

State of New Jersey
Governor Philip D. Murphy
Lt. Governor Sheila Y. Oliver



Joseph L. Fiordaliso
President

Mary-Anna Holden
Dianne Solomon
Bob Gordon
Dr. Zenon Christodoulou
Commissioners

Board of Public Utilities



www.nj.gov/bpu/

NOTICE

IN THE MATTER OF CLEAN ENERGY - REQUEST FOR ENERGY SAVINGS IMPROVEMENT PROGRAM - REGULATIONS STRAW PROPOSAL

Request for Comments and Public Stakeholder Meeting

Docket No. QO20080531

The New Jersey Board of Public Utilities (“NJBPU” or “Board”) hereby gives notice of a virtual stakeholder meeting concerning the Energy Savings Improvement Program (“ESIP”) Regulations Straw Proposal.

The meeting shall take place on the designated date and time reflected below. The Board invites all interested parties and members of the public to participate to provide input on Staff’s straw proposal for the ESIP program regulations.

STAKEHOLDER MEETING

DATE: June 12, 2023
TIME: 10:00 a.m.
LOCATION: Zoom Virtual Webinar
REGISTER: https://us06web.zoom.us/webinar/register/WN_mvTzftXbQ76ooiGUEYH8rA

Please note the meeting will be conducted virtually. You must register for the meeting before attending. Stakeholders and members of the public may participate after registering by utilizing the link or dial-in information set forth above and may express their views. In order to encourage full participation, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, at least 48 hours prior to the above meeting dates to the Secretary of the Board at board.secretary@bpu.nj.gov.

If you want to reserve a speaking opportunity, please designate this during the online registration process. After registering, you will receive a confirmation email containing information about joining the meeting and information about checking your system requirements in advance of the meeting. Please check your access devices in advance of the meeting to ensure that they will properly connected.

Comments

The Board is also accepting written and/or electric comments.

All public comments should be filed under Docket No. QO20080531. **The deadline for comments on this matter is 5 p.m. on July 5, 2023.** Comments may be submitted directly to the specific docket listed above using the “Post Comments” button on the Board’s [Public Document Search](#). Comments are considered public documents for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are

found on the Board's webpage <https://www.nj.gov/bpu/agenda/efiling/>. Emailed and/or written comments may also be submitted to:

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Background

In 2009, ESIP was first signed into law as a financing method for New Jersey's boards of education, public institutions of higher education, local government units, and State contracting agencies to implement energy conservation measures ("ECMs") as set forth under energy savings plans ("ESPs") (P.L. 2009, c. 4). On September 12, 2012, P.L. 2012, c. 55 was signed into law, which amended and further defined the ESIP process.

The ESIP program is a form of energy performance contracting. It serves as funding mechanism for new capital investments for public entities to improve and retrofit their facilities with ECMs. This is accomplished by using the future value of energy savings to finance the up-front investment, which is paid back, over time, from the savings that accrue to the public entity through reduced energy bills. Approved applicants can execute up to 15-year (or 20 years with combined heat and power or cogeneration projects) contracts.

Guidelines for the ESIP program are currently in place. However, pursuant to the enabling statute and the Board's 2013 Order in Docket 13050418V, Staff intends to promulgate rules in accordance with Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. Staff started gathering stakeholder input in August 2020 with the first issuance of program policy discussion topics by Staff and continued with a stakeholder meeting on September 8, 2020. Comments were received on topics covering: process improvement; project components; RFP template; construction and finance; Phase II projects; guidance; and project savings guarantee. While not all of these topics may be directly discussed in the proposed regulatory language, Staff intends to build upon comments received from stakeholders as the ESIP program is improved.

With the Board's recent energy efficiency ("EE") transition, the ESIP program has continued to update to reflect changes in potential incentives and their availability to ESIP projects. The ESIP Program is separate from the Board's EE programs and may continue to refine its processes separate and apart from the EE transition.

Staff Straw Proposal

Staff took into consideration all of the feedback from stakeholders and has prepared the attached straw proposal for discussion. It contains the provisions Staff envisions for a draft rule proposal. The straw proposal clearly delineates program rules as established in law, clarifies practices established through previous guidelines, and establishes processes to correlate with the recently implemented EE transition regarding reporting of EE savings, Board-approved energy efficiency programs, and demand response programs.

Staff is soliciting feedback on the proposed language from all interested stakeholders prior to issuance of draft regulations by the Board.

Sherri L. Golden

Sherri Golden
Secretary of the Board

Dated: May 26, 2023