



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

NO.: 26-05-ADM	ORIGINATING AGENCY: DIVISION OF ADMINISTRATION	PAGE 1 OF 5
EFFECTIVE DATE: IMMEDIATELY	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 10-04-OES/OMB
SUBJECT: STATE ENERGY MANAGEMENT AND REDUCTION POLICY, ENERGY MANAGER, AND ENERGY INVOICE PAYMENT POLICY		
ATTENTION: DIRECTORS OF ADMINISTRATION, CHIEF FISCAL OFFICERS, AND ENERGY MANAGERS		
FOR INFORMATION CONTACT: <a href="mailto:Fiscal.EnergyManagement@treas.nj.gov">Fiscal.EnergyManagement@treas.nj.gov</a>		

This Circular requires each agency to designate an Energy Manager and utilize the State's energy tracking system pursuant to Executive Order No.11. In addition, this revised Circular outlines procedures for benchmarking State facilities and implementing strategic energy plans as part of agency capital planning.

#### I. AUTHORITY

This policy is established pursuant to: 1) Executive Order 11 (Corzine, 4/22/06), which authorizes the Department of the Treasury to implement a program to increase energy efficiency, reduce energy usage and costs, and improve energy procurement for all State facilities; 2) New Jersey's Energy Master Plan (2019), specifically Goal 3.3.5 to improve energy efficiency and retrofit State buildings to a high-performance standard, and Goal 4.1.1 to establish facility baseline energy needs through audits, appoint agency energy managers, and conduct strategic energy planning, including building electrification evaluation; 3) the Clean Energy Act of 2018; and 4) the fiscal policies of the Office of Management and Budget (OMB).

#### II. DEFINITIONS

**Energy Manager (EM)** – Designated participant staff member responsible for the agency's energy strategic plans, facility management, and energy/water consumption reporting and benchmarking.

**Benchmarking** – A mechanism to measure energy performance of a single building over time, relative to other similar buildings, or to modeled simulations of a reference building built to a specific standard (such as an energy code).

**Energy Audit** – An energy audit is an assessment of a facility and analysis of energy consumption to best identify energy conservation measures (ECM) to improve operating efficiency and lower energy use.

**Energy Baseline** – A tool that allows the measurement of the amount of energy used in an existing facility before the installation or implementation of energy cost savings measures. A comparison can be made of energy usage before and after implementation to determine decreases in energy consumption.

Developing an energy baseline and an energy intensity baseline (the amount of energy used to produce a given level of output) is a valuable way to get started with energy management. Baselines create a benchmark for comparing energy performance from year to year. This can be done through the US Environmental Protection Agency's (EPA) Portfolio Manager or by analyzing 24 months of energy bills prior to the installation of an ECM.

Energy Invoices – Energy types and invoices affected by this circular are:

- Electricity supply and delivery (including EV charging and solar systems)
- Natural gas supply and delivery
- Propane supply and delivery
- Fuel oil supply/delivery (for buildings)
- Hot water supply/delivery from vendor
- Steam supply/delivery from vendor
- Chilled water supply/delivery from vendor
- Landfill gas supply and delivery
- Water and sewer\*

\*Properties that utilize well water may need to report consumption from DEP permits for the purposes of benchmarking reporting under the Clean Energy Act.

NOTE: Motor vehicle fossil fuels are NOT included in the Energy Tracking System program and will be tracked by the Central Motor Pool through a separate fuel monitoring system that is not part of this Circular.

Energy Tracking System (ETS) – An internet-based system, and related contract services, which compiles monthly energy invoice data on an ongoing basis and converts that data into useful information and reports. The reports are accessible online to appropriate, authorized State personnel. The use of this system will enable all State participants to better understand and continually improve their energy and environmental performance and to reduce energy costs across their facilities.

Participant – Governmental units such as State departments and agencies, divisions or offices, authorities, commissions and other entities providing public services. Also referred to as agencies, clients or customers.

Strategic Energy Management Plan – A long-term document to compliment the Energy Master Plan goals and other State policies related to energy. The plan develops strategies and actions to implement policy goals, identifies and allocates resources to act upon the strategies, and provides a decision-making framework. The primary focus is on energy management of State facilities. It can also include topics such as sustainability, renewables, electric vehicle fleet management, water infrastructure, and building retrofits.

