsibilities, deliverables and processes to execute EM&V.

The EM&V WG evaluates performance indicators, which may include revised utility- and State-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, targets, and EM&V methods.

The EM&V WG determines a list of evaluation studies to be conducted throughout each cycle of EE programs. The studies are managed by the SWE and executed by the CUPR, the EE Evaluation Study Team (“EST”) (contracted in FY23 by the BPU to conduct evaluation studies through 2025), and independent utility program evaluators. In FY26, the CUPR will continue to perform and support evaluation studies, including cost-benefit analyses and other evaluations of State-run EE programs, and participate in the EM&V WG.

In FY26, the EST started studies on Equivalent Full Load Hours, Commercial and Industrial Baseline, Net-to-Gross Factors, and Process and Impact Evaluation of the Comfort Partners Program.

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

Energy Affordability Assessment

The purpose of this project was to evaluate the effectiveness of current assistance programs and residential energy rates 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 rates in New Jersey, a consultant working with Staff provided recommendations for policies and programs to provide a progressive and equitable approach to energy costs for LMI households in FY25. Based on these recommendations, Staff published for public comment a Straw Proposal recommending modifications to New Jersey’s Universal Service Fund (“USF”) program aimed at enhancing affordability and program accessibility for LMI residents in the State and expect to bring its final recommendations to the Board in the near future.

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-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 determination letters to invite full applications to the Dual-Use Pilot Program were completed by mid-September 2025.

By Board Order dated November 21, 2025, the Board voted to open the Dual-Use Pilot Program application period to pre-qualified participants. Additionally, during the November 21, 2025, Board meeting, the Board approved a Notice of Adoption and Notice of Proposed Substantial Changes Upon Adoption to amend its existing solar energy rules to include the Pilot Program – both were published in the New Jersey Register on January 5, 2026.

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, technical training and certification opportunities 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 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 FY24 after rounds of reviews conducted by Staff and the Statewide Evaluator team. The study findings were also instrumental for the BPU-led Training for Residential Energy Contractors ("TREC") \$3.51 million formula grant proposal to USDOE and its program design, as well as other initiatives.

In FY24 and FY25, the BPU collaborated with CUPR, the Heldrich Center, NJIT, and NJDOL to develop and submit New Jersey's TREC application. 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 Triennium 1 and continuing into Triennium 2, utility companies are also offering subsidized or no-cost technical training programs for workers to gain credentials, including certifications, which are required for employment in EE and building decarbonization jobs.

Since FY24 and continuing in FY26, BPU and the New Jersey Department of Labor and Workforce Development ("NJDOL") have been collaborating on potential State-funded workforce development initiatives. Following EMP Strategy 7.6, this collaboration includes scoping a Clean Buildings Hub that also aims to involve partnerships with the EDA, utility companies, and other employer contractors to provide employment resources and on-the-job training opportunities for individuals in the clean buildings sector.

An in-person Business and Industry Leadership Team ("BILT") meeting in June 2024, co-convened by NJIT and the NJDOL Industry Partnerships teams, and three more virtual BILT meetings in November 2024, January 2025, and April 2025, respectively, gathered input from workforce development stakeholders (employers, employer associations, training providers, and community-based organizations) regarding barriers and opportunities for EE workforce development and job pipelines in New Jersey. BILT outcomes in FY26 will include focus groups and action teams, as well as further designing and gathering feedback on establishment of a State-run, technical training, jobs, and essential resource center for the EE workforce, providing access to technical 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. In FY25 and FY26, the BPU and the DOL are partnering with the Heldrich Center to evaluate BILT processes and facilitate industry focus team interviews. This evaluation will assess the State's effectiveness in facilitating energy

efficiency workforce development goals and will inform mid-course corrections as necessary.

Fiscal Year 2026 Program Budgets

The following table sets out a detailed FY26 budget for programs managed by the DCE:

Program/Budget Line	Total Budget	FY26 Detailed Budget - Cost Category Budgets (\$)					
		Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	508,692,115	19,750,000	7,923,000	750,000	422,097,239	-	58,171,876
Energy Efficiency Programs	54,675,202	-	-	-	54,675,202	-	-
<i>State Facilities Initiatives</i>	<i>54,675,202</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>54,675,202</i>	<i>-</i>	<i>-</i>
<i>Acoustical Testing Pilot</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Distributed Energy Resources	731,738	-	-	-	731,738	-	-
<i>Microgrids</i>	<i>731,738</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>731,738</i>	<i>-</i>	<i>-</i>
<i>Energy Storage</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Transmission -Scale	-	-	-	-	-	-	-
Distributed	-	-	-	-	-	-	-
RE Programs	3,911,433	-	-	-	-	-	3,911,433
<i>Resource Adequacy</i>	<i>3,911,433</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,911,433</i>
Planning and Administration	71,173,106	10,900,000	7,923,000	-	2,589,663	-	49,760,443
<i>BPU Program Administration</i>	<i>10,400,000</i>	<i>10,400,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Marketing</i>	<i>7,000,000</i>	<i>500,000</i>	<i>6,500,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>CEP Website</i>	<i>1,423,000</i>	<i>-</i>	<i>1,423,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Program Evaluation/ Analysis</i>	<i>49,760,443</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>49,760,443</i>
<i>Outreach and Education</i>	<i>2,471,713</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,471,713</i>	<i>-</i>	<i>-</i>
Sustainable Jersey	1,429,972	-	-	-	1,429,972	-	-
NJIT Learning Center	1,041,741	-	-	-	1,041,741	-	-

Memberships	117,950	-	-	-	117,950	-	-
BPU Initiatives	378,200,636	8,850,000	750,000	750,000	364,100,636	-	4,500,000
Clean Energy Affordability	172,474,581	-	-	-	172,474,581	-	-
Community Energy Grants	13,008,268	-	-	-	13,008,268	-	-
Urban Heat Island Mitigation Grants	5,000,000	-	-	-	5,000,000	-	-
Residential Low Income Improvements	3,000,000	-	-	-	3,000,000	-	-
Whole House	3,000,000	-	-	-	3,000,000	-	-
Residential Energy Assistance Payment	48,742,925	-	-	-	48,742,925	-	-
Clean Local Energy Advisory and Resource Fellows	-	-	-	-	-	-	-
Residential Universal Bill Credit	102,723,388	-	-	-	102,723,388	-	-
Grid Modernization Efforts	5,000,000	500,000	-	-	-	-	4,500,000
Electric Vehicle Programs	199,726,055	8,100,000	750,000	-	191,626,055	-	-
Plug In EV Incentive Fund	80,873,200	-	-	-	80,873,200	-	-
CUNJ Administrative Fund	8,100,000	8,100,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,750,000	-	-	-	5,750,000	-	-
Clean Fleet	25,537,444	-	-	-	25,537,444	-	-
Multi-Unit Dwellings (Chargers)	19,146,591	-	-	-	19,146,591	-	-
EV Tourism	29,318,820	-	-	-	29,318,820	-	-
Electric School Buses	15,000,000	-	-	-	15,000,000	-	-
School Bus V2G	4,000,000	-	-	-	4,000,000	-	-
MHD Depot	12,000,000	-	-	-	12,000,000	-	-

<i>Workforce Development</i>	1,000,000	250,000	-	750,000	-	-	-
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*Numbers presented in the above table may not add up precisely to totals provided due to rounding.

New Jersey's Clean Energy Program™



DIVISION OF CLEAN ENERGY

Comprehensive Energy Efficiency & Renewable Energy Resource Analysis

Funding Levels – Fiscal Year 2026

April 22, 2026

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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
- CRA: Comprehensive Energy Efficiency & Renewable Energy Resource Analysis
- CSI: Competitive Solar Incentive
- CUNJ: Charge Up New Jersey Program
- DCE: Division of Clean Energy
- 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
- GSESP: Garden State Energy Storage Program
- 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
- NJCEP: New Jersey's Clean Energy Program

- NJIT: New Jersey Institute of Technology
- NJNG: New Jersey Natural Gas
- 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
- RGGI: Regional Greenhouse Gas Initiative
- RMI: Research and Monitoring Initiative
- RU: Rutgers University
- SAA: State Agreement Approach
- SAA 2.0: State Agreement Approach 2.0
- SBC: Societal Benefits Charge
- SEO: State Energy Office
- 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 (“E08”)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 (“E092”), which increased the goals for offshore wind energy generation to 7,500 megawatts by 2035. In September 2022, Executive Order 307 further increased the 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.

In October 2024, the Board issued an RFQ for Program Administrator services. On April 23, 2025, the Board awarded a two-year waiver for the NJCEP Program Administrator to TRC for continuation of program administrator services. The new contract started at the end of July 2025.

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, coordinated 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 included public hearings and allowed 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 BPU Staff’s (“Staff”) drafting of the 2024 EMP. The 2024 EMP was released on November 24, 2025.

FUNDING LEVELS

The funding recommendations for FY26 considered NJCEP’s historic results and forecasts for the year. Staff is recommending that the Board maintain the Societal Benefits Charge (“SBC”) funding level of \$344,665,000 for FY26. The following table summarizes the appropriate funding levels for NJCEP’s FY26 budget.

Proposed FY26 Funding Levels*		
CEP Budget Category	FY26 New SBC Funding (\$)	Total FY26 Funding (\$)
Total NJCEP + State Initiatives	344,665,000	869,030,671
State Energy Initiatives	97,200,000	216,189,000
Total NJCEP	247,465,000	652,841,671
Energy Efficiency Programs	61,790,034	191,406,296
C&I EE Programs	28,399,755	67,463,790
New Construction Programs	33,390,279	69,204,679

State Facilities Initiative	0	54,675,202
Acoustical Testing Pilot	0	62,626
Distributed Energy Resources	10,205,741	25,923,043
CHP - FC	10,205,741	19,323,828
Microgrids	0	731,738
Energy Storage	0	5,867,478
RE Programs	3,025,441	7,372,116
Resource Adequacy	0	4,346,675
Solar Registration	3,025,441	3,025,441
Planning and Administration	18,749,429	70,407,798
BPU Program Administration	0	10,400,000
Marketing	4,867,352	7,000,000
CEP Website	0	1,423,000
Program Evaluation/Analysis	7,816,552	44,661,932
Outreach and Education	5,994,383	6,779,961
Memberships	71,141	142,906
BPU Initiatives	153,694,355	357,732,416
Clean Energy Affordability	54,766,461	133,802,216
Grid Modernization Efforts	0	15,000,000
Electric Vehicle Programs	98,927,894	207,930,200
Workforce Development	0	1,000,000

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

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 second 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 system 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 FY26 NJCEP proposal provides continuation of EE funding for new construction programs for residential, governmental, and 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. The Board set incentive levels and megawatt allocations in the ADI Program by market segment designed to result in at least 450 MW per year of net metered solar, remote net metered solar, and community solar. Updated incentive levels became effective for all net metered 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 FY26, the Board will determine updated incentive levels that are anticipated to be adopted early 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 at 57 N.J.R. 200(b).

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. The Board declined to make any awards in the first solicitation, as all bid prices were above confidential price caps set by the Board to protect ratepayers against excessive bids. 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 of solar generation and 160 MWh of paired energy storage. 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.

On April 23, 2025, the Board announced the third solicitation of the CSI Program, for which the prequalification window opens May 14, 2025, and set the bid window to close on July 23, 2025. The total solicitation capacity target remains at 300 MW of solar generation and 160 MWh of paired energy storage, with the following procurement targets per tranche:

Tranche	Procurement Target (MW dc)
1. Basic Grid Supply	150
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites and Landfills	55
4. Net Metered Non-Residential Installations larger than 5 MW	15
TOTAL	300
5. Energy Storage paired with Grid Supply (Tranche 1, 2 or 3)	160 MWh

For the third CSI Program solicitation, the Board expanded the land uses that may participate in Tranche 2: grid supply on the built environment, to include land classified as industrial and commercial complexes and extractive mining sites. Floating solar sites are also eligible to compete in Tranche 2 on a cost basis. Additionally, the Board updated the documentation required for projects seeking to prequalify in the CSI Program to align with the revised PJM Interconnection process, and set solicitation price caps to protect New Jersey ratepayers from excessive bids.

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. One such petition was granted for a project seeking to participate in the third CSI Program solicitation, allowing a project to site on the Wanaque Reservoir in the Highlands Preservation Area.

The Board extended the solicitation window, scheduled to close July 23, 2025, to September 30, 2025. This allowed applicants to account for changes in the qualification requirements for the federal investment tax credit (ITC) issued by the Internal Revenue Service. On September 10, 2025, the Board took further action to provide flexibility for projects that receive an award in the third CSI solicitation to withdraw if it were unable to qualify for the ITC. Such projects would be allowed to participate in the next available solicitation, if the project provided documentation of the assumed project revenues and costs justifying the re-bid. At the March 4, 2026 Board meeting, the Board awarded three projects.

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 were subscribed. On April 23, 2025, the Board expanded the capacity under the CSEP to include an additional 250 MW allocated among the four electric distribution company territories. Registration for this capacity opened on April 30, 2025, with the initial registration period running through May 13, 2025. As in the first registration period detailed above, this registration period utilizes a first-come, first-served process with a tiebreaker based on subscriber savings. Following a one-year review of the CSEP, updated incentive levels became effective on April 30, 2025. During FY25, the Board also 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.

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.

At the March 4, 2026 Board meeting, the Board opened a new 3,000 MW capacity block for CSEP.

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. Staff anticipate that the Board will approve a notice of rule adoption in FY26.

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. Evaluation of the EOIs, in partnership with Rutgers University

and State agencies including the New Jersey Department of Environmental Protection and New Jersey Department of Agriculture, and issuance of determination letters to invite full applications to the Dual-Use Pilot Program was conducted throughout the rest of FY25 and completed by mid-September 2025.

By Board Order dated November 21, 2025, the Board voted to open the Dual-Use Pilot Program application period to pre-qualified participants. Additionally, during the November 21, 2025, Board meeting, the Board approved a Notice of Adoption and Notice of Proposed Substantial Changes Upon Adoption to amend its existing solar energy rules to include the Pilot Program. Both were published in the New Jersey Register on January 5, 2026.

Resource Adequacy

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. Efforts to evaluate a second SAA are currently paused while Staff awaits additional clarity on forthcoming changes to PJM's long-term regional planning process and cost allocation as part of compliance with FERC Order 1920.

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 was requested for specific activities, including continued funding for the Rutgers University Center for Ocean Observing Leadership ("RUCOOL") 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 (“NOWRDC”); and the ongoing Wind Institute activities.

For FY26, funding will continue to support ongoing contractual obligations and specific activities, including work with RUCOOL and NOWRDC.

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, BPU 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, BPU Staff solicited DP incentive applications from FS participants, received 11 applications, and recommended funding 8 applications. In 2021, BPU 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. Staff is evaluating the next potential steps based on the findings of the design studies and determining recommendations on funding the construction phase of these projects. Of the seven projects in the program, three have submitted, and BPU has approved, the design studies. The remaining four are pending.

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 develop and implement a program to achieve these goals.

In FY19, the Board retained Rutgers University 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.

BPU is addressing energy storage in two separate proceedings. 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 on April 7, 2021. The second CSI solicitation, announced awards in April 2024, including 80 MWh of storage paired with solar generation.

Phase Two of the energy storage program was launched on September 29, 2022 with the issue of a straw proposal and stakeholder process for the Garden State Energy Storage Program (“GSESP”), formerly the New Jersey Storage Incentive Program (“NJSIP”).

The GSESP Straw Proposal suggested the creation of two energy storage programs: (1) Incentives for stand-alone Front-of-Meter energy storage (“Transmission-scale”) physically connected to a New Jersey electric distribution company (“EDC”); and (2) Incentives for stand-alone Behind-the-Meter energy storage (“Distributed or Customer Level”) physically located on the premises of a customer receiving transmission and/or distribution service from a New Jersey EDC.

On August 8, 2023, BPU issued a Request for Information to solicit and receive further stakeholder commentary. Together, over 100 sets of comments were received about the program.

On November 7, 2024, Staff, with assistance from a consultant, released a revised Straw Proposal and associated Program Rules. Written comments were due on December 18, 2024.

On November 20, 2024, Staff held and led a public stakeholder meeting, with over 300 attendees, and about 30 stakeholders provided public comments during the meeting. Staff received 60 comments.

Phase 1 of the GSESP was approved for launch by the Board on June 18, 2025, in conjunction with proposed rulemaking - N.J.A.C. 14:8-14, Garden State Energy Storage Program – which was published in the New Jersey Register on August 4, 2025, at 57 N.J.R. 1651(a), which followed the Board’s approval of a contract with Daymark Energy Advisors (“Daymark”) on May 21, 2025. Daymark serves as the Program Manager and has been assisting Staff with program design and solicitation management. Phase 1, Tranche 1 of the GSESP represents the first incentive structure designed to facilitate transmission-scale energy storage development in the State. Phase 1 of the GSESP will provide annual fixed incentives, paid out over 15 years, to at least 1,000 MW of new energy storage capacity in New Jersey. Eligible participants in Phase 1 solicitations include transmission-scale energy storage projects (i.e., projects that have an installed capacity of at least 5 MW); solar-plus-storage project applications that do not qualify for storage incentives under the Board’s SuSI Program and have a storage component with a installed capacity of at least 5 MW; and storage additions of 5 MW or greater to existing solar facilities or other Class I renewable energy resources, provided the storage component does not also receive a direct monetary incentive, such as a grant or rebate, from the BPU or any other New Jersey program specifically designed to support storage.

On June 25, 2025, the pre-qualification window for the Tranche 1 solicitation opened to eligible bidders. On August 20, 2025, the bid submission window closed, and Staff received 23 prequalification request applications, which totaled more than 1,300 MWs and 3,500 MWh of energy storage capacity. Following prequalification, facilities were able to submit a final application for an incentive award and the Board received 11 submissions totaling nearly 629 MWs and 2,580 MWh of energy storage capacity. At the March 4, 2026 Board

meeting the Board awarded three projects for a total capacity of 335 MW.

On August 22, 2025, Governor Murphy signed into law P.L. 2025, c. 136, which requires the Board to approve incentive awards to at least 350 MW of transmission-scale storage by December 31, 2025, and 1,000 MW of transmission-scale storage by June 30, 2026.

Phase 2 of the GSESP, focusing on incentivizing distributed storage, is anticipated to launch in the second quarter of 2026, in line with EO2,⁵ and will be funded from outside of the NJCEP.

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, one of which launched in Q3 2024 and the remaining of which will be launched between 2025-2026.

BPU INITIATIVES

Clean Energy Affordability

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. In FY26, the Board approved the Urban Heat Island Mitigation Grant Program, which provides various levels of grant awards to local projects that are designed to address and mitigate the causes of urban heat islands in the state. The Notice of Funding Availability for the program was released in September and applications opened in the Fall. Since the onset of the public health emergency in 2020, the Board has taken a leading role in safeguarding the access to utility services for customers. This work is ongoing through the Residential Energy Assistance Payment ("REAP"), which provided

⁵ Exec. Order No. 2 (January 20, 2026).

arrearage relief to qualifying customers in Fall of 2024. The OCEE administered a second round of bill credits to utility customers eligible for the Winter Termination Program. The second iteration of REAP was structured so that residents receive monthly \$25 credits through February 2026. Along with REAP, the Board approved the Residential Universal Bill Credit (“RUBC”). The RUBC provided two credits totaling \$100 to every household with an electric utility account. The credits were distributed in September and October 2025.

