Submitted via E-Mail

June 4, 2021
Secretary Aida Camacho-Welch
New Jersey Board of Public Utilities
P.O. Box 350
Trenton New Jersey, 08625

RE: FY22 CRA, Budget and Program Plans

Dear Secretary Camacho-Welch:

The undersigned organizations are pleased to submit these comments to the New Jersey Board of Public Utilities concerning its FY22 CRA, Budget and Program Plan Compliance Filings.

Sincerely,

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On Behalf of

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I. INTRODUCTION

The undersigned Non-Governmental Organizations ("NGO Commenters") appreciate the opportunity to provide comment on the Board of Public Utilities' ("Board's") Fiscal Year 2022 Comprehensive Energy Efficiency and Renewable Energy Resource Analysis ("FY22 CRA").[1] The FY22 CRA represents an important milestone in the Board's Clean Energy Programs. It is the first year of the Energy Efficiency Transition ("EE Transition") required by the Clean Energy Act of 2018 ("CEA"),[2] and includes several new programs to implement the goals of the 2019 Energy Master Plan ("2019 EMP") and the Plug-in Vehicle Act ("PIV Act") including the Charge-up New Jersey Electric Vehicle Rebate Program, an energy storage program, and several important pilot projects.

The FY22 CRA is a wide-ranging document that encompasses several important but distinct programs and sub-filings including energy efficiency, solar, wind, electric vehicles, and other clean energy technologies. However, the common thread between all these programs is clear: to avoid the worst impacts of the climate crisis, New Jersey must rapidly decarbonize its economy. The FY22 CRA recognizes this and allocates several hundred million dollars across more than a dozen program areas. The spending that occurs through this program provides significant benefits to New Jersey's residents and businesses, furthers the State's clean energy and climate goals, and serves as a critical marker for New Jersey's overall energy policy.

II. SUMMARY OF COMMENTS

Overall, the FY22 CRA proposes several innovative clean energy programs that the NGO Commenters strongly support. Together, these programs will provide direct benefits to utility customers, support the growth of the clean energy economy, and begin to tackle the climate crisis. The NGO Commenters support the following programs and budgets as filed, or with minimal modification:

- Acoustical testing pilot;
- Offshore wind and solar registration "RE Programs;"

[1] NJ Board of Public Utilities, Div. of Clean Energy, COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS**,** funding Levels- Fiscal Year 2022 (May 18, 2021) [*hereinafter*, "FY22 CRA").
[2] Clean Energy Act, L. 2018, c. 17,

- EDA Programs (Clean energy manufacturing fund, NJ Wind,[3] R&D Energy Tech Hub);
- Portions of Planning and Administration; and,
- BPU initiatives, including community energy grants, energy storage, and the electric vehicle program.[4]

While the above-listed program expenditures will deliver significant benefits *via* its new and existing program proposal, the NGO Commenters have concerns regarding several program areas, and recommend the Board redesign, strengthen, or add several programs in the following budget categories:

- NJCEP Energy Efficiency Programs & Comfort Partners;
- Building Energy Benchmarking;
- Distributed Energy Resources;
- Workforce Development; and,
- Transparency and Accountability.

The NGO Commenters evaluated these programs against the State's clean energy policy documents, reports, and legislation enacted over the past several years. As explained in more detail below, the NGO Commenters determined that the as-filed programs fall short of New Jersey's climate and clean energy goals, and offer several recommendations based on industry best-practices and lessons learned from other states. For these comments, NGO Commenters are using the "New Jersey Clean Energy Program Fiscal Year 2022 Program Descriptions and Budgets"[5] as well as supporting compliance filings such as TRC and Comfort Partners.[6]

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[3] The NGO Commenters strongly support the continued efforts between the Board and the Economic Development Authority to secure the presence of the offshore wind industry in the state by making targeted investments in the wind supply chain. These include the projects underway at the NJ Wind Port and Paulsboro facilities.
[4] NRDC provided comment on the BPU's Charge-up New Jersey program and Plug In EV Incentive Fund submitted on June 2, 2021 to the Board's comment portal.
[5] NJ Board of Public Utilities, Div. of Clean Energy, RENEWABLE ENERGY PROGRAMS, ENERGY EFFICIENCY PROGRAMS, DISTRIBUTED ENERGY RESOURCES, AND NJCEP ADMINISTRATION ACTIVITIES, (May 18, 2021). [*hereinafter*, "FY22 CRA Program Descriptions."]
[6] *See*, TRC, ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAM PLAN FILING, (May 18, 2021). [*hereinafter*, "TRC EE Filing"] *and*, UTILITY RESIDENTIAL LOW INCOME COMFORT PARTNERS PROGRAM , PROPOSED PROGRAM DESCRIPTION AND BUDGET**,** (May 18,2021), [*hereinafter*, "Comfort Partners Filing"]