### III. REQUIRED PROCEDURES

#### A. Participant Energy Manager

1. Each Participant shall have designated an Energy Manager from new or existing staff. Annually, or if there is any change thereafter, each Participant shall inform the Treasury Division of Administration ("Treasury Administration") ([Fiscal.EnergyManagement@treas.nj.gov](mailto:Fiscal.EnergyManagement@treas.nj.gov)) and BPU's State Energy Services ([BPU.EnergyServices@bpu.nj.gov](mailto:BPU.EnergyServices@bpu.nj.gov)), of who the designated Energy Manager is and include their contact information.
2. An Energy Manager's primary responsibility is to promote the principles and practices of energy management, with a focus on improving the energy performance of the facility or facilities, based on the best practices embodied in the Strategic Energy Management Plan. This person performs the Energy Manager duties at the participant's facility or facilities in New Jersey including, but not limited to, the following:

- Energy Saving Project Implementation
- Energy Tracking, Monitoring and Reporting
- Maintenance of the Participant's EPA Portfolio Manager account
- Develop and manage the Participant's strategic energy management plan
- Originate initial energy audit and schedule facility ASHRAE audits every 5-7 years
- Ensure that maintenance and operating schedules advance energy efficiency
- Monitor energy and water bills for anomalies and estimated bill reads
- Implement a Measurement & Verification Strategy
- Implement Energy Management Behavior and Business Process Improvements
- Serve as primary contact for compliance with this Circular and program

## B. Energy Tracking System and Invoice Payment

1. Participant Reimbursement to Central State Energy Account - Agencies are responsible for ensuring that sufficient funds are made available to reimburse the Interdepartmental State Energy account (FY-100-094-9400-035) on a monthly basis for all energy and water invoices. If additional funds are required during the fiscal year, the agency must make payment to the central account within 30 days. This can be accomplished using an intra-governmental payment voucher or, if a trust fund account is charged, by sending a check to the Department of the Treasury, Division of Administration, PO Box 211, Trenton, NJ 08625-0211; made payable to "Treasurer State of New Jersey".
2. Establishing Purchase Orders - BPU State Energy Services will aggregate purchase requests and provide for consolidated procurement contracts through the Division of Purchase and Property, where advantageous and appropriate. Participants are not to issue separate energy purchase orders for energy services.
3. Energy and Water Invoice Processing and Payment Procedures - Energy and water invoice processing and payment will be the responsibility of the Energy Tracking System contractor. Any issues should be directed to the Treasury Administration ([Fiscal.EnergyManagement@treas.nj.gov](mailto:Fiscal.EnergyManagement@treas.nj.gov)).

All energy expenses must be processed through the State's Energy Tracking System contractor. To accomplish this, all State energy vendors/utilities are to send energy invoices directly to the Energy Tracking System contractor for processing. The Participant is responsible for ensuring all active facilities and energy accounts have an energy profile in the online Energy Tracking System and that accounts are connected to the correct facility. Agencies should contact Treasury Administration for procedures for setting up facilities and energy accounts through the Energy Tracking System.

Energy and water invoices received by the Energy Tracking System contractor will be audited for accuracy, consolidated, and presented to Treasury Administration for payment from the central account. Each Participant shall have internet access to the vendor invoice detail including State facility, vendor name, account number, energy type, amount due, and NJCFS account number. In addition, actual invoice images will be available to view or download.

4. Participant Fiscal Responsibility - While the Energy Tracking System will allow Treasury Administration to centrally manage ongoing vendor payments after the contractor has audited and validated each invoice presented for payment, it will not eliminate each State Participant's fiscal responsibility to monitor ongoing energy use and expenses for their department and to notify Treasury Administration should an invoice be considered questionable and unauthorized for payment. In addition, each Participant should monitor accounts for estimated bills and contact the

respective utility for an actual meter read if three or more consecutive bills are estimated. This ongoing monitoring and certification can be accomplished by using the online Energy Tracking System.