Executive Order 1 (“EO1”) issued by Governor Sherrill calls for the Board to provide another round of credits through RUBC to “offset increases in the cost of electricity supply due to take effect in 2026.” According to EO1, the initial set of RUBCs should be issued no later than July 1, 2026. To that effect, Board Staff anticipates opening another iteration of credits in the near future, once necessary details are determined.

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.⁶ 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 electrification and infrastructure development for medium and heavy duty vehicles by December 31, 2020.

In FY21-FY25, 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 are 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. The Board approved

⁶ N.J.S.A. 48:25-3 to -11.

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. The CUNJ program offers a base incentive and an increased incentive for pre-qualified low-income applicants at the point-of-sale. 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 \$163 million has incentivized over 65,000 EVs.

An incentive for residential chargers, was launched on July 25, 2022 and in its first year provided over 1,600 chargers with over \$400,000 in funding, in the second year of the program over 5,100 chargers received over \$1.2 million in incentives, and in the third year of the program over 4,500 chargers have been incentivized for over \$1.1 million in funding. In FY26 so far, over 1,300 chargers have received over \$340,000 in funding.

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. During FY24 the Clean Fleet, MUD, and EV Tourism Corridor program, a non-competitive sub-program of EV Tourism, began to be administered by the same entity that administers the CUNJ program and have continued to provide significant funding to hundreds of additional EV chargers. In FY26, Staff proposes to continue all the Clean Transportation programs from FY25, including 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 SFI is administered by the BPU’s Division of State Energy Services (SES)/ State

Energy Office (SEO). 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”), Division of Administration and the Division of Property Management and Construction (“DPMC”), along with the BPU’s Administration, Fiscal and SES divisions. 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, in 2017⁷ and 2019⁸ to implement projects. 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. It further ordered that after the FY20 budget, SFI funds were to be segregated from other Clean Energy funds. In addition, the Board entered into a separate MOU with NJ Transit on February 17, 2021 to upgrade transit garages.⁹

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 DPMC issued RFPs are available through NJStart.

OUTREACH AND EDUCATION

In FY26, outreach and education will continue to play a key role in driving energy savings by educating all customer markets on the benefits and cost savings associated with energy reduction plans.

The 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.

⁷ In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. Q017010075, Order dated February 22, 2017.

⁸ 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, BPU Docket No. Q019101423, Order dated November 13, 2019.

⁹ In re the Memorandum of Understanding Between the New Jersey Transit Corporation and the New Jersey Board of Public Utilities Regarding the Use of Funds Generated by SBC to Support the Development of Infrastructure Related to Battery Electric Buses, BPU Docket No. E021020265, Order dated February 17, 2021.

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 prioritize and design 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 Center for Urban Policy Research (formerly 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 FY26, 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 large scale geothermal energy, 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. Funding for these initiatives continue in FY26.

SBC COLLECTION SCHEDULE

For FY26, the allocation of the funding from utilities is based on the statewide 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

	2023-24 Estimated Retail Revenues (000)*	% of Total Revenues
Electric	\$7,912,387	66.12%
Natural Gas	\$4,054,552	33.88%
Total	\$11,966,939	100.00%

Year	Total Funding Level	Electric	Natural Gas
Allocation %		66.12%	33.88%
FY26	\$344,665,000	\$227,888,089	\$116,776,911

* Retail revenues from PSE&G USF filing Attachment A dated June 28, 2024

Projected Sales Volumes Estimates of Normalized Jurisdictional Sales Units in (000s)													
	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	2025 January	2025 February	2025 March	2025 April	2025 May	2025 June	Total
Gas Therms*													
NJNG	20,391	19,809	19,595	36,029	73,159	113,330	136,966	116,523	95,579	52,659	29,334	20,288	733,662
SJG	19,981	17,992	19,643	21,640	30,663	65,330	91,677	87,985	77,505	51,770	29,323	21,445	534,954
PSE&G	73,249	67,261	70,821	100,466	221,401	377,237	461,326	473,799	394,515	261,427	153,399	94,737	2,749,637
ETG	19,682	20,268	20,660	21,368	38,339	65,147	84,409	82,437	73,226	54,512	35,624	22,546	538,218
Total	133,303	125,331	130,718	179,502	363,562	621,045	774,378	760,744	640,825	420,368	247,679	159,016	4,556,472
Electric MWH													
PSE&G	3,976,027	4,001,641	3,726,010	2,950,151	2,946,063	3,361,984	3,418,571	3,213,530	3,135,224	2,829,532	2,833,229	3,230,430	39,622,392
JCP&L	2,007,138	2,187,702	1,953,145	1,499,138	1,371,858	1,530,746	1,710,263	1,658,469	1,565,981	1,418,808	1,333,852	1,586,488	19,823,588
ACE	875,900	950,802	894,055	610,067	586,906	616,351	731,241	683,462	618,397	577,912	525,541	670,787	8,341,421
RECO	161,167	162,595	149,234	112,195	103,395	116,482	129,557	120,732	107,188	105,563	101,544	126,648	1,496,301
Total	7,020,232	7,302,740	6,722,444	5,171,552	5,008,222	5,625,563	5,989,633	5,676,193	5,426,789	4,931,815	4,794,167	5,614,353	69,283,702
*Gas sales exclude wholesale therms source: 6/28/24 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													
FY26	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
PS-Electric	\$13,077,954.67	\$13,162,205.60	\$12,255,600.46	\$9,703,644.06	\$9,690,197.77	\$11,058,244.62	\$11,244,369.99	\$10,569,947.86	\$10,312,384.16	\$9,306,901.16	\$9,319,063.65	\$10,625,536.40	\$130,326,050.40
JCP&L	\$6,601,881.55	\$7,195,794.43	\$6,424,286.75	\$4,930,966.63	\$4,512,316.56	\$5,034,931.86	\$5,625,400.74	\$5,455,040.44	\$5,150,827.76	\$4,666,747.03	\$4,387,309.13	\$5,218,280.22	\$65,203,783.11
ACE	\$2,881,012.11	\$3,127,380.70	\$2,940,726.66	\$2,006,633.92	\$1,930,452.84	\$2,027,301.78	\$2,405,200.70	\$2,248,043.23	\$2,034,031.10	\$1,900,870.74	\$1,728,612.11	\$2,206,353.30	\$27,436,619.19
RECO	\$530,111.04	\$534,807.17	\$490,861.59	\$369,033.05	\$340,087.83	\$383,133.59	\$426,139.84	\$397,112.71	\$352,563.36	\$347,217.77	\$333,999.07	\$416,569.74	\$4,921,636.76
NJN	\$522,596.77	\$507,688.68	\$502,203.32	\$923,367.51	\$1,874,969.75	\$2,904,524.84	\$3,510,284.53	\$2,986,338.46	\$2,449,564.92	\$1,349,584.49	\$751,788.15	\$519,963.12	\$18,802,874.54
SJG	\$512,081.35	\$461,123.31	\$503,413.88	\$554,606.05	\$785,858.71	\$1,674,340.75	\$2,349,578.51	\$2,254,946.53	\$1,986,360.17	\$1,326,814.51	\$751,501.93	\$549,613.57	\$13,710,239.27
PS-Gas	\$1,877,279.41	\$1,723,820.55	\$1,815,047.78	\$2,574,816.00	\$5,674,248.68	\$9,668,142.47	\$11,823,223.22	\$12,142,898.32	\$10,110,954.22	\$6,700,062.04	\$3,931,428.09	\$2,427,993.38	\$70,469,914.15
ETG	\$504,426.08	\$519,444.56	\$529,491.05	\$547,636.24	\$982,582.64	\$1,669,639.57	\$2,163,301.55	\$2,112,761.55	\$1,876,694.66	\$1,397,077.26	\$913,000.44	\$577,826.97	\$13,793,882.58
Total	\$26,507,342.98	\$27,232,264.99	\$25,461,631.49	\$21,610,703.46	\$25,790,714.78	\$34,420,259.48	\$39,547,499.08	\$38,167,089.10	\$34,273,380.35	\$26,995,274.99	\$22,116,702.58	\$22,542,136.71	\$344,665,000.00

CONCLUSION

In February 2023, Governor Murphy's EO315¹⁰ directed 100% of the electricity sold in the state to be derived from clean sources of electricity by January 1, 2035. Staff's FY26 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.

¹⁰ Executive Order No. 315.



Charge Up New Jersey

Fiscal Year 2026 Compliance Filing



April 22, 2026

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I. Introduction

This Fiscal Year 2026 (“FY26”) 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 FY26 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 the program. For FY26, the Governor’s office dedicated \$50 million from the Clean Energy Fund to support the program.

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. The FY26 budget was estimated at \$5,750,000, which is comprised of \$1,424,971 in new funding and \$4,325,029 in carryforward funds.

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 FY26 Charge Up New Jersey Program (“FY26 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 FY26 Program can receive the incentive at the time of the transaction at participating New Jersey dealerships or showrooms (“Dealerships or Showrooms”). Eligible FY26 Program applicants that have ordered an eligible vehicle on or after the launch of the FY26 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 FY26 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. See 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 the 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 FY26 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 FY26 Point-of-Sale Program will not be eligible for an incentive. Notwithstanding the above, in the event that the FY25 Program does not close until June 30, 2025, vehicles ordered or purchased during the FY25 Program may be eligible for an incentive in the FY26 Program if the purchase or lease is completed during the FY26 Program.
 - 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 FY26 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, in FY25, the incentive structure provided an additional incentive to low-and –moderate income qualified applicants. In FY26, the program structure continues to focus on “incentive-essential” customers. 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 \$1,500. Those income qualified applicants, as identified in the Applicant Eligibility requirements, will be eligible for an additional incentive in the amount of \$2,500. 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 FY26 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 FY26 Program has officially paused and the BPU has proceeded to evaluate Program funding; and
- Any vehicle ordered, purchased, or leased after the FY26 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. FY26'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 FY26 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 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 FY26 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 FY26 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 FY26 Terms and Conditions unless an applicant establishes to the satisfaction of BPU that an exemption to the FY26 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 FY26 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 FY26 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 FY26 Program's launch date are not eligible for an incentive. Vehicles ordered, purchased or leased after the FY26 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, FY26 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 FY26 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.

- Proof of New Jersey Residence; and
- A Valid NJ 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).

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.

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 FY26 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™
Fiscal Year 2026 Program Descriptions and Budget

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



FY26 Compliance Filing

April 22, 2026

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Acronyms & Definitions

≥ 40% FCs	An FC that can achieve an Efficiency of $\geq 40\% < 60\%$
≥ 60% FC	A FC that can achieve an Efficiency of $\geq 60\%$
Addendum AP	ASHRAE 90.1-2019, Addendum AP
ADI	Administratively Determined Incentive
App A Programs	The DER, C&I EE, NCP, and DER programs described in Part 1 of this Compliance Filing
Applicant	An applicant to the LGEA Program
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASHRAE Modeling Approach	Whole-building energy modeling used to demonstrate savings beyond code
BD&C	Building Design & Construction
Board or BPU	New Jersey Board of Public Utilities
C&I	Commercial and Industrial
C&I Buildings	The legacy program for C&I new construction
C&I Programs	NJCEP's C&I EE programs
CBA	Cost-benefit Analysis
CEA	New Jersey Clean Energy Act of 2018, N.J.S.A. 48:3-87.8 et seq.
CEC	Clean Energy Champion
CHP	Combined Heat and Power
CHP-FC	Combined Heat and Power – Fuel Cells
Commitment Letter	Letter issued by the NCP to an applicant that includes the amount of incentives committed to a specific project
Compliance Filing	This document
CRM	Customer Relationship Management
CSPM	California Standard Practice Manual
CTEEP-NC	Customer Tailored Energy Efficiency subprogram for new construction
CZ	Climate Zone
DEEP	Draft Energy Efficiency Plan
DER	Distributed Energy Resources
DOH	New Jersey Department of Health

DPMC	New Jersey Division of Property Management & Construction
Dth	A dekatherm, i.e., a unit of heating value equivalent to 1,000,000 British Thermal Units
ECM	Energy conservation measure
EE	Energy efficiency
Efficiency	An annual system efficiency (Higher Heating Value – HHV), based on total energy input and total utilized energy output
EMP	New Jersey’s Energy Master Plan
Energy Year	June 1 of a given year through the following May 31. Used primarily for calculating compliance with the RPS.
ERI	Energy Ratings Index
ERP	Energy Reduction Plan
ESIP	Energy Savings Improvement Plan
EV	Electric vehicle
FC	Fuel cell
FEED	Final Energy Efficiency Plan
FY	Fiscal Year, i.e., July 1 to June 30 of a given year
GATS	Generation Attribute Tracking System
GHG	Greenhouse Gas
GSC	The Garden State Challenge, a pilot program within NCP
ID&C	Interior Design & Construction
IOU	New Jersey’s investor-owned gas and electric utility companies
Legacy Programs	The C&I Buildings program, including its subprograms, Smart Start NC, P4P-NC, and CTEEP-NC
LEUP	Large Energy Users Program
LGEA	Local Government Energy Audit Program
LMI	Low- and Moderate-Income
Mechanical CHP	The process of generating power in terms of cooling and useful thermal energy from a single fuel source
MFNC	Multifamily New Construction
MWh	Megawatt hour
NCP	New Construction Program
NEC	National Electric Code
NJCEP	New Jersey’s Clean Energy Program™

NJIT	New Jersey Institute of Technology
OBC	Overburdened Community
P4P-NC	C&I Buildings: Pay for Performance - New Construction subprogram
Part 2 Programs	The programs described in Part 2 of this Compliance Filing
PHI	Passive House Institute
Phius	The organization that certifies building professionals, standards, buildings, and products as Passive House
Plan	NJCEP's Outreach Plan
PV	Photovoltaic
QA	Quality Assurance
QC	Quality Control
RE	Renewable Energy
REC	Renewable Energy Certificate
Review Committee	A committee of policy, technical, and regulatory stakeholders selected by the NCP Program Manager in consultation with Board Staff to review submissions to the GSC
RNC	Residential New Construction
RPS	Renewable Portfolio Standard
SBC	Societal Benefits Charge
SmartStart NC	An equipment-based sub-program of the legacy C&I Buildings Program for new construction
SNFH	Single-Family New Homes
Solar Programs	NJCEP's Solar Registration Programs
SPC	Single Point of Contact
SREC	Solar Renewable Energy Certificate
SRP	SREC Registration Program
SuSI	Successor Solar Incentive
TA	Trade Ally
tCO ₂ e	Tons of carbon dioxide equivalent
TI	Transition Incentive
Triennium 2	The second three-year cycle of programs implemented pursuant to the New Jersey Clean Energy Act of 2018
UEZ / OZ	Urban Enterprise Zone / Opportunity Zone

WHP

Waste Heat to Power

ZERH

Zero Energy Ready Home

Introduction

This Fiscal Year 2026 (“FY26”) compliance filing (“Compliance Filing”) presents the program plans, budgets, and anticipated savings of those initiatives of *New Jersey’s Clean Energy Program*TM (“NJCEP”) administered by TRC¹ for FY26.² They include, among other things, the energy efficiency (“EE”) programs established pursuant to the New Jersey Clean Energy Act of 2018 (“CEA”),³ whose Compliance Filings are now synchronized with the EE plans the New Jersey utilities have filed, and will file, pursuant to the CEA.

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

Budgets

FY26 budget information for the programs administered by TRC can be found in Appendix C, Trued-up Program Budgets.⁴

In addition, “detailed” budget information for the programs administered by TRC during Fiscal Year 2025 (“FY25”) can be found in Appendix D, Program Budgets for FY25. Previously, on June 27, 2024, the Board had approved the overall FY25 budget for those programs as well as “detailed” budgets for the first six months of FY25.

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

The budget information includes, among other things, carryforward amounts, some of which reflect incentive commitments made but not yet paid (Pipeline of Board Approved Projects/Allocations in the FY26 Budget Table). Many EE projects, especially the larger ones with larger incentives, can take two or more years from commitment to final incentive payment because the projects are large and complex. An early incentive commitment is necessary for the applicant to secure the financing to proceed to make the investments necessary to design and construct the project.

Savings Goals

Energy savings projections for the programs administered by TRC can be found in Appendix E, Program Goals and Performance Metrics for FY26.

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

² It also presents certain detailed budgetary information for FY25 set forth under Budgets below.

³ N.J.S.A. 48:3-87.8 et al.

⁴ The budget for all the new construction programs, including the new “New Construction Program” and the legacy programs transitioning into that new program (see below in main text), will consist of the amount set forth at “New Construction Program.”

Cost-Benefit Analyses

Cost-benefit analyses for the programs administered by TRC can be found in Appendix F, Cost-Benefit Analysis.

Key Performance Indicators

Key Performance Indicators for the programs administered by TRC can be found in Appendix G, Key Performance Indicators.

New Jersey's Energy Efficiency Program Transition

The CEA, among other things, requires New Jersey's investor-owned gas and electric utility companies ("IOUs") to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU approved a comprehensive suite of efficiency programs to transition the State to some of the highest energy savings in the country. The "next generation" EE programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the EE programs continue to be administered by NJCEP, but most have been transferred to the IOUs.

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

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

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

The NCP will in large part replace the following legacy programs: (a) Residential New Construction ("RNC") and (b) Commercial and Industrial ("C&I") Buildings, which has three (3) sub-programs – 1) New Construction ("SmartStart NC"); 2) C&I Buildings: Pay for Performance - New Construction ("P4P NC"); and C&I Buildings; and 3) Customer Tailored Energy Efficiency Program for new construction ("CTEEP NC") (collectively, "Legacy Programs"). The transition from the Legacy Programs to the new NCP is taking place on a publicly announced schedule provided through means other than this Compliance Filing; that schedule provides, among other things, that, after October 31, 2025, no new applications may be submitted to the Legacy Programs. To the extent applicable during FY26 and beyond, complete descriptions of the Legacy Programs and their incentives are set out in **Part 2** of this Compliance Filing.

As mentioned above, all but one of the programs and program components that were administered by NJCEP prior to FY23 that were to be transitioned to the IOUs (e.g., the now-closed HVAC Program) have now been fully transitioned to the IOUs and have ceased to operate and expend NJCEP funds. The sole exception is the Pay for Performance – Existing Buildings Program ("P4P-EB"), which often has relatively long project timelines, continues to process applications submitted during or prior to FY22, and will continue to pay incentives related to those applications during FY26. The funds for P4P-EB are included in the C&I Buildings Program Budget.