III. COMMENTS

A. Division of Clean Energy Efficiency Programs ("DCE EE Programs") & Comfort Partners

The NGO Commenters would like to begin by acknowledging the significant amount of effort the Board put into its energy efficiency ("EE") Transition over the past two years, including transitioning programs to utilities, establishing new stakeholder working groups, creating a new cost-test that better reflects the climate, health, and economic benefits of EE investments, among other EE program redesigns. Together, the new utility EE retrofit programs and DCE EE Programs for new construction will deliver significantly more energy savings than past program years as laid out in the EE Framework Order and provides more meaningful stakeholder input than in previous years.[7]

However, the NGO Commenters have serious concerns that the DCE EE Programs are not "next generation EE programs," as identified in the FY22 CRA Program Descriptions, but instead merely a continuation of past DCE programs, largely unchanged over the past several years of program administration.[8] Absent from the programs are any new programs or pilots to support building electrification, peak-demand reduction programs, building energy benchmarking programs, and non-wires/non-pipes alternatives; all of which have been identified in legislation, executive actions, agency reports, and agency orders as policies and programs critical to meeting New Jersey's climate and clean energy goals. Additionally, while the Comfort Partners Locational Pilot is a significant step to increase access and equity in energy efficiency programing, there are still significant design issues with Comfort Partners that should be addressed in this filing.

The CEA, 2019 EMP, and recent NJ DEP 80x50 report all show the need for the rapid decarbonization of New Jersey's building sector. The 2019 EMP specifically calls for the rapid electrification of the building sector through the electrification of heating equipment and other

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[7] NJ Board of Public Utilities, IN THE MATTER OF THE IMPLEMENTATION OF P.L. 2018, C. 17 REGARDING THE ESTABLISHMENT OF ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS, Docket No. QO19010040 (Jun. 10, 2020) [*hereinafter*, "2020 EE Framework Order"].

[8] *See* TRC EE Filing, at 6. The FY22 TRC EE filings states that: "During FY22, these programs are expected to continue to be administered in a way substantially similar to the way they have been administered for the last several years. Id. Indeed, the FY22 TRC EE Filing is nearly identical in program description to both the FY21 and FY22 filings.

appliances.[9] It states that, "continuing to expand the gas distribution sector and rely on fossil fuel heating for new construction and replacement of aging heating systems will lock in decades of continued emissions and risk financing what will become stranded assets."[10] The Integrated Energy Plan ("IEP") modeling for the 2019 EMP concludes that that "a delay in building electrification will result in higher economic costs and limited flexibility to further reduce emissions or compensate for other sectors that decarbonize more slowly than planned."[11] The NJ DEP's 80x50 report reached a similar conclusion when it stated that New Jersey needed to prioritize the near-term conversion of buildings heated by delivered fuels *"no later than 2021*."[12] Most importantly, the EE Framework Order determined that EE, "will play an essential role in meeting the State's long-term clean energy goals including *advancing building electrification*."[13]

Despite the numerous calls for building electrification across agencies, reports, and the Board's own EE Framework Order, neither the proposed DCE EE Programs, nor Comfort Partners Filing take any steps to further the goals of building electrification. Therefore, the NGO Commentors recommend the following changes to the FY22 CRA:

i. <u>The Board Should Modify the Residential New Construction Program to Emphasize Building Electrification</u>

As a starting point, the NGO Commenters recommend that the Board modify the incentive levels for all-electric equipment in the residential new construction portion of the FY22 TRC EE Filing. As filed, the Residential New Construction Program for FY22 is substantially similar to past state-administered new construction programs. However, now that the bulk of EE saving obligations are with the state's regulated utilities, the NGO Commentors recommend that the Board's New Construction program be more proactive and ambitious to help to move the new construction market towards higher efficiency building standards that emphasize building electrification.

[9] 2019 EMP at 157.
[10] EMP at 157.
[11] <u>Id.</u>
[12] GWRA 80x50 report (emphasis added).
[13] EE Framework Order, at 3 (emphasis added).