5. Online Access to the Energy Tracking System - Treasury Administration will work with each Participant's Energy Manager to review their facility and energy profile; and to establish a list of designated Participant personnel who will be accessing the online Energy Tracking System. An information access level will also be established for each individual, as deemed appropriate. This will determine the amount of Participant energy and cost information each designated individual will be able to access, ranging from a single facility to full information access across the entire Participant's portfolio. Training on use of the online Energy Tracking System will be made available upon request to Treasury Administration and the contractor.
6. Opening and Closing Energy Accounts - Participant will notify, via email, Treasury Administration ([Fiscal.EnergyManagement@treas.nj.gov](mailto:Fiscal.EnergyManagement@treas.nj.gov)) and BPU's State Energy Services ([BPU.EnergyServices@bpu.nj.gov](mailto:BPU.EnergyServices@bpu.nj.gov)) immediately of any Participant request to open or close an energy account. The Participant will then coordinate with the Energy Tracking System vendor and the utility vendor, and the BPU State Energy Services will coordinate the removal from the state energy aggregation.

#### C. Benchmarking of State Facilities

1. Clean Energy Act Benchmarking Requirement for State Buildings over 25,000 sq. ft. By October 1, 2023, all State facilities over 25,000 sq.ft. were required to benchmark energy and water use for the prior calendar year using the EPA's ENERGY STAR Portfolio Manager (PM) as required by the Clean Energy Act. The reporting deadline in subsequent years is July 1. Per the Board of Public Utilities' September 7, 2022 Board Order, protocols for complying with the mandate are issued by the BPU's Division of State Energy Services.

Participants are required to:

- Designate and annually notify BPU State Energy Services which staff member will handle benchmarking and be point contact for facility-related questions;
- have all energy and water invoices processed through the State ETS;
- follow protocols established by the Division of State Energy Services;
- establish an EPA ENERGY STAR PM account;
- connect the account with the State's Master Portfolio Manager account: 'NJStateFacilities';
- comply with reporting requirements established by the Board of Public Utilities; and
- ensure property profiles remain up to date.

Energy cost and consumption information from the State ETS will be utilized for automatic transfer of energy and water data after the designated PM Account has been established and linked to ETS accounts. The Participant will be responsible for manually uploading into PM any required information not automatically transferred. The State may utilize other options for on-going data uploads through utility data access services such as, Web Services or the Portfolio Manager Spreadsheet Template, as necessary.

2. Energy Audits - Participants should have a facility audit completed every 5-7 years to allow for accurate energy strategic plans to be built upon and to meet the goals of the Energy Master Plan. These audits also help identify available incentives and rebates that can be utilized within State facilities. Free preliminary audits (ASHRAE Level 2 Building and Level 3 Lighting) are available through the BPU or participants can utilize and pay for a DPMC qualified energy audit firm to complete an ASHRAE audit. The Energy Manager should share a copy of the facility audit with BPU State Energy Services. A completed audit will set the new energy baseline for the building.

#### D. Strategic Energy Management Plan

By September 1, 2026, and annually thereafter, each Participant will submit via email to BPU State Energy Services (BPU.EnergyServices@bpu.nj.gov) an updated strategic energy management plan. Each Participant, led by the Energy Manager, will develop an annual comprehensive strategic energy management plan. Utilizing the State Energy Plan Template, this plan, at a minimum should detail:

- an inventory of facilities;
- prior fiscal year energy consumption and costs;
- establishment of baseline data for agency energy and water consumption for all facilities;
- total avoided costs, emission reductions, and energy savings for prior fiscal year;
- deviation from energy reduction goals for agency energy and water consumption for facilities (for all reports after initial report);
- areas of concern with estimates of energy capital improvement budget requests; and
- long-term strategies to retrofit facilities.

The plan should identify resources and be:

- Proactive and outline deliberate actions based on agency priorities;
- comprehensive in scope and identify high return efforts, renewables, and other innovative actions;
- structured to provide guidance and a plan of action; and
- long-term to allow for planning and securing of multi-year investment.

Technical assistance is available through the State Energy Services to help departments with their plan.

#### E. Energy Efficiency Reduction Reporting

As part of the Strategic Energy Management Plan, all participants must report any energy consumption changes to BPU State Energy Services by September 1 annually. This includes, but is not limited to, changing lightbulbs, retrofitting buildings, decommissioning or repopulating buildings, vehicle changes, material changes, and adding charging infrastructure. All changes should be reflected to accurately determine the State's overall change in consumption.

  
Director, Treasury Administration