PART 1 (Active Programs)

Commercial and Industrial Energy Efficiency Programs

C&I Buildings: Large Energy Users

Program Purpose and Strategy Overview

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

Specific design features include:

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

Support for Energy Master Plan (“EMP”) Goals

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

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

Program Description

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

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

- Review and approval/rejection of all submitted Draft Energy Efficiency Plan (“DEEP”) submittals;⁵
- Review and approval/rejection of all submitted Final Energy Efficiency Plan (“FEED”) submittals;
- Technical assistance via email and telephone to assist entities in the proper submission of the required information;
- Updates of data tracking tools to incorporate additional tasks related to this initiative; and
- Incentive processing including issuance of checks and tracking/recordkeeping.

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

Target Markets and Eligibility

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

- Eligible entities must have incurred at least \$5,000,000 in annual energy costs (on a pre-sales tax, aggregate of all buildings/sites) during the immediately preceding fiscal year (“FY”). Eligible entities shall be defined as:
 - 1) Public: having distinct and separate budgetary authority, i.e., a budget used to fund only that entity (e.g., a utility authority);
 - 2) Public Schools: having distinct and separate budgetary authority, i.e., a budget used to fund only that entity (e.g., a school district); and
 - 3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey, consistent with the May 3, 2013 Order in Docket No. EO07030203.⁶
- Further, to be considered for incentives, the billed peak demand of each facility included in the DEEP/FEED must meet or exceed 400 kilowatts (“kW”) and/or 4,000 dekatherms (“Dth”).⁷
- Finally, the limitations/restrictions listed below, including, among others, the exclusion of hospitals, apply.

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

⁵ Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEED.

⁶ In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 Through 2012 Clean Energy Program – Revised 2012-2013 Programs & Budgets – Revised Rebate Approval Process, BPU Docket No. EO07030203, Order dated May 3, 2013 (“May 3, 2013 Order”).

⁷ A dekatherm is a unit of heating value equivalent to 1,000,000 British Thermal Units.

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

Submittal Requirements for Fund Commitment

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

Program Standards

1. All energy conservation measures (“ECM”) must meet minimum performance standards (“MPS”), which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
 - a. Appendix A to the Large Energy Users Program Guide;
 - b. ASHRAE 90.1-2019;
 - c. Local code; and
 - d. This Compliance Filing’s Appendix A, C&I and DER Incentive Caps and General Rules.
2. ECMs must be fully installed no later than 12 months from approval of the FEEP, provided, however, that the Program Manager may allow up to 24 months where special circumstances beyond the reasonable control of the applicant (such as exceptionally large or complex projects or projects experiencing unusually severe supply chain disruptions or personnel shortages) justify such longer period. In addition, up to two (2) extensions may be granted for a period of up to six (6) months with satisfactory proof of project advancement and upon due cause otherwise. Project advancement may be demonstrated through copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, and similar documents.

Limitations/Restrictions

1. New construction and substantial renovation (also known as gut renovation) projects are not eligible under the program.
2. Hospitals are not eligible for this LEUP.
3. Incentive will be limited to EE measures. The following shall not be included as part of this program:
 - a. Renewable energy; and
 - b. Maintenance energy saving projects.
4. Incentives shall only be available for ECMs approved in the FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board’s usual waiver standard.

5. ECMs already installed or under construction will not be considered for incentives and shall not be included in FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.
6. Federal grants/incentives are allowed. Other state grants/incentives are allowed provided they do not originate from NJCEP funds. NJCEP loan funds are allowed. Funds provided by a New Jersey IOU are not allowed. The total of federal, state, and LEUP funding shall not exceed 100% of total project cost.
7. No DEEP or FEEP may have more than 50% of the overall total energy savings coming from lighting and/or lighting controls measures, unless the Program Manager determines the applicant has demonstrated the scope of work is otherwise comprehensive in that it:
 - a. Assesses the cost-effectiveness of installing energy conservation measures in each of the following areas in a given building: (i) heating systems, (ii) cooling systems, (iii) ventilation systems, (iv) domestic hot water systems, and (v) building envelopes; and
 - b. Implements all cost-effective energy conservation measures identified through the foregoing assessment in a given building or, as to any such measures not implemented, explains why such implementation would not be practicable.

For example, a scope of work that does not include replacement of a 30-year-old atmospheric boiler would not be allowed to include lighting savings greater than 50% of the total energy savings.

Review and Payment Framework

1. Upon receipt of the FEEP, Program Manager will have sixty (60) days to review each submittal and provide comments to entity.
2. Program Administrator will present FEEPs to Board for approval as required by Board policy and commitment of incentive. The Program Administrator may conduct up to three (3) site inspections per FEEP submission including a pre-inspection at 50% completion and 100% completion, as required.
3. If ECMs are not completed within the specified timeframe, incentive commitment may be forfeited.
4. Entity will provide monitoring and verification ("M&V") data as requested and will comply with any program evaluation activities.

Program Offerings and Incentives

The program will offer a maximum incentive, which will be the lesser of the incentive levels identified in the four (4) bulleted items below:

- 75% of total project(s) cost as identified in the FEEP(s). Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP; and

- For all lighting measures: \$0.16/kWh per projected kWh saved annually; for all other measures: \$0.33 per projected kWh saved annually; \$3.75 per projected therms saved annually, all as identified in the FEEP(s); and
 - \$4,000,000 per entity per FY, determined by summing the commitments associated with each FEEP approval made during the applicable FY;
- or
- The amount necessary to buy down to no less than a two (2)-year payback. Details regarding this buy down will be set forth in the LEUP Program Guide, LEUP application, and/or similar documents.

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

Quality Control Provisions

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

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

C&I Buildings: LEUP Decarbonization Pilot

Program Purpose and Strategy Overview

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

Support for Energy Master Plan Goals

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

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

Through this pilot, the program aims to:

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

Program Description

Incentives are awarded to customers that satisfy the pilot's eligibility and requirements for investing in self-directed energy projects that result in GHG reductions, as measured in terms of tons of carbon dioxide equivalent ("tCO₂e").⁸ The pilot relies on eligible customers and their technical consultants to identify and develop qualifying projects that they believe will be beneficial for their operations.

Target Markets and Eligibility

The pilot will focus on higher education (colleges/universities) customers because their campuses offer a wide range of building types and energy use cases, including, among others, large multi-unit residential (dormitory); one (1)- to four (4)-unit residential housing; classrooms; cafeterias; coffee shops; gymnasiums; student centers; laboratories/research facilities; offices; garages; libraries; auditoriums, vehicle fleets. Higher education customers also allow for opportunities to make deep system changes that could potentially be harder to model in a different setting. This could include more cross-category projects such as demand response/renewables/EVs, whose combined impact would be more difficult to gauge for projects that are not at a contiguous site.

Due to the limited number of customers in the target market sector, this pilot will be open to all existing college/university customers that are accredited⁹ institutions that have a multi-building campus. To be eligible, any submission must encompass the entire campus or, if there is more than one campus, may encompass the entire collection of campuses owned or operated by the college/university.

Program Standards

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

⁸ The method for calculating tCO₂e will be set forth in the Program Guide or other program documents.

⁹ Please refer to this site for a list of New Jersey's accredited institutions:
https://www.nj.gov/highereducation/colleges/schools_sector.shtml

Decarbonization Plan as to the breadth and variety of the proposed scope of work, the expected useful life of the projects within that scope, and general cost effectiveness.

- Upon completion of its review, the Program Manager will reject or approve the Decarbonization Plan, and, if approved, commit the incentive.
- Decarbonization measures must be fully installed no later than three (3) years from the approval of the Decarbonization Plan. The commitment may provide for one (1) or more progress payments to be made during this timeframe to accommodate work as it is completed.
- Up to two (2) extensions may be granted for a period of up to six (6) months for good cause shown. If measures are not completed within the specified timeframe, the related incentive commitment will be forfeited.
- The Program Manager may, in its discretion, conduct site inspections of sites covered by a pending or approved application, including, among others, a pre-inspection and inspections at 50% completion and 100% completion.
- The Program Manager may, in its discretion, require participants to submit M&V data and to otherwise reasonably cooperate with the Program Manager's evaluation of the participant's project and the pilot more generally.

Limitations/Restrictions

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

equipment.¹⁰ Should a customer nonetheless receive incentives or grants for GHG reductions from another NJCEP or utility program, the customer will be required to quantify and report those reductions to the Program Manager of this Decarbonization Pilot.

- The Board and its contractors reserve the rights in their absolute discretion to deny applications they deem for any reason to be unsuitable for this pilot.
- In the event this pilot receives more applications than permitted by the allocated budget, the Board and its contractors reserve the right to prioritize applications based on geographic location so that participation is spread across the State's investor-owned utilities service territories.

Program Offerings and Incentives

The pilot will offer two incentives:

1. An incentive to offset 100% of the cost of developing the Decarbonization Plan.¹¹
 - a. This incentive is variable and will require submission of a Proposal, whether from the applicant or its preferred technical consultant, outlining the proposed fees and any other relevant costs associated with developing the Decarbonization Plan. The proposal and final incentive amount are subject to screening and approval by the Program Manager.
 - b. Proposals already accepted and/or underway at the time of application to NJCEP are not eligible for this incentive.
2. \$1,000 per tCO₂e first year reductions based on the amounts set forth in the approved Decarbonization Plan.
 - a. This incentive is paid at completion of the approved decarbonization solutions.
 - b. As mentioned above, the commitment may in the Program Manager's discretion provide for one or more progress payments.
3. The total of the above incentives will be capped at the lesser of:
 - a. 75% of total project(s) cost (estimated or actual, whichever is less). Total project costs include material, labor, and generally accepted soft costs such as engineering and design; or
 - b. \$5,000,000 per entity per FY for this pilot, determined by summing the commitments associated with an approved Decarbonization Plan that were made during the applicable FY.

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

¹⁰ For the avoidance of doubt: (a) any, and all, solar projects shall be eligible to receive incentives only through the Board's solar program, not through this Decarbonization Pilot; and (b) this Decarbonization Pilot does not in any way restrict its participants' ability to seek or receive federal incentives, tax credits, or loans.

¹¹ This Pilot is not currently accepting new applications.

Quality Control Provisions

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

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

Local Government Energy Audit

Program Purpose and Strategy Overview

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

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

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

Support for Energy Master Plan Goals and Strategies

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

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

Program Description

This program is implemented as follows:

- The Applicant will submit an application to the program identifying basic facility information such as building type, square footage, and recently implemented ECMs, as well as the reason(s) for requesting an energy audit. The Program Manager may, in appropriate cases, assist a potential applicant to prepare an application by, for example, identifying meters or collecting, collating, and uploading utility bills.
- A case manager will assist the Applicant in determining the audit path that best addresses the Applicant’s needs (as described below);

- Available energy audit paths include:
 - ASHRAE Level I audit¹²;
 - ASHRAE Level II audit; and
- Add-on scopes as provided for in the LGEA Program Guide or application materials (e.g., a more detailed assessment for Renewable Energy (“RE”) systems, an electrification study, or certifying a building as having met ENERGY STAR¹³ requirements).¹⁴

Each level of audit would also include a high-level feasibility assessment for EV charging stations.

- When an Applicant is enrolled in LGEA and participating in any NJCEP and/or utility-managed EE programs at the same time for the same facility(ies), the Program Manager will assess the impact the work may have on the energy audit and require the Applicant to take one of the following actions within a determined timeframe, depending on the level of impact:
 - Proceed with energy audit and equipment upgrades (minimal impact);
 - Complete equipment upgrades prior to proceeding with energy audit process or vice versa (moderate impact); or
 - Cancel energy audit application (significant impact).
- If the initial program eligibility and application requirements have been met and the Applicant is approved to have an energy audit performed under this program, the Program Manager will issue an Approval Letter/Notice to Proceed to the Applicant.
- In order to provide increased visibility for energy savings project potential, the energy audit scope will include an evaluation of energy related water conservation measures (which may also be included in standard audit scopes), demand response potential, and estimated GHG reduction for each recommended measure.

¹² From the ASHRAE Handbook:

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

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

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

¹³ News sources indicate that USEPA may be eliminating the ENERGY STAR program. The Board is closely monitoring this situation and will consider appropriate revisions to NJCEP if and as appropriate.”

¹⁴ For the avoidance of doubt, the add-on scope audits must be added on to a standard eligible audit and cannot be a standalone study.

- After verifying all program requirements have been met, the Program Manager will perform the audit, prepare an audit report, and notify the Applicant when the audit report is completed. Additionally, the Program Manager may meet in person or conduct a web/phone conference with the Applicant to discuss audit findings and next steps for implementing measures recommended in the report.

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

- In applying the foregoing cap to state entities, LGEA will treat each State Agency and Department as a separate entity but subject the group of State Departments (defined as all those entities using Tax ID: 21-6000928) to an overall cap of \$1,000,000 per FY, which overall cap may, with the approval of Board Staff, be increased up to a maximum of \$1,500,000.¹⁵
- For larger Applicants interested in pursuing ESIP (by selecting intent to pursue ESIP on the application), if the audit cost exceeds or is expected to exceed \$150,000, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000.
- For non-profit 501(c)(3) healthcare entities, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000, so long as the funds exceeding the initial \$150,000 would be for auditing facilities designated as hospitals by the NJ Department of Health (“DOH”).

Target Markets and Eligibility

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

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

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

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

¹⁵ The Tax ID is provided to TRC by the New Jersey Department of Treasury (“Treasury”), which Treasury uses to qualify the State Agency or Department.

New Construction Energy Efficiency Program

New Construction Program

Program Purpose and Strategy Overview

The New Construction Program is designed to increase EE and environmental performance, as well as simplify the customer experience and application process for all new construction buildings in New Jersey, including single family homes, townhomes, multifamily dwellings, commercial buildings, and industrial buildings. The NCP's long-term objective is to transform the new construction market into one in which most new buildings in the State will be "net zero energy."¹⁶

NJCEP's new construction programs that existed prior to the launch of the present NCP¹⁷ consisted of different programs for each market segment. Toward the end of minimizing confusion in the marketplace and barriers to participation, especially for multipurpose buildings, there is a period of transition from NJCEP's legacy new construction to NCP, the schedule for which has been publicly announced by means other than this Compliance Filing; that schedule provides, among other things, that, after October 31, 2025, no new applications may be submitted to the Legacy Programs.

The NCP is designed to:

1. **Broaden and Expand the Scope of Energy Savings:** Introduces Passive House Institute ("PHI") and Phius standards.¹⁸ Eliminates single-measure incentives and instead requires a bundle of at least two ECMs to drive deeper energy savings. Includes a rigorous and sophisticated High-Performance Pathway.
2. **Support Electrification and the Reduction of GHG Emissions:** Introduces a GHG reduction initiative that is easy to understand and participate in and which will, among other things, help prepare the market for electrification and decarbonization as outlined in the EMP. This in turn will encourage participation in the Solar Programs.
3. **Create a Single Point of Entry and Eliminate Market Gaps:** Implements a new streamlined program for all new construction buildings that, among other things, eliminates potentially confusing overlaps in the multifamily market and eliminates the need for multiple program applications for mixed-use buildings. Provides an entry point for every type of project from single-family homes incorporating a small bundle of ECMs, to large industrial buildings incorporating many ECMs, calculated through sophisticated modeling.

¹⁶ A net zero energy building is one that generates sufficient clean renewable energy to meet its total energy consumption need.

¹⁷ I.e., the RNC, SmartStart NC, P4P-NC, and CTEEP NC Programs. This NCP section will hereinafter refer to each of those expiring programs as "Legacy" programs, e.g., the "Legacy RNC Program."

¹⁸ Passive House Institute is an independent research institute whose mission is to further the development of the Passive House concept. The Passive House concept is described in more detail in the Passive House subsection of the Program Description and Strategy Overview section below. Phius is an organization that certifies building professionals, standards, buildings, and products as Passive House. See <https://www.phius.org/>.

4. **Optimize Program Process Flow:** In addition to the benefits of the single point of entry described above, the use of well-known, widely used standards and programs sponsored by third parties, such as Leadership in Energy and Environmental Design (“LEED”) and USEPA’s ENERGY STAR®, often referred to collectively as “Proxies,” simplifies and will increase participation because the processes they use have been refined over the years and because many program participants, their contractor/consultants, or both, are familiar with those processes.
5. **Increase Equity and General Participation:** Provides equitable access to programs for projects located in Low- and Moderate-Income (“LMI”) census tracts, income-qualified Affordable Housing,¹⁹ Urban Enterprise Zones/Opportunity Zones (“OZs”), and Overburdened Communities (“OBCs”)²⁰ through enhanced incentives, targeted outreach, and other initiatives.²¹ Promotes and supports professional growth among those in the EE and RE industries, especially with regard to LEED and Passive House projects.
6. **Inform Code Development and Support Code Compliance:** By encouraging program participants to achieve deeper energy savings and GHG reductions than do current building energy codes, and by gathering data and experience regarding same, the new program may help to inform and advance the development of future codes.

Support for Energy Master Plan Goals

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

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

In addition, the NCP will support the Executive Order 316 target to electrify commercial and residential buildings in an additional 400,000 homes and 20,000 commercial properties, and to make an additional 10% of all LMI properties electrification-ready by 2030.²²

¹⁹ See the following webpages for the identification of and more information about UEZs, and OZs: [New Jersey Opportunity Zones Resource Center \(nj.gov\)](https://www.nj.gov/economic-development/developmental-services/affordable-housing/), and [NJ Division of Taxation - Urban Enterprise Zone](https://www.nj.gov/treasury/taxation/uezs/). “Affordable Housing” means any housing that an official document identifies as participating in a federal, state, or local affordable housing program. This may also include official documents showing identification from the New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

²⁰ OBCs are identified in accordance with the Environmental Justice Law. N.J.S.A. 13:1D-157 *et seq.* A list of OBCs is available at <https://dep.nj.gov/ej/communities/#:~:text=The%20State%20has%20updated%20mapping.households%20have%20limited%20English%20proficiency> .

²¹ LMI is defined in consultation with Board Staff and is set forth in the Program Guide, applications, and/or other program documents.

²² Exec. Order No. 316 (Feb. 15, 2023), 55 N.J.R. 510(a) (Mar. 20, 2023).

Target Market and Eligibility

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

The target market for the NCP is builders, developers, and program partners (e.g., program-approved energy consultants, architects, engineers, and Raters,²³ collectively, “Partners”).

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

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

Program Description and Delivery Methods

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

1. The **Bundled Pathway** requires the implementation of a bundle of relatively typical above-code ECMs. Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient building envelope²⁴ and insulation measures.
2. The **Streamlined Pathway** encourages deeper energy savings than the Bundled Pathway but requires less time and expense than the High-Performance Pathway described below. Although it requires some modeling of ECMs, the modeling is performed in a web-based user interface that requires minimal inputs and generates quick and accurate projected savings.
3. The **High-Performance Pathway** encourages the deepest energy savings by requiring that applicants take a whole-building approach and either exceed code requirements by a certain percentage or meet one of several sets of stringent technical standards set by Proxies for new construction. This pathway largely replaces the Legacy RNC and P4P NC Programs.

²³ A “Rater” is an energy professional who oversees the energy efficiency work completed by participating builders and developers. Raters are typically certified by third party organizations. By way of example, a Rater may be certified (a) as a Home Energy Rating System (“HERS”) Provider approved by an EPA-Approved Verification Oversight Organization (“VOO”), or (b) as a Modeler approved by an EPA-Approved Multifamily Review Organization (“MRO”).