The first, and most simple modification the Board can make to the Residential New Construction program is to enhance incentives for all-electric new construction. The existing program uses several "program participation pathways," including Energy Start Home, Zero Energy Ready Home ("ZERH"), ZERH+ Renewable Energy ("ZERH+RE"), and Energy Star Multifamily High Rise ("MHFR")/ Energy Star Multifamily New Construction ("MFNC").[14] However, the Residential New Construction incentives for the included program provide no differentiation in incentives for all-electric new construction vs. dual fuel new construction:

Residential New Construction

Table 8: Financial Incentives per Unit for ENERGY STAR Certified Homes, ENERGY STAR Multifamily New Construction, Zero Energy Ready Home, and Zero Energy Home + RE

	Single Home (i.e., 1 & 2 family)	Multi-Single (i.e., Townhouse)	Rater Incentive	Multifamily	MFHR
ENERGY STAR	$1,000 + $30/ MMBtu	$500 + $30/ MMBtu	N/A	$500 + $30/ MMBtu	$500 + $30/ MMBtu
ZERH	$4,000 + $30/ MMBtu	$2,500 + $30/ MMBtu	$1,200 (single & multi-single only)	$1,500 + $30/ MMBtu	N/A
ZERH +RE	$4,000 + $30/MMBtu + $2,000	$2,500 + $30/MMBtu + $1,500	$1,200 (single & multi-single only)	$1,500 + $30/MMBtu + $750	N/A
UEZ/AH Bonus	+$500 (add to any level above)	+$500 (add to any level above)	N/A	N/A	N/A

[15]

The NGO Commenters recommend that the Board adopt incentives similar to those recently adopted in a Settlement in the Public Service Company of Colorado ("Xcel") 2021-2022 Demand-Side Management proceeding focused on all-electric new construction. That settlement provides increased incentives for all electric/ Air-source Heat Pump and Heat Pump Water Heaters over dual fuel homes, and further stipulates that Xcel will, "Support the development community through technical trainings, technical design review, design charettes focused on all-electric construction, [and] cost-benefit analysis tools."[16] This change would require

[14] TRC EE Filing at 15.
[15] TRC EE Filing at 80.
[16] *See* Pub. Util. Comm. Of CO, IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS ELECTRIC AND NATURAL GAS DEMAND-SIDE MANAGEMENT PLAN FOR CALENDAR YEARS 2021 AND 2022, Docket No. 20A-0287EG (Dec. 3, 2020).

modification of incentive levels, rather than a full program re-design, and would better align the Residential New Construction Program with the energy policy goals of the state.

Secondly, the NGO Commenters recommend that the Board examine the most recent "Mass Save" Three Year Energy Efficiency Plan.[17] The Mass Save plan centers its program offerings directly on building decarbonization, with electrification as its number one listed priority. It does so because, "any plan to mitigate GHG emissions must include a pathway for decarbonizing space and water heating."[18] To achieve this goal, the Mass Save program offers the following strategies that the Board should adopt in its FY22 Compliance Filing and TRC EE Filing:

1. Increased general customer education and outreach as it pertains to heat pumps and their benefits;
2. Introduction of a heat pump contractor network;
3. Targeted outreach to customers whose homes have already been weatherized to promote heat pump technologies;
4. Optimization of HVAC incentive levels to ensure prioritization of heat pumps when they deliver positive customer economics; and,
5. Increased Installation of heat pumps to delivered fuel customers in Income Eligible Programs.

The NGO Commenters recommend the Board modify the Residential New Construction program to similarly provide enhanced incentives to prioritize and promote all-electric new home construction, support the design and development community through trainings and technical support, and bolster market growth for heat pump technologies through increased outreach and education. Additionally, the Board should set a target for new construction electrification that utilizes the pathways identified by the NJDEP 80x50 and track it similarly to other state-run EE programs.

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[17] Mass Save, THREE-YEAR ENERGY EFFICIENCY PLAN 2022-2024, (Apr. 30, 2021)., *available at*: https://ma-eeac.org/wp-content/uploads/Mass.-Statewide-Energy-Efficiency-Plan-Submitted-April-30-2021.pdf
[18] Id, at 12.

ii. Any Funds Received from the Department of Energy's State Energy Program ("SEP") Should be Used to Electrify Delivered Fuel and Municipal Electric Customers

NGO Commenters recommend that for FY22 and all fiscal years moving forward, the portion of SEP funds awarded to the state for non-regulated utility and delivered fuel customers only be used to support the electrification of delivered fuel and municipal electric customers consistent with the recommendations in the NJ DEP's recent 80x50 report. The DEP's report clearly states that an "immediate opportunity for electrification exists in areas without natural gas distribution and areas with significant numbers of delivered fuel oil and propane heating systems."[19] It further determines that "prioritizing the transition away from these fuels will result in significant early reductions in residential and commercial building emissions," and that heat from "air source heat pumps is less expensive that propane and heating oil."[20]

Simply stated, electrifying delivered fuel customers is cost-effective, achievable, and required for the state to meet its climate targets. Therefore, the programs currently funded for delivered fuel customers using SEP funds should focus exclusively on electrification. NGO Commenters note that when delivered fuels customers have been converted to heat pumps they would logically be eligible to participate in SBC-, and utility-funded programs - and thus receive incentives for building shell efficiency improvements such as insulation and air sealing, allowing a comprehensive approach that will dramatically reduce both on-site energy use and emissions.