²⁴ “Building envelope” is the part of a building that separates conditioned from unconditioned spaces; it includes things such as doors, windows, walls, and siding.

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

Table 1: Eligibility for Pathways by Building Type

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

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

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

Partner Network

This market-based Program relies on a network of Partners. Partners work under contract with builders and developers, acting as their “energy expert,” and are required to strictly follow Program

requirements. Partners must be reviewed and approved by the Program Manager to be allowed to work within the Program. They may be approved to work under a single or several pathways.

Program Requirements

The NCP's several pathways provide New Jersey's builders and developers with a range of participation options to suit different levels of effort and experience with energy efficient design. Minimum energy performance requirements across all pathways are measured from IECC 2018/2021 or ASHRAE 90.1-2016/2019²⁵ energy code baselines. Therefore, the pathways all result in energy performance better than that required by the applicable IECC or ASHRAE code, i.e., the applicable New Jersey energy codes. The following sets out additional details regarding each pathway.

Bundled Pathway

Applicants applying through this pathway must select from a list of prescriptive measures set forth in the applicable Table 2 or Table 3 below.²⁶ Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient envelope and insulation measures. To qualify for an NCP incentive, an applicant must select a minimum of two (2) measures from the Bundled Pathway Credits Table applicable to its Climate Zone ("CZ") and meet or exceed the applicable Minimum Points Required for its building type, as set forth in the applicable table. The Program Manager may modify either or both of the foregoing requirements for any type of building for which only a single type of measure (e.g., only a heat pump water heater) can be implemented.

²⁵ Unless otherwise expressly set forth in this NCP section, 2018/2021 and 2016/2019 means whichever is applicable dependent on the date of the project's building permit.

Table 2: Bundled Pathway Credits, CZ 4A

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

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

Table 3: Bundled Pathway Credits, CZ 5A

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

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

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

The NCP incorporates, by reference, the requirements for each measure as set forth in ASHRAE 90.1-2019, Addendum AP (“Addendum AP”),²⁷ the document from which the above Tables were drawn.²⁸

Streamlined Pathway

For an applicant utilizing this pathway, the Program will provide access to, through an online portal or similar means, a relatively simple modeling tool, Sketchbox, to enter data about its project and the project’s ECMs.²⁹ The applicant will be eligible for NCP incentives if Sketchbox calculates that the ECMs will achieve site energy savings at least 5% above code.

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²⁷ As approved by the ASHRAE Standards Committee on July 20, 2022; by the ASHRAE Board of Directors on August 15, 2022; by the Illuminating Engineering Society on September 8, 2022; and by the American National Standards Institute on September 9, 2022. If Addendum AP is updated or otherwise revised, the relevant sections of this Compliance Filing (including, without limit, the tables above) may, with the approval of Board Staff, be revised to reflect such updates or other revisions.

²⁸ The Tables in this Compliance Filing do not include every measure included in Addendum AP. For the avoidance of doubt, NCP incentives will not be paid for measures that are not included in the Tables in this Compliance Filing. In addition, the applicable Program Guide may further limit the scope of equipment eligible for incentives.

²⁹ Sketchbox estimates performance by incorporating select rules from both ASHRAE 90.1-2016/2019, Section 11 (Energy Cost Budget Method) and Appendix G of ASHRAE 90.1-2016/2019 (Performance Rating Method).

The following types of buildings are currently capable of being entered into Sketchbox and are thereby potentially eligible for incentives through this pathway³⁰:

Table 4: Building Types Eligible for Streamlined Pathway

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

Further, the Program Guide³¹ and/or other Program documents may limit eligibility beyond the requirements set forth in this Compliance Filing. By way of example, buildings with more than three (3) building shells and/or with different types of HVAC systems are required to seek and obtain the Program Manager's approval to participate in this pathway, and certain conditions may be imposed on the application. In addition, the Program documents may impose stricter requirements for certain ECMs than those set forth in this Compliance Filing, including, among others, those related to natural gas equipment.

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

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

³⁰ If Sketchbox is updated or otherwise revised, the table of eligible building types may, with the approval of Board Staff, be revised to reflect such updates or other revisions.

³¹ The Program Guide is a document that provides guidance regarding applying to and complying with the program; it can be accessed through <https://njcleanenergy.com/>.

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

High Performance Pathway

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

ASHRAE Modeling Approach (aka “non-Proxy”)

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

An applicant must develop a Proposed Energy Reduction Plan (“ERP”) for each project. The Proposed ERP must detail a set of measures that will achieve the minimum performance target; it is subject to review and approval by the Program Manager. After the ERP is approved, the applicant must construct its project and provide an As-Built ERP, along with a Commissioning Report,³² to demonstrate that the ERP measures are installed and functioning.

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

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

LEED

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

³² An As-Built ERP depicts the ECMs as they were actually installed as compared to what was in the ERP; a Commissioning Report reports the steps taken to test and, if necessary, adjust the ECMs to confirm they are operating and performing as designed.

Table 5: LEED Point Requirements.

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

US EPA ENERGY STAR Program

Applicants using this approach must submit documentation establishing that they have satisfied the requirements for ENERGY STAR certification utilizing the applicable ENERGY STAR program, either the SFNH or the MFNC Program, subject to the restrictions and conditions set out below.³³ For buildings and projects using this approach, the Decision Tree set forth in this Compliance Filing at [Appendix B](#), Multifamily Decision Tree, will be used to determine which ENERGY STAR Program governs the application.

ENERGY STAR SFNH Program

Applicants must satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the Energy Ratings Index (“ERI”). Compliance will be based upon ENERGY STAR Version 3.2, except that projects that qualify for ENERGY STAR Version 3.1 (according to ENERGY STAR’s criteria) may use Version 3.1 for program compliance, in which case they must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline.

ENERGY STAR MFNC Program

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

³³ For the avoidance of doubt, projects that choose to utilize ENERGY STAR’s Prescriptive Path(s) are not eligible for NCP incentives at this time.

baseline. Projects following the ASHRAE path must demonstrate at least 15% site energy savings as compared to the ASHRAE 90.1-2019 baseline.

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

Applicants must satisfy the requirements for the ZERH certification following the applicable version of the program, which is determined in accordance with the DOE ZERH – Program Versions and Implementation Timelines currently available here: <https://www.energy.gov/eere/buildings/doe-zero-energy-ready-home-zerh-program-requirements>. Projects whose building permits are issued under IECC 2021 and whose submissions are based upon compliance with ZERH Version 1 must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline or at least 15% site energy savings as compared to the ASHRAE 90.1-2019 baseline.

Passive House

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

Incentives

Project Incentives

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

Table 6: Base and GHG Reduction Incentives for the Bundled, Streamlined, and High-Performance Pathways

Incentives			
Pathway	Incentive Rate (\$/sqft)	GHG Reduction Bonus	
		Tons CO ₂ e per kSF	\$/sqft
Bundled	\$0.25	n/a	n/a
Streamlined	\$0.50	0.7 - 0.99 tons 1.0 - 1.99 tons 2.0 - 2.99 tons 3.0+ tons	\$0.25 \$0.50 \$1.00 \$1.50
High-Performance <i>Non-Proxy</i>	\$1.00		
High-Performance <i>LEED V4.1</i>	\$1.00		
High-Performance <i>ENERGY STAR</i>	\$1.00		
High-Performance <i>DOE Zero Energy Ready Home</i>	\$1.75		
High-Performance (choose one): <i>PHIUS Core 2021</i> <i>PHIUS Zero 2021</i> <i>PHIUS CORE REVIVE 2021</i> <i>PHI Classic V10</i> <i>PHI Plus V10</i> <i>PHI Premium V10</i>	\$2.50		

Table 7: Additional Incentives for the Bundled, Streamlined, and High-Performance Pathways

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

Notes to Table 6 and Table 7:

For Single Family Homes and Townhomes:

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

Workforce Development Reimbursement

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

The Program will reimburse up to \$2,000 per person per course, with a limit of two (2) courses per person per fiscal year. Eligible certifications are described below in Table 8; specific courses related to those certifications will be eligible for reimbursement only if the Program Manager has approved the specific course prior to the application for reimbursement.

Table 8: Eligible Certifications

AEE Certified Building Commissioning Professional (CBCP)	PHI Certified Passive House Tradesperson
ASHRAE Building Energy Modeling Professional (BEMP)	Phius Certified Builder (CPHB)
ENERGY STAR New Homes or MFNC Rater Certification	Phius Certified Consultant (CPHC)
IGSHPA Accredited Installer (AI)	Phius Certified Rater
IGSHPA Certified GeoExchange Designer	Phius Certified Verifier
LEED AP (BD+C and IC+C only)	RESNET HERS Modeler
LEED Green Associate	RESNET HERS Rater
PHI Certified Passive House Designer	RESNET HERS Rating Field Inspector (RFI)
The Program Manager may consider other courses and certifications on a case-by-case if the applicant can demonstrate that the course or certification will support participation in the NCP.	

Cooperative Marketing

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

Expirations & Extensions

The Program will issue commitment letters that include the amounts of incentives committed to specific projects (“Commitment Letters”), in accordance with schedules and procedures set forth in other Program documents. The incentive commitments will be valid for one (1) year for Bundled Pathway projects and three (3) years for Streamlined and High-Performance Pathway projects, in all cases measured from the date of the Commitment Letter. The Program Manager may, for good cause shown, extend the initial commitment period for up to two (2) additional six (6)-month periods. Further, the Program Administrator may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Manager is authorized to approve.

Quality Control Provisions

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

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

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

Distributed Energy Resources

Overview

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

Combined Heat and Power - Fuel Cell

Program Purpose, Strategy, and Description

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

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

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

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

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

Mechanical CHP projects that comply with the following definition are treated as CHP projects by the program:

- Mechanical CHP is the process of generating power in terms of cooling and useful thermal energy from a single fuel source. For example, a fuel source is fed into an engine drive chiller, where an engine produces X tons of cooling, i.e., a form of mechanical power. Waste heat is then recovered by the system and used for hot water production or other thermal energy needs.

Projects meeting the definitions of CHP (including, among other things, WHP and Mechanical CHP projects) above are collectively referred to as CHP projects in the remainder of this Compliance Filing.

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

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

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

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

Support for EMP Goals and Strategies

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

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

Target Market and Eligibility

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

Equipment Eligibility

Natural gas, hydrogen, biogas, and mixed fuel (e.g., natural gas and biogas) CHP-FC equipment, as well as FC equipment using any fuel that is installed on the customer side of the utility meter, is eligible for incentives. For the avoidance of doubt, 100% renewable fueled projects, including biogas and landfill gas-fueled projects that meet CHP-FC Program criteria, are also eligible to receive incentives.

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

- Equipment must be new, commercially available, and permanently installed. Expansion of an existing system with new equipment is also eligible. However, only the incremental expansion would be eligible for incentives;
- Systems must operate a minimum of 5,000 full load equivalent hours per year (i.e. run at least 5,000 hours per year at full rated KW output). Board Staff may grant exceptions to the minimum operating hours requirement for Critical Facilities (as identified in the CHP Incentives section of this Compliance Filing), provided the proposed system operates a minimum of 3,500 full load equivalent hours per year and has islanding capability;
- All FC project submissions must include documentation that the purchase price includes at least one stack upgrade at no additional cost to the customer/applicant so that the equipment’s maximum useful life is realized;

- All project submissions must contain specific cost data for providing the unit with blackstart/islanding capability regardless of whether the project will have that capability; and
- Installations of multiple systems planned for the same site within a twelve (12) month period must be combined into a single project.

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

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

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

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

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

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

Not Eligible for CHP-FC Incentives

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

- Used, refurbished, temporary, pilot, demonstration, or portable equipment/systems;

- Back-up generators (systems intended for emergency or backup generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

Feasibility Studies

FCs that include the recovery of useful thermal energy from a single source fuel and CHPs are each eligible for incentives for having completed and submitted to NJCEP a feasibility study. To be eligible for an incentive, the applicant must first submit its proposal for the feasibility study and have such proposal approved by the Program Manager. The applicant must also submit the completed study itself, along with proof of its cost. The Program Manager will approve the proposal and final submittal only if it determines that each is technically sound and is at a reasonable cost. Additional requirements are outlined in the Program Guidelines.

Incentives

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

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

Feasibility Study Incentive

75% of the cost of the study, capped at an incentive of \$75,000 and payable upon NJCEP approval of the completed study. This incentive would, among other things, count towards all other applicable NJCEP caps.

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Other CHP-FC Incentives

Table 9: CHP-FC Technology and Incentive Levels

Eligible Technology	Size (Installed Capacity) Rated	Incentive (\$/Watt) ⁽⁵⁾	% of Total Cost Cap per project	\$ Cap per project
CHPs powered by non-renewable or renewable fuel source, or a combination ⁽⁴⁾ : • Gas Internal Combustion Engine • Gas Combustion Turbine • Microturbine Mechanical CHP powered by non-renewable or renewable fuel source, or a combination FCs	≤500 kW ⁽¹⁾	\$2.00	30-40% ⁽²⁾	\$2 million
	>500 kW – 1 MW ⁽¹⁾	\$1.00		
	>1 MW – 3 MW ⁽¹⁾	\$0.55	30%	\$3 million
	>3 MW ⁽¹⁾	\$0.35		
WHPs ⁽³⁾ Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g., steam turbine)	≤1 MW ⁽¹⁾	\$1.00	30%	\$2 million
	>1 MW ⁽¹⁾	\$0.50	30%	\$3 million

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

60/40 (60% being a Class 1 renewable), the bonus will be 18%. This bonus will be included in the final partial payment, based on system performance and fuel mix consumption data.

5. All CHP-FC systems incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above).
6. The incentive bonuses described in the notes above shall count towards neither the % of Total Cost Cap per project nor the \$ Cap per project, in each case as included in Table 9: CHP-FC Technology and Incentive Levels.

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

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

1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on 12 months of continuous operating data submitted within 18 months of installation, with the foregoing deadline being subject to being extended for six (6) additional months by the Program Manager upon the request of the applicant submitted prior to the expiration of the deadline and for good cause shown.
2. Regarding the third incentive, if all other required performance thresholds are achieved:
 - a. And the total annual net kWh generated is $\geq 80\%$ of that specified in the Program-approved application, the full third incentive is earned.
 - b. But the total annual net kWh generated is $\geq 50\%$ but $< 80\%$, of that specified in the Program-approved application, the amount of the third incentive earned is reduced proportionately by the ratio of actual total annual net kWh generated to the approved application total annual net kWh generated.
 - c. But the total annual net kWh generated is $< 50\%$ of that specified in the Program-approved application, no third incentive is earned.

Quality Control Provisions

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

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

Renewable Energy

Solar Registration Programs

Program Purpose and Strategy Overview

New Jersey's solar policies and Renewable Portfolio Standards ("RPS") have been established through legislation and implemented mainly through regulations and Board Orders. NJCEP's Solar Renewable Energy Certificate ("SREC") Registration Program ("SRP") was designed to meet the goals and objectives of the regulations in place at the time of its design. In 2020, the Board proposed and adopted regulations establishing a solar Transition Incentive ("TI") Program to provide a bridge between the legacy SRP and the then soon to be established Successor Program. In 2021, the Board proposed and adopted additional regulations establishing the Successor Solar Incentive ("SuSI") Program. The SuSI Program is comprised of two (2) sub programs: 1) the Administratively Determined Incentive ("ADI") Program; and 2) the Competitive Solar Incentive ("CSI") Program, which CSI Program's application portal was opened to new applications on April 15, 2023. In 2024, the Board approved the addition of a new segment to the ADI program for Remote Net Metered facilities. On October 23, 2024, the Board launched the Dual Use Pilot Program that would allow dual use of certain land for both farmland and solar generation, in accordance with the Dual Use Act, L. 2021, c. 170; N.J.S.A. 48:3-87.13 *et seq.*

Support for EMP Goals and Strategies

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

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

Program Description

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

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

“SREC IIs” and can be sold to a utility at a fixed price. The values of the SREC-IIs under the ADI Program are set by the Board, and the values of the SREC-IIs under the CSI Program will be set through a solicitation process.

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

FY26 Program Changes

The Solar Programs will be modified as required to remain consistent with any revisions to the programs approved by the Board.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

- Sustain the growth of New Jersey’s solar markets, while communicating accurate and objective information on market development activity.
- Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g., new RPS levels, net metering rules), and translate new policies into program operational procedures, as required.
- Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Solar Act of 2021, N.J.S.A. 48:3-114 et seq., L. 2021, c.169.

Target Markets and Eligibility

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

Offerings and Customer Incentives

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

In addition:

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

Quality Control / Quality Assurance Provisions

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

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

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

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

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

The Program Manager will utilize the Contractor Remediation Procedures, as necessary or appropriate, to address significant performance or other problems with Contractors participating in the New Jersey Solar Programs.

Outreach Plan

Executive Summary

This Outreach Plan guides stakeholder engagement, partner coordination, and statewide program visibility throughout FY26. This plan outlines outreach goals, strategies, and tactics that support participation across all customer segments, with a sustained focus on meeting the equity goals of the BPU.

FY26 marks an opportunity to deepen our impact through sector- specific outreach and alignment with institutional partners. In particular, the launch of the New Construction Program requires renewed outreach and education focused on planning, development, and design professionals.

This Plan supports the EMP and the following NJCEP programs:

- NCP
- LGEA
- LEUP
- CHP-FC)
- Solar Program

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Strategies and Priorities

FY26 outreach priorities reflect both established program objectives and recent priorities identified by the BPU and program stakeholders. These strategies provide a framework for targeted, equitable, and measurable outreach that advances the NJCEP mission and supports the State's clean energy objectives.

- **Promote NCP through Sector Focused Outreach:** Implement targeted campaigns aimed at design, development, and planning professionals, including early engagement with data center developers to position NJCEP incentives as integral to project planning.
- **Enhance Early-Stage Engagement:** Collaborate with municipalities, state facilities, developers, and trade professionals during project planning to build trust, increase awareness, and strengthen pipelines for NCP, LEUP, and other applicable offerings.
- **Leverage Data and Technology:** Utilize Geographic Information System and Customer Relationship Management (“CRM”) insights of past participants and potential new participants to guide campaign strategies, identify underserved areas, track attribution trends, and refine tactical planning for greater impact.
- **Integrate Program Messaging:** Work closely with NJCEP staff to align messaging across energy efficiency and renewable energy programs, ensuring clarity, consistency, and adherence to the Single Point of Contact (“SPOC”) model for streamlined customer and contractor engagement.
- **Expand Strategic Partnerships:** Deepen collaboration with Sustainable Jersey, Rutgers University, New Jersey Institute of Technology (“NJIT”), county improvement authorities, state agencies, and utility partners to enhance visibility, share knowledge, and support aligned program goals.
- **Facilitate Stakeholder Feedback:** Maintain open feedback channels, including surveys, listening sessions, and focus groups to inform program refinements and improve accessibility for contractors and customers.
- **Maintain Active Outreach Presence:** Deliver a consistent schedule of outreach activities, events, and technical support opportunities—such as conferences, trade shows, and targeted sector call and email campaigns—that advance statewide resiliency and clean energy goals.
- **Expand Participation in Underserved Communities:** Increase engagement in LMI and OBC through data-informed outreach, multilingual communication, and targeted activities led by the Clean Energy Champion (“CEC”) to promote equitable access to NJCEP offerings.
- **Strengthen Small Commercial Engagement:** Grow awareness and participation among small commercial customers through sector-specific outreach, strategic partnerships, and removal of financial, technical, and institutional barriers to energy efficiency adoption.

The tactics outlined in this Plan support these strategies and priorities. KPIs and highlights will be included in a monthly report to track progress.

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Target Markets

NJCEP outreach efforts serve a broad audience across residential, commercial, public, and nonprofit sectors. This plan prioritizes the following markets to expand program reach and impact:

- **Data centers and developers**, with early engagement during the planning and design phases to position NCP and LEUP for opportunities.
- **Commercial and residential builders, property developers, etc.**, supported with coordinated outreach and program education to drive adoption during construction and redevelopment cycles.
- **Warehousing and industrial facilities**, with direct outreach and organizational partnerships to identify project opportunities.
- **Film and media production**, engaging NJ studios and production facilities to integrate clean energy solutions as part of the sector's recent development in NJ.
- **Small commercial businesses**, reached through community organizations, chambers, and direct outreach for program visibility and participation.
- **Public sector facilities**, including higher education institutions and municipalities, with annual event participation and ongoing coordination to align with institutional energy goals.
- **OBCs and LMI households**, prioritized through the CEC community-based outreach and partnerships to expand equitable access to program benefits.

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Outreach Tactics

Outreach tactics define the specific actions and approaches that will be used to achieve the goals and objectives outlined in this plan. They support the strategies intended to maintain the proven strengths of past efforts while expanding into new areas of opportunity identified through recent program priorities and stakeholder feedback. The Outreach Team will apply a combination of direct engagement, targeted campaigns, and coordinated communications to keep NJCEP programs accessible, visible, and relevant to all customer classes and market sectors.

Program-Specific and Sector-Focused Outreach

The Outreach Team will deliver tailored engagement strategies for each program area, with local Outreach Account Managers serving as SPOCs for their assigned markets. SPOCs will deliver a coordinated message on all relevant NJCEP offerings. For example, a commercial developer inquiring about a new construction project will also gain awareness of the solar and EV programs to understand the full suite of opportunities available. This approach provides stakeholders with consistent information and a clear path to participation, whether they require technical guidance, financial incentives, or assistance with program enrollment.

Program-specific outreach will center on sector-focused campaigns targeting priority markets such as public facilities, higher education, commercial real estate, industrial and logistics facilities and emerging sectors like data centers and media production facilities. For NCP, outreach will prioritize early engagement with decision-makers, connecting them with Program Partners so that incentives, program benefits, and technical requirements are factored into project planning before construction begins.

Outreach for other programs such as LEUP and CHP-FC will focus on identifying viable projects, building relationships with facility operators, and providing timely technical and financial guidance to support informed participation decisions. Engagement with contractors, Trade Allies (“TAs”), and design professionals will be aligned to each program’s process and timing to maximize project conversion.

New Construction Program

For the newly launched NCP, outreach will focus on building and sustaining a strong pipeline of commercial and industrial projects (including data centers) through early engagement with commercial developers, architects, engineers, and construction managers while also continuing to manage and grow the residential and multifamily sector participation. The Outreach Team will continue to maintain an updated stakeholder database, so that relevant contacts receive program announcements, technical updates, and invitations to NJCEP-hosted events, including webinars, presentations, and industry trade show booths. Data collected through these types of engagement are used to fine tune future outreach efforts for continuous improvement.

In addition to prioritizing larger market sectors, the Outreach Team will engage small business owners undertaking new construction or major renovation projects. Efforts will include targeted awareness activities, coordinated messaging through local business associations, and collaboration with NCP Partners to raise awareness of program incentives that encourage high-efficiency building design. The CEC will further extend this outreach into OBCs and LMI communities, providing small businesses with accessible education, multilingual resources, and streamlined enrollment support.

With the Board's recent approval of the State Energy Program (SEP) that allows customers located outside of investor-owned utilities to participate in NCP, outreach messaging will be inclusive of these geographic locations and include awareness that they can participate to the customers and other new construction decision makers. The Outreach Team will work closely with the Public Power Authority of New Jersey to leverage their municipal utility relationships to spread the program information to the non-investor-owned utilities. The Board approved the use of SEP funds to also support Home Performance and Direct Install; however, implementation of these components is on hold pending utility approvals. Outreach will develop corresponding strategies to support these offerings once launched, ensuring customers of municipal and cooperative utilities are aware of the full suite of SEP opportunities.

The Outreach Team will develop their efficient and targeted approach to building partnerships with key organizations. This will be facilitated collaboratively with NCP's new national proxy framework, with ENERGY STAR®, LEED, Passive House, and Zero Energy Ready Homes. Additional memberships and partnerships supporting NCP outreach include, but are not limited to:

- Associated Builders & Contractors
- Association of Computer Operations Management
- Commerce & Industry Association of New Jersey
- Commercial Real Estate Development Association
- Construction Roundtable of New Jersey
- International Facility Management Association of New Jersey
- Jersey Shore Builders
- Metropolitan Builders & Contractors Association of New Jersey
- New Jersey Alliance for Action
- New Jersey Apartment Association
- New Jersey Association of Energy Engineers
- New Jersey Builders Association
- Public Power Association of New Jersey
- Open Compute Project
- Society of Mechanical Engineers New Jersey
- Southern New Jersey Development Council
- Storage Networking Industry Association
- Telecommunications Industry Association
- The Green Grid

Outreach will position the NCP as a leading pathway for achieving high efficiency building design by encouraging adoption of advanced building standards. Key strategies include:

- Coordinating with BPU and program staff on sector-specific awareness campaigns.
- Leveraging cooperative advertising and targeted sponsorships to expand market reach.
- Providing in-field visibility through project site signage and post-completion placards.

In addition, outreach supports the Workforce Development reimbursement component of the NCP by engaging underserved student populations and institutions in OBCs. The team will promote eligible courses and certifications, collaborate with certifying organizations, and encourage student participation to strengthen the clean energy workforce pipeline.

Local Government Energy Audit Program

LGEA outreach will target municipalities, counties, school districts, and other public entities to encourage participation in energy audits that identify cost-effective efficiency opportunities. The Outreach Team will lead outreach campaigns, educate stakeholders, promote and raise awareness of the program through newsletter and social media content, and represent NJCEP at major conferences, including:

- Association of Counties
- Conference of Mayors
- League of Municipalities
- School Boards Association
- School Buildings and Grounds Association

Special emphasis will be placed on reaching Overburdened Communities (OBCs) and smaller municipalities to provide equitable access to LGEA services.

In addition to initial outreach, the team will conduct customized follow-ups after audits are completed to guide participants through next steps and connect them with other applicable programs. This will include coordination with utility outreach representatives to help customers identify programs that align with recommendations in their audit reports.

Large Energy Users Program

Outreach will maintain strong relationships with past participants while actively identifying new opportunities in sectors with large energy loads. Engagement will begin early in the project cycle, with Outreach Account Managers providing technical information, clarifying application requirements, and helping potential applicants align their projects with program criteria. Increased collaboration with Program Managers and utilities, including future joint meetings with customers to identify all possible incentive pathways—will help make certain that no project is overlooked or misses an opportunity to benefit from energy efficiency programs.

Combined Heat & Power and Fuel Cell Program

Outreach for the CHP-FC Program will target engineering firms, developers, and design professionals early in project planning to maximize integration opportunities. Tactics will include:

- Hosting targeted webinars
- Participating in trade-specific events
- Distributing updated technical and incentive information to TAs and other relevant stakeholders

By building relationships at the concept stage of suitable projects, the Outreach Team will help align program design decisions with program objectives and increase attribution of installed capacity to NJCEP initiatives.

Solar

Outreach for the Solar Program will highlight opportunities for commercial, community, and small business solar adoption, with emphasis on increasing awareness among historically underserved groups. Efforts will include collaboration with solar trade allies and community-based organizations to provide targeted education and engagement. Outreach Account Managers will integrate solar discussions into broader customer engagements under NCP, LEUP, and LGEA, helping customers understand how efficiency upgrades and solar can work together to maximize savings and performance. Referrals for the Solar Program will be sent to the appropriate location whether it be BPU's Solar for All vendor, the TRC solar team, or public facing information.

The CEC will extend outreach equitably into OBCs and LMI communities, with a focus on community solar, financing education, and contractor connections. All CEC events will continue to be pre-approved by BPU with an extra level of coordination added when the Solar for All vendor begins their marketing to prevent duplication and allow the new solar team to directly promote their program. CEC support will include community events, multilingual materials, and potentially listening sessions that gather feedback on solar adoption challenges, so program offerings evolve in response to the needs of small businesses and households in these communities.

Outreach will also incorporate support for Remote Net Metering and the Dual Use Solar Pilot Program (once finalized and launched), developing tailored messaging and engagement strategies to raise awareness of these additional opportunities and their benefits for eligible customers.

Campaign Design and Implementation

The Outreach Team will design campaigns informed by past campaigns, GIS, and CRM data analysis of past participants and potential program participants to identify underserved markets, track team and individual attribution trends, and refine tactical execution. Campaigns will address technical, financial, and institutional barriers to energy efficiency by pairing customer education with practical solutions, including incentive navigation and case study-driven success stories.

The Outreach Team will coordinate with BPU staff on messaging and layout development for materials posted on slides, handouts, or distributed via the NJCEP Listservs to align with program priorities and communication standards.

Community, Municipal, and Overburdened Community Engagement

Led by the Clean Energy Champion, the Outreach Team will expand awareness of programs in OBC and LMI communities by highlighting key offerings—such as Community Solar and EV initiatives—through multilingual outreach, partnerships with community-based organizations, and participation in municipal meetings and local events. Feedback channels, including surveys, listening sessions, and focus groups, will be used to gather stakeholder input that can help evolve program offerings to better reflect community needs.

Partnerships and Strategic Alliances

Partnerships help to expand NJCEP visibility within priority markets, including OBCs, targeted trade sectors, and high-potential development areas. Key collaborations include:

- **Sustainable Jersey** – Co-developing webinars, training sessions, and events to connect municipal energy teams and Environmental Defense Fund fellows with NJCEP resources.
- **New Jersey Division of Property Management & Construction (“DPMC”)** – Assisting DPMC so that all State projects fully evaluate available energy efficiency incentives by supporting bidders in identifying eligible programs and validating that all potential opportunities for benefits are explored.
- **County Improvement Authorities** – Leveraging their economic development role to identify financing opportunities and project leads at an early planning stage.
- **Investor-Owned Utilities** – Maintaining open communication and joint outreach to deliver cohesive messaging, promote complementary offerings, and facilitate project referrals between programs.
- **Rutgers** – Partnering through the Center for Green Building on research, benchmarking, and stakeholder engagement to expand NJCEP visibility in higher education and municipal sectors, while advancing best practices in energy efficiency.
- **State and Federal Agencies** – Coordinating outreach to agricultural producers and small businesses through the U.S. Department of Agriculture, New Jersey Business Action Center, and ENERGY STAR® partners.
- **NJIT** – Partnering through the Clean Energy Learning Center to expand awareness of NJCEP programs in higher education and technical sectors. NJIT hosts benchmarking trainings, co-develops educational content, and convenes architects, engineers, and developers, strengthening program visibility while supporting workforce development and advancing NCP goals.

Cross-Program Messaging and Customer Experience

The Outreach Team will collaborate with NJCEP program and marketing teams to maintain consistent messaging across all energy efficiency and renewable energy offerings. All customer-facing materials, presentations, and web content will reflect unified branding and a clear customer journey.

To achieve this, the Outreach Team will implement a SPOC model. Under this approach, each target market is assigned a dedicated Outreach Account Manager responsible for:

- **Streamlining intake** and serving as the primary contact for participants.
- **Guiding customers and contractors** from initial inquiry through project completion.
- **Maintaining open feedback** channels to inform program refinements.

By centralizing communication, the SPOC model delivers a seamless customer and contractor experience, reduces duplication of effort, and improves accessibility to NJCEP programs.

Event Participation and Technical Support

Outreach will maintain a robust calendar of events, including industry trade shows, municipal meetings, and targeted sector conferences. Events will be continually evaluated for relevance and selected based on their effectiveness in supporting outreach goals. The Outreach Team will submit a weekly request report to the BPU, providing justification for event attendance prior to participation.

Outreach staff will provide both general program awareness and technical support through presentations, panel participation, and booth staffing for program visibility and project application in priority markets. The outreach passthrough budget will continue to support event sponsorship advertisement design and coordination, booth displays, promotional giveaways, printed collateral, and translation services for program information.

Trade Ally Development and Partner Support

A strong, well-supported TA Network—especially among approved NCP Partners—is essential to driving project participation and maintaining program quality.

The TA Network will be segmented into three primary groups: solar TAs, CHP-FC TAs, and approved NCP Partners. CHP-FC TAs and NCP Partners will be assigned to a dedicated Outreach Account Manager serving as the SPOC for all inquiries, program communications, and relationship management.

For the newly launched NCP, outreach will focus on recruiting and actively engaging Partners, providing targeted assistance to support their success, educating them on new participation pathways, and building a reliable pipeline of qualified projects.

For established NCP Partners, the Outreach Team will prioritize ongoing engagement by maintaining consistent communications, co-developing success stories, and sharing technical updates and program enhancements. Account Managers will create opportunities for collaboration through webinars, newsletters, and networking events while ensuring Partners have direct access to feedback channels and marketing support. This relationship-focused approach reinforces Partner loyalty, sustains high-quality project pipelines, and elevates NCP visibility through demonstrated Partner achievements.

Partner Recruitment

The Outreach Team will focus on expanding the NCP Partner network by engaging qualified contractors, developers, and design professionals who can directly deliver high-performance

building projects. This approach positions Partner recruitment as a distinct initiative from customer outreach, focusing on growing a network of professionals who can deliver projects, amplify NJCEP's visibility, and expand the program's technical reach. Recruitment efforts will include:

- Re-engaging successful past partners to renew their involvement.
- Promoting partnership opportunities at key industry events, highlighting the benefits of formal participation in the Partner network.
- Providing tailored collateral that outlines the advantages of becoming a Partner, such as access to incentives, marketing support, training, and visibility within NJCEP promotional channels.
- Building new relationships with organizations that represent sustainable building practices—such as the Passive House Network, the US Green Building Council, and Phius—and inviting their members to join the Partner network.
- Targeting professionals experienced with new construction proxy standards to expand the Partner pool and extend NJCEP's reach into additional segments of the high-performance building market.

The Outreach Team will actively engage qualified contractors, developers, and energy consulting firms to expand the NCP Partner network. Efforts will include targeted outreach to past participants, promotion at key industry events, and the distribution of program-specific collateral highlighting available incentives, program benefits, and documented success stories.

Partner Training

Training will be coordinated with program staff and tailored to NCP Partners. Topics will include program requirements, technical resources, application procedures, and best practices for identifying and pursuing eligible projects. Materials—including recorded sessions—will be hosted on the program website and the Clean Energy Learning Center for on-demand access.

Ongoing Support

Outreach will provide NCP Partners and other TAs with continuous, responsive support throughout the project lifecycle. This includes:

- **Collateral Development:** Providing sector-specific materials, case studies, and advertisements to support partner marketing.
- **Co-op Advertising (NCP only):** Leveraging NJCEP branding to increase NCP Partner market reach.
- **Success Story Collaboration:** Promoting completed projects to highlight program benefits.
- **Partner Coffee Events:** Hosting three to four in-person networking and Q&A sessions annually.

- **Feedback Mechanisms:** Conducting annual or bi-annual partner surveys to gather insights for program improvement.

For CHP-FC TAs, outreach will include connecting qualified TAs with viable projects early in development, providing updated program information, and aligning project specifications with program requirements.

Call Center Customer Support

The Call Center serves as the first point of contact for many customers, bridging initial inquiries with program assistance, project status information or enrollment. TRC manages two Call Center lines: Comfort Partners and NJCEP. Comfort Partners inquiries are routed to the appropriate utility, while calls to NJCEP’s 866-NJSMART, website inquiries, and emails are handled directly by TRC.

Call Center staff are trained to:

- **Represent NJCEP** in a professional, customer-focused manner;
- **Direct customers** to appropriate NJCEP and/or BPU resources; and
- **Escalate complex or technical questions** to the appropriate program contact for follow-up.

The Call Center operates from 8:00 a.m. to 7:00 p.m. ET, Monday through Friday, excluding State holidays, with all voicemail and email responses delivered within 24–48 business hours. As new initiatives and program enhancements roll out, scripts and templates are updated to reflect current offerings, priority sectors, and equity-focused messaging.

Multilingual Educational Outreach

To promote equitable access, outreach will continue developing multilingual materials and Spanish-language engagement. A dedicated Hispanic Account Manager will coordinate with and attend events hosted by Hispanic-serving organizations, including the Statewide Hispanic Chamber of Commerce and local chamber committees.

Marketing materials will be translated (as appropriate) into additional languages upon request, with emphasis on reaching OBCs and historically underserved communities.

BPU Support, Coordination, and Commissioner Engagement

The Outreach Team will coordinate with BPU staff to maintain alignment on priorities, including equity and cross-program messaging. Activities include:

- Regular status meetings, continue bi-weekly calls with the BPU Communications team to share outreach activities and event opportunities.
- Identifying high profile engagements where Commissioners and senior BPU staff can connect directly with customers.
- Supporting BPU identified events and speaking opportunities such as Business Breakfasts, Utility Assistance Days and other CEC-related community events.

- Maintaining the “Commissioner Concierge” service to provide comprehensive event preparation, background materials, and on-site support.

This approach enhances public visibility, fosters stakeholder trust, and creates messaging consistency across all channels.

Utility Coordination

Collaboration with utilities remains essential to providing customers with a clear and efficient pathway to programs and incentives. Outreach coordinates with utility representatives to share project leads, co-present at events, and align messaging. Special focus is placed on cross-referring LGEA, LEUP, solar and other program opportunities where utility offerings complement NJCEP incentives.

Coordination with NJCEP Marketing

The Outreach Team will support the BPU Marketing Team to deliver consistent marketing messages and themes. Additional support of BPU’s marketing campaigns includes both responding to data information requests and preparing and executing program-specific plans. Coordination will be critical as specific marketing plans are developed and implemented so the Outreach Team can be prepared to support and provide the data needed.

The NJCEP branding and messaging that the Outreach Team uses will be consistent with the messaging of BPU’s marketing campaigns to create and produce engaging marketing materials that support the programs. The program benefits most from synchronized Marketing and Outreach coordination to best target NJCEP programs and provide equitable awareness of the programs.

Collaboration between BPU and TRC allows the Outreach Team to include messaging that best suits targeted customers and speaks to the programs that meet their needs such as the combination of renewable energy, energy efficiency, energy storage, and electric vehicles.