Currently, the Board funds Home Performance with ENERGY STAR® ("HPwES"), WARMAdvantage, and COOLAdvantage with SEP funds for oil, propane, and municipal electric customers. Specifically, the WARM and COOLAdvantage programs provide rebates for oil and propane furnaces, boilers, and water heaters, as well as incentives for conventional air conditioners. While the programs are transitioning to the utilities for customers who receive regulated utility gas and electric service, it is the NGO Commentors' understanding that the Board will retain some control of program funding for delivered fuel programs using the SEP funds. Therefore, the NGO Commenters recommend the following changes.

- Discontinue any rebates for new oil and propane heating equipment

[19] DEP 80x50 Report at 47.
[20] Id.

- Enhance incentives for electric heat pump heating/ cooling and water heating, especially when such equipment replaces delivered fuels or provides cooling in homes with no central cooling
- Increase marketing, education, and outreach specifically for electric heat pumps
- Target geographic areas with high levels of reliance on delivered fuels as identified by the 80x50 report

Other states have made similar programmatic changes including Nebraska, Montana, and Maine through a variety of loan programs as well as programming specifically targeted and increasing heat pump usage by delivered fuel customers. Ultimately, the NGO Commenters recommend the Board modify the program as outlined above and leverage the information provided in the NJ DEP's 80x50 report on the number and location of delivered fuel customers to electrify those buildings on a rapid timeline consistent with the EMP.

iii. <u>Comfort Partners</u>

The NGO Commenters recognize the important role that the Comfort Partners program has played over the last decade to provide energy efficiency and weatherization improvements to NJ customers most in need, specifically those with a high energy burden who participate in the Universal Service Fund. However, there are several design elements within the Comfort Partners Program that the NGO Commenters believe the Board could modify to produce better outcomes for the customers the program serves while furthering the clean energy goals of the state.

First, the NGO Commenters strongly support the "Location Based Eligibility Pilot."[21] The pilot is designed to reduce enrollment barriers by removing the burden of income verification to create more trust with the customers the program serves.[22] The NGO Commenters support this approach, but recommend the six selected low-income communities be identified using the NJ DEP's Overburdened Communities map. Since the passage of the Cumulative Impacts/ Environmental Justice Law, several executive agencies, including EDA and DEP, have been using the overburdened communities map to guide investments in EVs and projects funded by

[21] NJ BPU, NEW JERSEY'S CLEAN ENERGY PROGRAM FY 2022 PROGRAM DESCRIPTIONS AND BUDGETS, UTILITY RESIDENTIAL LOW INCOME COMFORT PARTNERS PROGRAM, PROPOSED PROGRAM DESCRIPTION AND BUDGET, at 3. (May 18, 2021). [*hereinafter*, ("Comfort Partners").

[22] <u>Id.</u>

the Regional Greenhouse Gas Initiative ("RGGI"). The NGO Commenters recommend that the BPU engage in the same process here to ensure those communities most impacted by pollution receive much-needed EE investments and to unify the definition of overburdened communities across NJ governmental agencies.

Next, the NGO Commenters recommend that the Comfort Partners program, in coordination with the utility multifamily programs, address master-metered buildings in a more comprehensive fashion. For the entire life of the Comfort Partners program, master-metered multifamily buildings have been ineligible for the program, despite the Board's own data from the 2019 Multifamily Baseline Study finding that significant portions of multifamily tenants lived in master-metered buildings:

Type	Atlantic City Electric (n=22)	Jersey Central Power & Light (n=57)	Municipal Utility (n=6)	PSE&G (n=290)	Rockland Electric Company (n=2)
All Individually Metered Tenant Units, No Master Meter	5.3%	6.1%	0.0%	8.2%	0.0%
Individually Metered plus Separate Meters for Common Area	79.7%	77.6%	100.0%	69.3%	100.0%
Master Meter Plus Sub-Meters for Individual Tenants	5.2%	9.5%	0.0%	19.1%	0.0%
One Master Meter with no Tenant Meters	9.8%	6.9%	0.0%	3.4%	0.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The report also provides crucial information regarding building size, year built, income demographics, and other information sufficient to adjust the design of this program to serve this large share of currently under-served utility customers. Further, the NGO Commenters recommend a high level of coordination between Comfort Partners and the new multifamily programs to ensure there are no segments of the affordable multifamily housing market serving low-income households that fall between the cracks.