Some of the standard coordination is done around these recurring activities:

- **Bi-weekly Meetings:** Align branding, messaging, event and marketing approvals.
- **Marketing Meetings:** As-needed meetings with BPU and their website and/or marketing vendor to align efforts.
- **EE Stakeholder Meeting:** Organization and facilitation of monthly Energy Efficiency Stakeholder Meetings.
- **Content / Press Releases:** TRC suggests press release topics and provides information to highlight in various BPU’s communications.
- **NJCEP Newsletter:** Content and distribution of NJCEP newsletters.
- **NJCEP Listservs:** Distribution of BPU communications to the NJCEP Listservs.

This collaboration enables synchronized, equity-focused campaigns that reach the right audience at the right time.

Preparing the Market for Program Enhancements

As programs evolve, outreach will engage partners, TAs, stakeholders, and government entities and specific sectors early through targeted campaigns, training, webinars, newsletters, and events. Materials will be available in multiple languages to support equitable access.

Delivery and Team Roles

The Outreach Team's structure—Outreach Manager, Administrative Coordinator, Account Managers, Clean Energy Champion, Marketing Coordinator, and Market Analyst—provides a comprehensive approach to stakeholder engagement. Each role is aligned to program priorities, enabling specialized focus while maintaining a cohesive statewide strategy.

- **Outreach Manager** – Aligns team priorities with BPU objectives and oversees KPI tracking and reporting.
- **Account Managers** – Drives program participation by building relationships, guiding applicants, and supporting NCP Partners and TAs.
- **Administrative Coordinator** – Manages logistics, materials, and approvals.
- **Clean Energy Champion** – Leads equity-focused outreach to OBCs and local communities.
- **Marketing Coordinator** – Creates and implements marketing plans to support the Outreach Team in messaging to customers, NCP Partners, and TAs.
- **Market Analyst** – Uses market intelligence, CRM analysis and GIS insights to inform targeting and campaign strategies.

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Key Performance Indicators and Reporting

Outreach performance in FY26 will be measured using defined KPIs that align with the FY26 NJCEP Compliance Filing. These KPIs track the core activities that drive program engagement and conversion, including application enrollments, one-on-one meetings, event participation, and presentations.

Monthly reports to BPU will summarize progress toward these targets, document campaign activities, highlight collaboration outcomes, and provide GIS-based mapping to illustrate targeted outreach and market presence. Reporting will also outline events, campaigns, and strategic initiatives.

Table 11 . Outreach Key Performance Indicators

Outreach	Target
Application Enrollments: Applications received that are attributed to outreach	300
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	1,440
Events: Attendance at events such as conferences and trade shows that promote NJCEP (includes events attended by the CEC)	140
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	70

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Appendix A, C&I EE, NCP, and DER Incentive Caps and General Rules

Incentive Caps

Incentive caps have been established where appropriate to ensure that there is equitable access to the C&I EE, NCP, and DER programs (“App A Programs”) for all qualifying customers. These caps have been established because in some cases a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most App A Programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost of measures installed or performed.³⁴

General Rules

SBC

Unless specifically stated otherwise in the description of any specific one of the App A Programs, customers eligible for incentives under the App A Programs are defined as non-residential electric and/or gas customers of one of New Jersey’s regulated electric or gas utilities who contribute to the SBC. With the exception of the NCP, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous 12 months.

Prevailing Wage

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

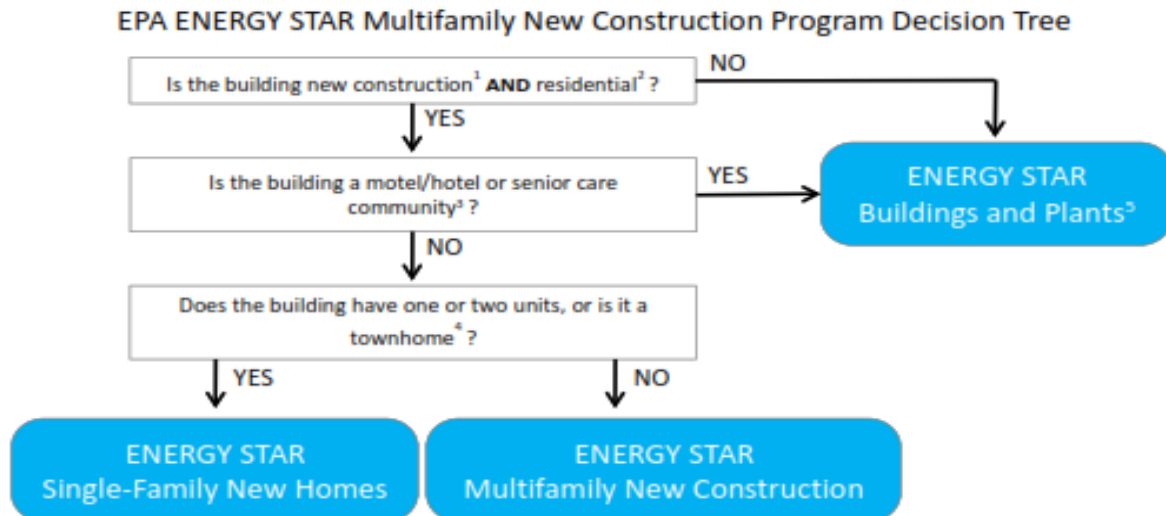
³⁴ Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Extensions

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six (6) months or one (1) year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in this Compliance Filing and in Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

Appendix B, Multifamily Decision Tree

Figure 1 ENERGY STAR Multifamily Decision Tree (May 2021)



NOTES:

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

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

Appendix C, Trued-up Program Budgets for FY26

TRC FY26		FY26 Cost Category Budgets					
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
Total TRC	\$154,273,907	\$11,352,407	\$5,064,258	\$182,400	\$131,308,721	\$6,366,121	\$0
EE Programs	\$123,487,953	\$8,376,148	\$416,160	\$54,000	\$111,691,981	\$2,949,664	\$0
<i>New Construction Program</i>	<i>\$66,725,306</i>	<i>\$5,323,346</i>	<i>\$138,720</i>	<i>\$28,000</i>	<i>\$59,264,527</i>	<i>\$1,970,713</i>	<i>\$0</i>
New Construction Program	\$66,725,306	\$5,323,346	\$138,720	\$28,000	\$59,264,527	\$1,970,713	\$0
<i>C&I EE Programs</i>	<i>\$56,762,647</i>	<i>\$3,052,802</i>	<i>\$277,440</i>	<i>\$26,000</i>	<i>\$52,427,454</i>	<i>\$978,951</i>	<i>\$0</i>
C&I Buildings	\$47,205,925	\$1,390,416	\$138,720	\$13,000	\$45,438,286	\$225,503	\$0
LGEA	\$9,556,722	\$1,662,386	\$138,720	\$13,000	\$6,989,168	\$753,448	\$0
<i>Distributed Energy Resources</i>	<i>\$20,890,943</i>	<i>\$997,706</i>	<i>\$138,720</i>	<i>\$14,000</i>	<i>\$19,616,740</i>	<i>\$123,777</i>	<i>\$0</i>
CHP - Fuel Cell	\$20,890,943	\$997,706	\$138,720	\$14,000	\$19,616,740	\$123,777	\$0
RE Programs	\$5,524,353	\$1,978,553	\$138,720	\$114,400	\$0	\$3,292,680	\$0
Solar Registration	\$5,524,353	\$1,978,553	\$138,720	\$114,400	\$0	\$3,292,680	\$0
Planning and Administration	\$4,370,658	\$0	\$4,370,658	\$0	\$0	\$0	\$0
<i>Outreach and Education</i>	<i>\$4,370,658</i>	<i>\$0</i>	<i>\$4,370,658</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Outreach, Website, Other	\$4,370,658	\$0	\$4,370,658	\$0	\$0	\$0	\$0

Appendix D, Program Budgets for FY25

<i>TRC FY25</i>		<i>FY25 Cost Category Budgets</i>					
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
Total TRC	\$156,136,177	\$11,147,275	\$4,902,212	\$100,000	\$135,751,671	\$4,235,019	\$0
EE Programs	\$116,216,017	\$8,534,508	\$365,457	\$50,000	\$105,527,058	\$1,738,994	\$0
New Construction Program	\$60,404,447	\$5,070,893	\$121,819	\$37,500	\$54,304,775	\$869,460	\$0
New Construction Program	\$60,404,447	\$5,070,893	\$121,819	\$37,500	\$54,304,775	\$869,460	\$0
C&I EE Programs	\$55,811,570	\$3,463,615	\$243,638	\$12,500	\$51,222,283	\$869,534	\$0
C&I Buildings	\$47,479,975	\$2,269,345	\$121,819	\$0	\$44,910,310	\$178,501	\$0
LGEA	\$8,331,595	\$1,194,270	\$121,819	\$12,500	\$6,311,973	\$691,033	\$0
Distributed Energy Resources	\$31,500,694	\$942,579	\$121,819	\$0	\$30,224,613	\$211,683	\$0
CHP - Fuel Cell	\$31,500,694	\$942,579	\$121,819	\$0	\$30,224,613	\$211,683	\$0
RE Programs	\$4,126,349	\$1,670,188	\$121,819	\$50,000	\$0	\$2,284,342	\$0
Solar Registration	\$4,126,349	\$1,670,188	\$121,819	\$50,000	\$0	\$2,284,342	\$0
Planning and Administration	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0
Outreach and Education	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0
Outreach, Website, Other	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0

Appendix E, Program Goals and Performance Metrics for FY26

NJCEP FY26 Energy Savings Goals: Portfolio Summary					
<i>Program/Budget Line</i>	<i>Annual MWH Savings</i>	<i>Lifetime MWH Savings</i>	<i>MW Savings</i>	<i>Annual MMBTU Savings</i>	<i>Lifetime MMBTU Savings</i>
Total TRC	90,721	1,560,370	11.9	246,434	4,668,280
EE Programs	52,716	895,402	6.7	150,764	2,994,088
C&I EE Programs	30,297	509,119	4.8	72,968	1,488,147
C&I Buildings	30,297	509,119	4.8	72,968	1,488,147
P4P EB	11,261	177,689	3.5	44,806	981,240
LEUP	19,036	331,430	1.4	28,163	506,907
LGEA	0	0	0.0	0	0
New Construction	22,419	386,283	1.9	77,796	1,505,941
NCP	0	0	0.0	0	0
RNC	4,155	83,100	1.0	59,739	1,194,768
C&I NC	15,229	254,682	1.4	9,554	169,765
P4P NC	3,035	48,502	(0.5)	8,503	141,408
Distributed Energy Resources	38,004	664,968	5.2	95,670	1,674,192

Appendix F, Cost-Benefit Analysis

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

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

Cost-Benefit Tests

Benefit cost ratios for each of the five traditional cost-effective tests were developed. The five tests are: Participant Cost Test, Program Administration Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test and Societal Cost Test.³⁵ In addition, a benefit cost ratio was also developed using the New Jersey Cost Test.

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

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

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

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

³⁵ California Standard Practice Manual. Economic Analysis of Demand-Side Programs and Projects. (October 2001).

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

Triennium 2 New Jersey Cost Test: In accordance with the Board’s Triennium 2 Framework Order, I/M/O the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, Docket Nos. QO19010040, QO23030150, & QO17091004 (May 24, 2023) (“Triennium 2 Framework Order”), the Triennium 2 New Jersey Cost Test (“Triennium 2 NJCT”) is the State’s primary test for determining the cost-effectiveness of EE and Peak Demand Reduction programs during Triennium 2. As explained in more detail in the Triennium 2 Framework Order’s Attachment F, the NJCT includes all costs and benefits relevant to a portfolio of such programs that are reasonably quantifiable and align with the State’s policy objectives.

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

NJCEP FY26 Prospective Benefit Cost Analysis						
<i>Program/Budget Line</i>	<i>PCT</i>	<i>PACT</i>	<i>RIM</i>	<i>TRC</i>	<i>SCT</i>	<i>Triennium 2 NJCT</i>
Total TRC	2.1	2.3	0.8	0.9	1.3	1.9
EE Programs	2.8	1.9	0.8	1.1	1.6	2.4
C&I EE Programs	2.8	1.9	0.8	1.1	1.6	2.4
C&I Buildings	2.8	2.8	0.9	1.2	1.7	2.7
P4P EB	3.5	2.7	1.1	1.8	3.4	3.7
LEUP	2.6	1.9	0.7	0.9	1.5	2.2
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
New Construction	3.3	1.5	0.6	1.1	1.7	2.5
NCP	3.3	1.5	0.6	1.1	2.5	1.7
RNC	2.4	1.1	0.6	0.7	0.9	1.4
C&I NC	4.6	3.2	0.8	1.8	2.8	4.2
P4P NC	3.0	0.3	0.2	0.4	0.8	1.2
Distributed Energy Resources	3.2	9.5	1.0	1.6	2.3	3.5

Appendix G, Key Performance Indicators

TRC Managed Programs	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Lifetime Energy Savings (Source MMBtu)	LMI OBC Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve (\$/Lifetime Source MMBtu)
Program Year 5	459,170	12.58	8,144,748	1,221,712	\$ 16.34

PART 2 (Legacy Programs being transitioned to NCP)

Residential Energy Efficiency Program

Residential New Construction Program

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing; that schedule provides, among other things, that, after October 31, 2025, no new applications may be submitted to the Legacy Programs.

Program Purpose and Strategy Overview

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

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

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

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

Support for Energy Master Plan Goals

The RNC Program will support many of the 2019 EMP’s strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey’s overall energy efficiency).

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

Program Description

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

To participate in this RNC Program, HERS Raters must use modeling software approved by the Program to model savings, calculate the Energy Rating Index (“ERI”) and metric million British thermal units (“MMBtu”) incremental savings compared to the User Defined Reference Home (“UDRH”).³⁶ To be approved, the software must be accredited by an EPA-Approved VOO and be capable of providing batch reporting, including building components for QA review of rating files and savings utilizing the UDRH.

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

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

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

- Direct financial incentives to builders of homes that meet program standards;
- An incentive to offset the incremental Rater cost associated with certifying ZERH single-family, multi-single (i.e., townhome), and low-rise multifamily homes;

³⁶ I.e., a baseline home which, among other things, is defined and used in the NJCEP Protocols to Measure Resource Savings.

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

Program Participation Pathways

The following participation pathways provide New Jersey’s builders and homeowners with a range of participation options to suit builders at different levels of experience with energy efficient construction techniques and homebuyers with varying interest and budgets. All are based on the presumption that the applicable IECC 2018/2021 or ASHRAE 90.1-2016/2019 energy code sets the minimum energy performance requirement for newly constructed homes and the basic requirement is that eligible buildings using the ERI pathway exceed the applicable energy code by 10% and that eligible buildings using ASHRAE modeling exceed the applicable energy code by 15%.³⁷ Therefore, they all result in energy performance that is better than that required by IECC 2018/2021 or ASHRAE 90.1-2016/2019, as applicable, depending on the home’s permit date.

ENERGY STAR

Builders that enroll in either the SFNH or MFNC pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathway, including full inspection checklist requirements. This pathway includes the applicable version of ENERGY STAR SFNH and ENERGY STAR MFNC, depending on the date and eligibility determination per the EPA Multifamily Decision Tree (see [Appendix B](#), Multifamily Decision Tree, of this Compliance Filing), as well as the date of the applicable building permit. The incentive structure within this segment will include a base incentive plus a performance incentive using MMBtu saved as compared to the applicable code UDRH as the indicator.

Zero Energy Ready Home (“ZERH”)

This pathway recognizes a higher EE achievement in new home construction. Applicants must satisfy the requirements for the DOE ZERH certification following the applicable version of that program. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator.

³⁷ The details of the implementation of these requirements, including which version of which energy code and/or version of ENERGY STAR and/or US DOE ZERH applies to which projects, and of a 90-day transition period regarding implementation of the new energy codes (i.e., IECC 2021 / ASHRAE 90.1-2019), will be provided to stakeholders and the public through means other than the present Compliance Filing.

Zero Energy Home +RE (“ZERH+RE”)

This pathway has the same requirements as the ZERH pathway with the additional requirement that 100% of the building’s modeled energy usage is met by RE systems installed prior to completion of the home. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator. Incentives will be paid based upon the ERI before the addition of renewables. An additional fixed incentive for the renewable energy system will be awarded for a project meeting the ZERH+RE eligibility requirements.

Target Market and Eligibility

Newly constructed or substantially renovated (also known as gut rehabilitated) single-family (i.e., one- and two-family homes), multi-single (i.e., townhomes), multifamily buildings are eligible for RNC Program benefits so long as their utility bills include or will include contributions to the SBC. The target market for this RNC Program is homebuilders and Raters.

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

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

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

Program Requirements

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

The technical details presented below address most program requirements. The full technical specifications for RNC Program compliance are available upon request. The ENERGY STAR and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by the EPA and/or the DOE and supersede requirements of this program.

ENERGY STAR SFNH

Meet or exceed all the applicable version of the EPA ENERGY STAR SFNH Performance Path standards including:³⁸

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

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards including:³⁹

- Complete the applicable version of all ENERGY STAR SFNH Program and all ZERH checklists.

Zero Energy Ready Home + RE (ZERH + RE)

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

Additional RNC Program Requirements:

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

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed the applicable version of the EPA ENERGY STAR MFNC performance path standards including:⁴⁰

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

Incentives

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

The incentives include a base incentive determined by building type, plus a performance-based incentive calculated using the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline, reference home defined by the applicable energy code. For all but MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFNC utilizing the ASHRAE pathway, the applicable code is ASHRAE 90.1. The IECC code reference home is a UDRH utilized in the rating software to compare the rated home to a home of the same dimensions, but with components meeting the applicable IECC code as determined by the date of the project's

³⁸ ENERGY STAR SFNH: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

³⁹ Zero Energy Home Standards <https://www.energy.gov/eere/buildings/zero-energy-ready-home>

⁴⁰ Multifamily New Construction Standards:
https://www.energystar.gov/newhomes/homes_prog_reqs/multifamily_national_page#site-built

building permit. The ASHRAE reference building is incorporated in the EPA-approved rating software. The building component values used in the UDRH are included in the NJ Protocols to Measure Resource Savings.

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

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

ZERH Rater Incentive

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

Cooperative Marketing

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

Planned Program Implementation Activities

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

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

Quality Control Provisions

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

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

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

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

Commercial and Industrial Energy Efficiency Programs

General Overview

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

The C&I Programs are designed to:

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

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

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

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

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

- Information and technical support provided to customers and designers to make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices;
- Information and technical support provided to customers and designers to facilitate compliance with New Jersey's new commercial energy code, as well as future upgrades to that code; and
- Programs designed to meet the needs of a diverse set of customers, including non-profit entities, local governments, and businesses of all sizes.

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

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

C&I Buildings: C&I New Construction

“SmartStart”

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing; that schedule provides, among other things, that, after October 31, 2025, no new applications may be submitted to the Legacy Programs.

Program Purpose and Strategy Overview

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

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

Support for EMP Goals

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

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

Program Description

The SmartStart NC Program offers both prescriptive and custom incentives for the broad range of C&I customers who are in the market to purchase EE measures. On September 6, 2022, the State of NJ adopted the ASHRAE 90.1-2019 energy code for all commercial and industrial buildings. NJCEP utilizes this code in determining performance requirements and incentive eligibility.

The SmartStart NC Programs will include the following offerings:

- ***Prescriptive Efficiency Measure Incentives*** that provide fixed incentives for EE measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment) taking into consideration market barriers, changes in baselines over time, and market transformation objectives. Eligible measures are listed in [Appendix I, Part 2 Incentive Caps and General Rules](#) below.

- ***Custom Measure Incentives*** for more complex and aggressive efficiency measures. The process for calculating custom measure incentives is performance-based, which may include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer's authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. For measures that appear to have no clear baseline per energy code or recognized industry standard, the Program Manager will work with the applicant to define an appropriate baseline. The Program Manager has the discretion to determine the reasonableness of project costs for proposed technologies based on industry standards and other market research. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers, and other non-prescriptive measures proposed by the customer. Technologies not explicitly listed as custom (per the filing and/or Program Guide) will be reviewed for eligibility and are subject to approval at the discretion of the Program Manager. More details regarding this process can be found below in this Compliance Filing under the *Custom Measure Incentive Guidelines* section and in this Compliance Filing's Appendix I, Part 2 Incentive Caps and General Rules *Custom Measures* section.

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

Target Markets and Eligibility

The C&I New Construction Program targets commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public school construction, other new building construction, and substantial renovations (also known as gut rehabilitations).⁴¹ The program may be used to address economic development opportunities and transmission and distribution system constraints. It is primarily geared towards the mainstream C&I market, as opposed to programs that target specialized markets such as the

⁴¹ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Large Energy Users Program and, the Local Government Energy Audit Program. Applicants to the program must be contributors to the SBC.

Incentives

The tables in Appendix I, Part 2 Incentive Caps and General Rules list the incentives for the C&I New Construction Program. The incentives vary by size, technology, and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Custom Measure Incentive Guidelines

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

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

The program will allow a single facility with multiple utility accounts to submit a proposed custom project under one application. A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure, including a detailed description of the technology, installed project cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are reflected in the final savings values. As is clearly described in the program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency ("CEE"), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions. The Program Manager will provide contractors with program spreadsheets that include standard formats for reporting program savings, as well as standard incentive calculations.

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

Account/FY Cap:

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

C&I New Construction Application Deadlines

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

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

Delivery Methods

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

Quality Control Provisions

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

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

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

C&I Buildings: Pay for Performance - New Construction

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing; that schedule provides, among other things, that, after October 31, 2025, no new applications may be submitted to the Legacy Programs.

Program Purpose and Strategy Overview

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

Support for EMP Goals

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

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

Program Description

The P4P NC Program takes a comprehensive, whole building approach to EE in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.⁴² The program provides tiered incentive levels correlated to the modeled energy and energy cost savings as demonstrated in the proposed design and includes a performance component to reflect the value that effective building operation has in determining energy use. This market-based program relies on a network of partners selected through a Request for Qualifications process. Once approved, partners may provide technical services to program participants. Although partners work under contract with building owners, acting as their “energy expert”, they are required to strictly follow program requirements. Partners will be required to develop a Proposed Energy Reduction Plan (“ERP”) for each project. The Proposed ERP details a set of recommended measures that will achieve the minimum performance target. Partners will then provide an As-Built ERP, along with a Commissioning Report to demonstrate that recommended measures are installed and

⁴² A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

functioning. Lastly, the partner will benchmark the building following one year of operation to document how well the building is operating relative to the As-Built ERP.

Participants will be required to work with an approved partner to develop the Proposed ERP and facilitate the incorporation of the recommended EE measures. The submitted Proposed ERP must include a package of EE measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2019.⁴³ The minimum performance target will be measured in terms of energy cost and source energy savings, which is consistent with Appendix G of ASHRAE 90.1-2019, EPA Federal Tax Deductions and LEED NC.

Partners are required to develop whole building energy simulations using approved simulation tools. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1, Section 11 or Appendix G of ASHRAE 90.1 or as approved by the Program Manager. The program follows Appendix G of ASHRAE 90.1-2019 to demonstrate that the proposed design meets or exceeds the minimum performance target.

Appendix G of ASHRAE 90.1-2019

Under this path, the partner will model a baseline and proposed building using Appendix G of ASHRAE 90.1-2019. Appendix G of ASHRAE 90.1-2019 uses a common baseline building approach that will remain the same for all future iterations of ASHRAE 90.1 and is roughly equivalent to ASHRAE 90.1-2004, Appendix G. Program Guidelines and tools will outline/calculate equivalent savings values relative to Appendix G of 90.1-2019. Measures must be modeled as interactive improvements to Appendix G of ASHRAE 90.1-2019.⁴⁴

Each project must have at least one measure addressing *each* of the following building systems: envelope, heating, cooling, and lighting (e.g., increased insulation, improved HVAC efficiency, lighting power density below code requirements, etc.). Buildings that are not heated (e.g., refrigerated warehouse) or not cooled (e.g., warehouse) will not be required to have a measure addressing the missing building system. Measures are defined as components that exceed ASHRAE 90.1-2019 requirements.

Core and Shell vs. Tenant Fit-Out Considerations

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

⁴³ Energy Target is rounded down to two significant figures e.g., 0.0487 is rounded to 0.04 or 4%.

Note also that applications for projects that submit documentation they received their construction/building permits under ASHRAE 90.1-2016 will have their P4P NC applications processed using ASHRAE 90.1-2016 as their baseline.

⁴⁴ For the avoidance of doubt, as so outlined, modeled or calculated, they must meet the minimum performance target set out above in this Program Description.

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

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

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

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

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

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

Target Market and Eligibility

The P4P NC Program is open to new C&I construction projects with 50,000 square feet or more of conditioned space. The Program Manager has the discretion to approve projects that are within 10% of the minimum 50,000 square foot threshold. Projects may include a single building meeting square footage requirements or multiple buildings provided those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time period.⁴⁵ Multiple buildings that are grouped into one program application are viewed as a single

⁴⁵ For the purpose of tracking technical reviews and site inspections, each building addressed within a multi-building ERP may be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

project that is eligible for one set of program incentives and all incentive caps apply to the group of buildings.

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

Multifamily Buildings

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

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

Partner Network

Existing approved P4P NC Partners will need to complete online re-training on a regular basis as determined by the Program Manager in order to remain an approved partner in the program. The Program Manager may offer select partners one-on-one training on projects to ensure success in the program, as well as kick-off meetings upon project enrollment. Depending on program demand, the Program Manager may provide subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.1-2019.

Program Offerings and Incentives

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

1. Submittal and approval of a Proposed ERP with proposed design meeting all program requirements;
2. Submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP. Changes between proposed and as-built design must be accounted for at this point, although as-built project must still meet all program requirements; and

3. Submittal of ENERGY STAR Portfolio Manager benchmark based on first year of operation with score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining *ASHRAE Building Energy Quotient (bEQ) In-Operation* Certification with equivalent score as set by Program Guidelines. Additional certification for compliance may be considered by Program Manager.

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

Table 12: P4P NC Incentive Schedule

	Cost or Source Energy Reduction from 90.1-2019 Baseline	Incentive by Building Type Per Square Foot	
Minimum Performance Requirement	15% Multifamily 5% All other	Industrial/High Energy Use Intensity	Commercial and Multifamily
Incentive #1 Proposed Energy Reduction Plan	+ 0 - <2% (Tier 1)	\$0.10	\$0.08
	+ 2 - <5% (Tier 2)	\$0.12	\$0.10
	+ 5% or greater (Tier 3)	\$0.14	\$0.12
	Max	\$50,000.00	
	Pre-Design Bonus	\$0.04	
	Max	\$20,000.00	
Incentive #2 As-Built Energy Reduction Plan and Cx Report	+ 0 - <2% (Tier 1)	\$1.00	\$0.80
	+ 2 - <5% (Tier 2)	\$1.20	\$1.00
	+ 5% or greater (Tier 3)	\$1.40	\$1.20
Incentive #3 Building Performance		\$0.40	\$0.35

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

- Increase or decrease in project square feet may increase (budget permitting) or decrease the incentive;
- Significant modifications to the approved scope of work, including addition and removal of a measure, may impact the overall project savings causing a project to move between incentive tiers. Incentives will be adjusted up (budget permitting) or down, accordingly; and
- Generally, any required adjustments will also include under or overpayment of incentives already paid.

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

Quality Control Provisions

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

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

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

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

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing; that schedule provides, among other things, that, after October 31, 2025, no new applications may be submitted to the Legacy Programs.

Program Purpose and Strategy Overview

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

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

The goals of the program are to:

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

Support for EMP Goals

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

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

Program Implementation Description

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

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

The program process is as follows:

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

Target Markets and Eligibility

The target customer size is 50,000 square feet.

Additional criteria that will be considered for inclusion:

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

Program Offering and Incentives

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

Prescriptive Measures:

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

Custom Incentives:

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

Technical Assistance:

In addition to measure incentives, where initial design costs are a barrier to the pursuit of projects that appear to be promising, the Pilot may offer customers an additional incentive towards design assistance or technical support provided by an independent⁴⁶ third party design professional. Incentives will be available for up to 50% of the cost of the design/technical assistance up to a maximum of \$10,000 upon approval of the NJCEP Program Manager, with half of the incentive payable upon proof of construction kick-off and the remainder upon installation of the recommended measures.

Incentive cap:

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

⁴⁶ Independent in this case means the design professional does not sell or represent products that are being considered for installation.

Payment Schedule

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

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

Table 13: CTEEP NC Schedule of Payments

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

Milestone 1: The EEP is approved and construction contracts are in place.

Milestone 2: All work is installed and new equipment and systems are generating energy savings. Multiple payments may be provided.

Milestone 3: Performance Verification is complete. Multiple payments may be provided. This milestone may occur between 3-6 months after substantial completion.

Program Standards

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

Limitations/Restrictions

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

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

Quality Control Provisions

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

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

Appendix H, Residential Incentives (including Enhancements)

Residential New Construction

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

Table 14: RNC Financial Incentives per Unit for ENERGY STAR New Construction Programs, Zero Energy Ready Home, and Zero Energy Home + RE

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

Notes:

1. The above \$30/MMBTU is based on savings before any savings from Renewable Energy. MMBtu is the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline reference home, defined by the applicable energy code as described in more detail in the New Jersey Clean Energy Program Protocols to Measure Resource Savings
2. Building types are determined using the EPA MFNC Program Decision Tree, located at this Compliance Filing's [Appendix B](#), Multifamily Decision Tree.

Appendix I, Part 2 Incentive Caps and General Rules

Incentive Caps

Incentive caps have been established where appropriate to ensure that there is equitable access to the Programs included in Part 2 of this Compliance Filing (“Part 2 Program”) for all qualifying customers. These caps have been established because, in some cases, a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most Part 2 Programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost⁴⁷ of measures installed or performed.

General Rules

SBC

Unless specifically stated otherwise in the description of a Part 2 Program, customers eligible for incentives under the Part 2 Programs are defined as electric and/or gas customers of one of New Jersey’s regulated electric or gas utilities who contribute to the SBC; for the C&I Programs, the customers must also be non-residential. With the exception of the RNC and the New Construction sub-programs, applicants to any of the Part 2 Programs must be contributors to the SBC within the previous twelve (12) months.

Prevailing Wage

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

⁴⁷ Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Extensions

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six (6) months or one (1) year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in this Compliance Filing and/or in the Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

C&I New Construction Incentives

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

Custom Measures

- Performance incentives of \$0.16/kWh and \$1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback, subject to enhancement, where applicable, pursuant to the table immediately below. Based on estimated savings as approved by the Program Manager.
- Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency (“CEE”), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions.

Table 15: C&I Custom Measure Incentives

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

Electric Chillers

- **Note:** - The manufacturer’s published chiller efficiency must be determined using the Air-Conditioning, Heating and Refrigeration Institute (“AHRI”) 550/590 test procedures and at the AHRI standard evaporator and condenser temperatures. If an applicant has a water-cooled centrifugal chiller that is designed to operate at other than the AHRI standard conditions the procedure in Standard 90.1-2019, Section 6.4.1.2.1 may be used by the applicant to adjust the manufacturer’s published efficiency at non-AHRI conditions to the efficiency at AHRI standard conditions. The applicant will need to provide the

manufacturer's non-AHRI ratings, as well as the calculations for the chiller efficiency at AHRI conditions.

- Electrically operated comfort cooling air-cooled and water-cooled chillers are eligible for incentives under the prescriptive path. Chillers for process cooling (e.g., manufacturing, data center, food storage or processing, etc.) loads may apply for an incentive under the custom path.
- Performance Incentives apply for each 0.1 EER above the Incentive Minimum EER or for each 0.01 kW/ton below the Incentive Minimum kW/ton.
- Proposed equipment must exceed minimum program efficiency requirements for Path A (constant speed) IPLV and Path B (variable speed) Full Load.

Table 16: C&I Electric Chiller Incentives

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

Table 17: C&I Electric Chiller Minimum Efficiency Requirements

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

Gas Cooling

- For gas chillers, full load efficiencies are determined in accordance with AHRI 560; however, part load efficiencies are not rated.

Table 18: C&I Gas Absorption Chiller Incentives

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

Table 19: C&I Regenerative Desiccant Unit Incentives

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

Electric HVAC

- To be eligible for an incentive, the equipment must exceed the requirements in the tables below.
- For systems < 65,000 British thermal units (“Btu”) per hour (“Btu/h”), if the equipment is rated using SEER2 efficiency units, SEER2 shall be used to determine eligibility. Otherwise, the SEER rating may be used.
- For systems < 65,000 Btu/h, if equipment is rated using HSPF2 efficiency units, HSPF2 shall be used to determine eligibility. Otherwise, the HSPF rating may be used.

Table 20: C&I Unitary Electric HVAC Incentives

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

Table 21: C&I Air Source Heat Pump Incentives

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

Table 22: C&I Water Source Heat Pump Incentives

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

Table 23: C&I Single Packaged Vertical AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Single Packaged Vertical AC - SPVAC	< 65,000	1	11.2		\$10
		2	11.8		\$12
	≥ 65,000 and < 135,000	1	10.2		\$10
		2	10.7		\$12
	≥ 135,000 and < 240,000	1	10.2		\$10
		2	10.7		\$12
Single Packaged Vertical Heat Pump - SPVHP	< 65,000	1	11.2	3.4	\$10
		2	11.8	3.5	\$12
	≥ 65,000 and < 135,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12
	≥ 135,000 and < 240,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12

Table 24: C&I Ground Source Heat Pump Incentives

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

Table 25: C&I Packaged Terminal AC and Heat Pump Incentives

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

Table 26: C&I Electric HVAC Controls Incentives

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

Equipment Type	Controlled Unit Size	Incentive
Occupancy Controlled Thermostats for Hospitality/Institutional Facilities	Any capacity	\$75 per occupancy-controlled thermostat
A/C Economizing Control	< 4.5 tons	\$85/control

Gas Heating

Table 27: C&I Non-Condensing Boiler HVAC Incentives

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

Table 28: C&I Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Condensing	Hot Water	< 300 MBtu/h	88% AFUE	\$1.35/MBH; Min \$1,000
			93% AFUE	\$2.00/MBH; Min \$1,000
		≥ 300 and < 1,000 MBtu/h	92% Et	\$2.00/MBH; Min \$1,000
			95% Et	\$2.20/MBH; Min \$1,000
		≥ 1,000 and ≤ 2,500 MBtu/h	92% Et	\$1.85/MBH
			95% Et	\$2.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	92% Ec	\$1.55/MBH
			95% Ec	\$2.00/MBH
		> 4,000 MBtu/h		Treated under Custom Measure Path

Table 29: C&I Gas Furnace and Infrared Heater Incentives

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

Table 30: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2019 Table 6.8.3-1.

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

Gas Water Heating

Table 31: C&I Gas Water Heating Incentives

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

Table 32: C&I Low-Flow Fixture Incentives

- Public lavatory faucet aerators are not eligible for incentives.

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	1.5 GPM or Less	\$10/showerhead
Low Flow Faucet Aerator	1 GPM or Less	\$2/aerator

Variable Frequency Drives

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

Table 33: C&I VFD Incentives

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

Table 34: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Air Compressor	25 HP $\leq$ 200 HP	Must be installing VFD on new air or water cooled, single or double stage, oil lubricated or oil free twin rotor screw air compressors outfitted with VFDs (providing compressed air for typical plant air use). Only one VFD controlled air compressor will be eligible for an incentive for each compressed air system.

Performance Lighting

- Performance Lighting incentives are available for eligible indoor light fixtures and outdoor fixtures where electricity usage is billed through the applicant’s meter in new construction and substantial renovations of existing buildings. Substantial renovations of areas within existing buildings are also eligible only if existing lighting is completely removed.⁴⁸
- Proposed lighting design must demonstrate lighting power density (“LPD”) lower than specified by ASHRAE 90.1-2019 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and Table 9.2.3.1 of ASHRAE 90.1-2019.
 - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 36: C&I DLC® Certified Indoor Horticultural LED Fixtures.
- Proposed lighting design must predominantly consist of LED fixtures and lamps qualified by DesignLights Consortium® or ENERGY STAR®.

Table 35: C&I Performance-Based Lighting Incentives

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

Table 36: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures <u>Qualified Products List</u> ⁴⁹	Indoor Horticultural Facilities Operating ≥ 3000 hours/year	≥ 500 Watts	\$250/fixture
		< 500 watts	\$150/fixture
	Indoor Horticultural Facilities Operating < 3000 hours/year	≥ 500 Watts	\$200/fixture
		< 500 watts	\$50/fixture

⁴⁸ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

⁴⁹ <https://www.designlights.org/>.

Food Service Equipment

Table 37: C&I Dishwasher Incentives

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

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

Table 38: C&I Cooking Equipment Incentives

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

Equipment Type	Description	Incentive
Commercial Combination Oven/Steamer	Electric	\$1,000 per oven
	Gas	\$750 per oven
Commercial Convection Oven	Electric	\$350 per oven
	Gas	\$500 per oven
Commercial Rack Oven	Single oven (Gas)	\$1,000 per single oven
	Double oven (Gas)	\$2,000 per double oven
Commercial Griddle	Electric	\$300 per griddle
	Gas	\$125 per griddle

Table 39: C&I ENERGY STAR® Refrigerator and Freezer Incentives

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

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

Table 40: C&I ENERGY STAR® Ice Machine Incentives

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

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

Table 41: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	- Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. - Must have a cooking energy efficiency of 55 percent or greater in steam mode and 76 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. - Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
	Gas	- Must have a cooking energy efficiency of 41 percent or greater in steam mode and 56 percent or greater in convection mode, utilizing ASTM F2861. - Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861. - Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
Commercial Convection Oven	Electric	- Must have a tested heavy load (potato) cooking energy efficiency of 71 percent or more, utilizing ASTM F1496. - Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. - Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 46 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F1496.
Commercial Rack Oven	Gas	- Single rack ovens must have a tested baking energy efficiency of 48 percent or greater and a total energy idle rate of 25,000 Btu/h or less, utilizing ASTM F2093. - Double rack ovens must have a tested baking energy efficiency of 52 percent or greater and a total energy idle rate of 30,000 Btu/h or less, utilizing ASTM F2093.
Commercial Griddle	Electric	Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.
	Gas	Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.

Note: The incentives identified above in this [Appendix I, Part 2 Incentive Caps and General Rules](#) may be reduced with the approval of the Division of Clean Energy.

STATE ENERGY PROGRAM FOR NON- INVESTOR-OWNED UTILITY CUSTOMERS

COMPLIANCE FILING

Non-IOU Energy Efficiency Program

Program Cycle 2022-2027



April 22, 2026

State Energy Program (“SEP”) for Non-Investor-Owned Utility Customers

Program Background, Purpose, and Strategy Overview

Historically, New Jersey’s Clean Energy Program’s (“NJCEP’s”) funding has been derived primarily through collection of a Societal Benefits Charge (“SBC”) from the customers of the state’s investor-owned utilities (“IOUs”). Accordingly, NJCEP’s financial incentives have been made available only to those IOU customers that contributed to the NJCEP fund, i.e., those electric incentives were not available to the customers of the state’s non-investor-owned, including the state’s municipally-owned, electric utilities (“Non-IOUs”).

To address that gap, the Board has in the past utilized U.S. Department of Energy State Energy Program (“SEP”) grant funds to pay financial incentives to Non-IOU customers who implemented energy efficiency (“EE”) measures through a program operated on a basis virtually identical to specified parallel NJCEP programs (“Legacy SEP Program”). However, as those parallel NJCEP programs transitioned to the state’s IOUs beginning in fiscal year 2022, the Legacy SEP Program expired.

NJCEP now proposes to renew the use of SEP funds to make incentives payable to Non-IOU customers implementing certain electric EE measures:

- Through a component operated in coordination with the state’s gas distribution companies (“GDCs”) which are already managing two programs that incentivize both electric and gas EE measures, i.e., the Whole Home Program for residential customers and the Direct Install (“DI”) Program for commercial and industrial (“C&I”) customers; and
- Through a component operated through NJCEP’s New Construction Energy Efficiency Program (“NCP”).

The new SEP Program, including its two new components, are hereinafter referred to as the “SEP Non-IOU Program” or “Program.”

The goals of the new SEP Non-IOU Program are to:

- Simplify participation by allowing Non-IOU electric utility customers to apply to the existing programs;
- Capture additional energy savings opportunities in facilities that currently are not eligible for electric incentives;
- Improve access to EE financial incentives for Non-IOU electric utility ratepayers;
- Increase participation in the Whole Home, DI, and NCP Programs; and
- Streamline program administration and provide expedient payment processes.

Support for Energy Master Plan (“EMP”) Goals

The SEP Non-IOU Program will support many of the EMP’s strategies and goals, including, among others, the following:

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

In addition, the SEP Non-IOU Program will support Executive Order 316's target of installing zero-carbon emission space heating and cooling systems in an additional 400,000 homes and 20,000 commercial properties, and making an additional 10% of all low- to moderate-income properties electrification-ready by 2030.

GDC-Managed Component (Whole Home & DI)

Program Description

Interested Non-IOU electric utility customers will apply through the program, available through the customer's GDC. The GDC will review, qualify, and approve each project based on existing GDC program requirements. Each GDC's existing trade ally and contractor network will install each approved project. As set forth in more detail below at Program Delivery and Management Responsibilities, TRC's role will be limited to managing Program funding levels, verifying installed Program project data, issuing payments for Non-IOU electric (i.e., Program) measures to GDCs, and reporting.

Summary descriptions of the Whole Home and DI Programs that are components of this Program are as follows:

For residential customers, the Whole Home Program is designed to take a "whole-home" approach to make existing one- to four-family homes and low-rise multi-family buildings more energy efficient. Participating contractors will perform a home energy assessment using, among other things, advanced diagnostic equipment to test each home and identify available EE improvements. The assessments may include, among other things: tests for air leakage; a series of combustion-related tests; and the identification of any opportunities to improve each home's insulation, heating and cooling system, appliances, and lighting. The contractor will then prepare and provide the customer with a report identifying the EE opportunities, their costs, and the financial incentives available to offset those costs.

For commercial customers, the DI Program is designed to deliver comprehensive, cost-effective, EE equipment for relatively small commercial customers, as small customers tend to have a greater reluctance and/or inability to implement EE measures than larger customers. This comprehensive program takes a "whole building approach" and offers businesses a free detailed assessment to identify cost effective EE improvements, as well as equipment retrofit and replacement options including electric and natural gas equipment, lighting, controls, refrigeration, heating, cooling and ventilation, motors, and variable frequency drives ("VFDs").

Financial incentives are available to reduce the cost of installing the recommended EE measures. In addition, qualifying customers can apply for repayment of the project costs, less the amount of the incentive, with no interest through the GDC existing financing process. When the work is complete, customers repay as little as 20% of the total project cost. Given that the DI Program can cut a participant's energy costs by as much as 30%, these financial incentives can be very attractive and effective.

Target Market and Eligibility

Eligible customers are customers of a GDC whose electric service is provided by a Non-IOU electric utility (other than Butler Electric, whose customers currently can access PSE&G's electric EE programs). Residential customers will be eligible for their GDC's Whole Home program. C&I customers will be eligible for their GDC's DI Program.

Program Offerings

As mentioned above at Program Description, the Whole Home and DI Programs provide “whole building” comprehensive services by offering customers a consistent source of technical assistance, installation services, and financial incentives. The programs will be delivered across the state by the participating GDCs in association with existing contractor networks to deliver installation and related services.

Potential eligible measures of each program include, for example:

Whole Home

- Comprehensive home energy audit;
- Health and safety check (carbon monoxide levels, moisture, indoor air quality);
- Overall comfort level (cold/hot spots, indoor air quality, stuffiness, stale odors);
- Air leakage;
- Insulation levels;
- Heating and cooling system efficiency; and
- Water heating systems.

DI

- Comprehensive energy assessment;
- Lighting retrofits and new fixtures;
- Controls;
- High efficiency HVAC systems;
- Programmable thermostats;
- VFDs;
- Motors; and
- Refrigeration measures.

Incentives

The new SEP Non-IOU Program will follow the then-applicable GDC’s rules and guidelines regarding available incentive levels and entity caps.

By way of example only, under current GDC rules, residential customers are eligible for incentives up to \$5,000 through Whole Home, for combined electric and gas EE measures. By way of further example, C&I customers are eligible for an incentive of up to 80% of the total project cost through DI. Actual DI project incentives will differ depending on the project’s energy savings, cost effectiveness, customer type, and customer size; typical project incentives range from 60-80% of total project cost. DI applications are also eligible for a no-cost on-site energy assessment by a program trade ally to determine eligible measures and project incentives. If the GDC program designs or incentive levels change through BPU order or BPU-approved mechanisms, the SEP incentive levels will also change.

Program Financing

Qualified applicants are currently eligible for 0% interest financing for Whole Home or DI projects through their GDC. The GDC will finance all project measures for both electric and gas measures for the applicants who meet the GDC's financing requirements.

Program Changes

Any changes to program requirements or incentives that the GDCs implement to the DI Program, the Whole Home Program, or both, over the course of the SEP grant will automatically be incorporated by reference into this Non-IOU SEP Program.

Program Delivery and Management Responsibilities

TRC

TRC is responsible for the following program components:

- Receiving from the Board, holding, and disbursing to the GDCs Program funds as described elsewhere in this Compliance Filing.
- Allocating a Program budget and related funds to each GDC. Each GDC may not exceed its allocated budget without prior authorization by TRC. TRC may reallocate Program budget funding among the GDCs to maximize participation and energy savings. Written notice will be given to the GDCs prior to reallocation, and no such reallocation will disrupt any project that TRC is already aware of and has provided a commitment to fund. TRC and the GDCs will also communicate regarding proposed changes to prevent disruption of projects in progress that may not have yet been committed.
- Tracking progress against each GDC's Program budget based upon the Program documents each GDC provides to TRC.
- Reviewing and, as appropriate, authorizing applications for Program funding for electric measures that have already been reviewed and approved by the GDC.
- Performing random post-inspections of electric measures funded by the Program, if and in the number TRC determines to be appropriate.
- Authorizing payment to each GDC of Program funds for electric measures properly paid by the GDC to its customers pursuant to the Program.
- Reporting to the Board, and, as requested or otherwise appropriate, any other funding entities, on the number of completed projects, Program funding spent, electric energy savings, and any other reasonably requested metrics. TRC will also provide such case studies as may reasonably be requested.
- Coordinating marketing efforts with BPU and the GDCs, including the creation of program collateral, graphics, website language, and general marketing language.

GDCs

The GDCs are responsible for the following program components:

- Receiving, filing, and managing the Program information on customer applications to Whole Home or DI program.
- Performing site visits, collecting existing equipment inventory and energy usage data, analyzing information, identifying opportunities for efficiency improvements, and making recommendations regarding the same.
- Qualifying and approving eligible projects with existing program processes.
- Using the existing GDC's DI and Whole Home trade ally network to promote and offer Program incentives to Non-IOU customers.
- Finalizing completed Program projects with participating Trade Allies per existing GDC program guidelines.
- Performing Quality Control ("QC") and evaluation, measurement, and verification ("EM&V") per existing GDC program guidelines and sharing results with TRC.
- Providing TRC final project information at project completion, including:
 - Electric measure-level data, including measure name, quantity, manufacturer, and model number, and
 - Incentive approval date, and
 - Electric Program incentive amount and payee entity, and
 - Total project incentive, and
 - Annual and lifetime installed energy and demand savings, including the amount of savings that are electric savings.

Any and all Program-related hard copy files will be kept by the GDC.

Each GDC is subject to audit of its Program-related files by TRC and/or the Board and its staff.

Customer Engagement / Program Outreach

This Program will be promoted to eligible customers, at least in part, in coordination with the New Jersey Public Power Authority, the organization that represents the nine Non-IOUs. Additionally, the GDCs and their trade allies will market this new offering to the relevant portions of their existing customer base. TRC will also provide marketing through website messaging and program collateral.

Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all projects. Existing utility program rules, guidelines, and procedures will be used to determine applicant eligibility and incentive amounts. GDCs will make QC results and project approval results available to TRC. TRC will review the Program components of customer applications to ensure all Program requirements are met prior to payment for those components. As indicated in Program Delivery

and Management Responsibilities, TRC will, if and as it deems appropriate, perform random post-inspections on completed projects to ensure program compliance.

TRC will utilize the Contractor Remediation Procedures (“CRP”) and/or the GDCs will utilize their own procedures similar to the CRP, in each case as necessary or appropriate to address significant performance or other problems.

NJCEP Component (NCP)

This component’s incentives, eligibility, operations, outreach, and quality control will be identical to the then-current NCP with the following clarification and revisions:

- Buildings located in Non-IOU electric utility service territories will be eligible even if they also are not customers of a GDC (i.e., the buildings are eligible even if they are all-electric and/or utilize propane or oil instead of natural gas); and
- The funding source will be SEP funds, not SBC.

Any changes to NCP program requirements or incentives over the course of the SEP grant will automatically be incorporated by reference into this Non-IOU SEP Program.

Non-IOU SEP Program-wide Budget

The total SEP Non-IOU Program budget is \$9,847,540 for the entire grant period, a maximum of 5 years beginning from the date this Compliance Filing is approved by the Board. The SEP grant is expected to be spent across multiple fiscal years. The cost category breakdown below assumes a 3-year timeframe to spend all program funds.

SEP Program		FY24 Cost Category Budgets*					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
SEP Non-IOU Program	\$9,847,540.00	\$808,521.80	\$0	\$0	\$8,913,721.00	\$125,298.00	\$0
*cost categories assume a 3-year time period to spend all funding							

**New Jersey's Clean Energy Program
FY 2026 Program Descriptions and Budgets**

Utility Residential Low Income

Comfort Partners Program

**Proposed Program Description and
Budget**

April 22, 2026

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 level. Households located within a Low-Income designated census tract, as designated by the Federal Financial Institutions Examination Council (“FFIEC”) mapping tool, or a NJ-designated overburdened community (“OBC”)² may also qualify via the income self-certification process detailed in the Location Based Eligibility section of this document. Customers who receive aid from the following social safety net programs,

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

² As defined in N.J.S.A. 13:1D-158.

Temporary Assistance to Needy Families (“TANF”), Section 8 Housing, Supplemental Nutrition Assistance Program (“SNAP”), Federal Supplemental Security Income (“SSI”), General Assistance (“GA”), may also be categorically eligible. In the event that the qualification criteria for these assistance programs change, participation may not automatically qualify a resident for participation in Comfort Partners.

To be eligible, a participant must be an existing customer of a publicly owned utility with a separately metered electric or natural gas account and live in a single-family or multi-family residential building with no more than fourteen units, and the residence must be their primary home. Households in which the customer of record is a tenant are eligible, with landlord authorization, to install selected measures. Customers who heat with fuel oil or propane will be considered for inclusion in the building electrification and decarbonization pilot. Fuel oil and propane customers that are not 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.³ 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 a low-income census tract or low-income OBC 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.

³ News sources indicate that USEPA may be eliminating the ENERGY STAR program. The Board is closely monitoring this situation and will consider appropriate revisions to Comfort Partners if and as appropriate.

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 a participant's home requires 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, or refer to Utility Moderate Income offerings. The goal of such discussions will be to determine the Department of Community Affairs' or the Utility Moderate Income offering's ability to install heating systems and perform other needed work for energy efficiency and/or health and safety reasons.

Measure Selection

Energy efficiency measures, as described above, and other reasonable repairs required to install those measures may be installed in each home. In addition, 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 or needed to improve the health and safety of the residents. Examples of the type of work that is conducted 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, would fall under this category. These health and safety measures are available to all participants, and are capped at \$7,500 per project.

Cost-effectiveness is assessed on a site-specific basis, excluding health and safety and home repairs. 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, each utility will decide to what extent additional work can be performed.

Any refrigerator or freezer older than its useful economic life, as defined in the current NJ

Technical Reference Manual, is eligible for free replacement with a new energy-efficient model, which meets current ENERGY STAR efficiency standards.

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.

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 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 20% 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. Allocation of costs in different cost categories may appear 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”).⁴ 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

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

Goals

In the Fiscal Year 2026 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, 2025 through June 30, 2026. 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, 2025 through June 30, 2026.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest Technical Reference Manual.⁵ 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 2026, with a lifetime savings of approximately 39,504 MWH of electric and 475,538 MMBTU of natural gas.

Appendix A

Fiscal Year 2026 Comfort Partners Budget

July 1st 2025 - June 30th 2026 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	\$3,814,278.00	\$282,560.00	\$67,838.00	\$65,888.00	\$3,258,119.00	\$139,873.00	\$0.00	\$0.00
JCP&L	\$6,801,036.00	\$532,403.00	\$141,553.00	\$116,053.00	\$5,747,634.00	\$263,393.00	\$0.00	\$0.00
PSE&G- Elec	\$10,602,235.00	\$813,281.00	\$325,548.00	\$274,548.00	\$8,777,405.00	\$411,453.00	\$0.00	\$0.00
RECO	\$409,250.00	\$70,584.00	\$15,584.00	\$15,584.00	\$279,208.00	\$28,290.00	\$0.00	\$0.00
NJNG	\$7,653,290.00	\$286,249.00	\$152,249.00	\$145,582.00	\$6,812,440.00	\$256,770.00	\$0.00	\$0.00
Elizabethtown	\$3,869,398.00	\$293,705.00	\$65,811.00	\$66,196.00	\$3,267,485.00	\$176,201.00	\$0.00	\$0.00
PSE&G-Gas	\$24,738,548.00	\$1,897,655.00	\$759,612.00	\$640,612.00	\$20,480,612.00	\$960,057.00	\$0.00	\$0.00
SJG	\$5,042,988.00	\$360,646.00	\$94,033.00	\$91,296.00	\$4,315,715.00	\$181,298.00	\$0.00	\$0.00
TOTAL	\$62,931,023.00	\$4,537,083.00	\$1,622,228.00	\$1,415,759.00	\$52,938,618.00	\$2,417,335.00	\$0.00	\$0.00
PSE&G - Combined	\$35,340,783.00	\$2,710,936.00	\$1,085,160.00	\$915,160.00	\$29,258,017.00	\$1,371,510.00	\$0.00	\$0.00

⁵ The latest version of the Technical Reference Manual is pending Board approval.

**BPU and DPMC Designated Project List
State Facilities Initiative Funds FY26ⁱ**

Agency	Project	Contract	BPU Funding Commitment	Detail
Ag	A1356	Pabil Bug Lab	\$5,200,000.00	HVAC
DCA	A1366	Ashby Bldg.	\$5,150,000.00	HVAC
DHS	M1588-00B	Ancora Psychiatric Hospital	\$5,510,000.00	ECMs
DHS	M1578-00B	Greenbrook Regional	\$3,195,000.00	ECMs
DHS	M1587-00B	Trenton Psychiatric Hospital	\$2,620,000.00	ECMs, Switch Gear Upgrades
DHS	A1241-02	Kohn Training Center	\$687,000.00	Lighting, Chillers
DHS/Treasury	PO	Hagedorn	\$60,000.00	Lighting/Utility Tunnels
DOH	M1629	Northern Medical Examiner	\$150,000.00	Lighting/Controls
DMAVA	FL009/WO002	NG Armory	\$3,000,000.00	Go Green Retrofit Pilot
DOC	C1046	NJ State	\$3,000,000.00	Feeder Upgrades
DOE	E0402	Katzenbach School	\$3,500,000.00	HVAC, VAV
DOL	A1378	Labor Bldg.	\$1,300,000.00	HVAC
JJC Law & Public Safety	S0648	JJC Johnstone Campus	\$1,350,000.00	HVAC

JJC Law & Public Safety	S0678	JJC Johnstone Campus	\$1,565,000.00	PLC upgrades
JJC Law & Public Safety	S0677	NRI-RSC	\$400,000.00	Building envelope upgrades
LPS	PO	Weights and Measures	\$100,000.00	ECMs
NJSP		Troop C/Techplex	\$1,800,000.00	HVAC/Chiller
NJ Transit	MOU	Hilton Garage	\$10,000,000.00	EV Infrastructure
NJDEP	A1302	DEP HQ	\$4,467,000.00	Controls Upgrade
NJDEP		Parks Upgrades	\$2,200,000.00	ECMs
OIT	A1405/A1357	OIT Hub	\$700,000.00	Data Center lighting
Treasury	PO	Justice Complex	\$200,000.00	Lighting upgrades
Treasury	PO	State Library	\$80,000.00	Lighting upgrades
Treasury	PO	State Facility Under 250 kw	\$729,000.00	Lighting upgrades
Treasury	PO	Roebling building	\$120,000.00	Lighting upgrades
BPU	TC 26-05	Energy Tracking System	\$500,000.00	Energy Management

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.