Finally, the NGO Commenters recommend changes to the Comfort Partners measure guidelines to bring the program more in-line with the recommendations provided in these comments for residential new construction and SEP funds. Currently, whether through the Division of Clean Energy, or through the Department of Community Affairs portion of the program, Comfort Partners allows for the repair of delivered fuel heating equipment and even natural gas conversions for delivered fuel customers in some instances. Such a policy runs directly counter to New Jersey's clean energy goals. Therefore, the NGO Commenters recommend ending delivered fuel conversions to natural gas and instead require that contractors as a first-step determine whether a heat pump is cost-effective for the customer following the weatherization and building shell improvements made as part of the program. Further, Comfort partners should provide regular reporting on the percentage of program participants provided a heat pump versus other types of heating equipment.

iv. Whole Home House Pilot Program

The NGO Commenters respectfully request that the Board clarify within the CRA the current status of the Board's Whole House Pilot Program.[23] In the previous CRA process, many organizations, including those within the NGO Commenters, expressed strong support for the Board's proposed Whole House Pilot Program. Subsequently, at a Board Agenda Meeting on April 7, 2021, the Board awarded a contract for a consultant to design the pilot program that would, "take a 'whole house' approach to addressing health and safety hazards and implementing [EE] measures in single- and multi-family residences occupied by low- to moderate-income residents through an integrated statewide approach. . . ."[24] The NGO Commenters support this goal, but ask that the Board provide more regular updates on program design progress over the next 16 months of the consultant's contract term.

v. Board Staff Should Clarify Whether the FY22 TRC Compliance Filing is Intended to Fully Comply with the EE Framework Order

Board Staff should clarify whether the instant FY22 CRA filing is intended to comport with the requirements of the EE Framework Order. In the EE Framework Order, Staff recommend, and the Board approved, the requirement that staff:

> [D]evelop three-year program plans in coordination with utility program administrators and stakeholders, file those plans with the Board every three years as part of the State's annual budget process, and update each three-year plan on an

[23] NJ Board of Publi Utilities, IN THE MATTER OF THE CONTRACT FOR CONSULTING SERVICES FOR NEW JERSEY'S WHOLE HOUSE PILOT PROGRAM, Docket No. QO200090624.
[24] Id., at 1.

> annual basis to confirm each year's program budget, subject to allocations based on the CRA process.[25]

More specifically, Staff recommended that "the utilities and State prepare three-year filings for the EE and PDR Programs described below for Board approval by May 1, and with each program year commencing on July 1. . . ."[26] In the EE Framework Order, the Board identified PY1 as "July 1, 2021 – June 30, 2022."[27]

However, based on the TRC EE Filing and FY22 CRA Program Description, it appears that neither the EE Programs nor Comfort Partners are part of a larger three-year filing, and instead represent one year of programming labeled the "EE Transition." This appears to run contrary to the Board's determination in the EE Framework Order that "[directs] staff to develop detailed three-year program plans and budgets that are based on the State's performance targets, submit Compliance filings every three years as part of the State's annual budget process, and update each-three year plan on an annual basis to confirm each year's program budget. . . . which shall also be submitted every three years beginning in Fiscal Year 2022."[28]

B. Building Energy Benchmarking

The NGO Commenters recommend that the Board allocate funds in the FY22 CRA to begin the building energy benchmarking work required by the CEA. Enacted more than three years ago, the CEA requires that:

> No later than five years after the date of enactment of [the CEA], the [B]oard shall require the owner or operated of each commercial building over 25,000 square feet in the State to benchmark energy and water use for the prior calendar year using the United Stated Environmental Protection Agency's Portfolio Manager Tool.[29]

This means that commercial property owners should be benchmarking no later than May of 2023, less than two years away. The Board should begin this process now.

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[25] EE Framework Order at 24.
[26] EE Framework Order at 9.
[27] Id.
[28] Id., at 38.
[29] The Clean Energy Act, C.48:3-87.10. Section b.

Building energy benchmarking requires the measuring and tracking of the actual energy consumption of an entire building. Once collected, the data can be compared against similar buildings, the same building at different points in time, track progress towards goals, and assess energy consumption pre-and-post upgrade. Moreover, benchmarking serves as a stepping-stone for long-term EE improvements, and promotes market transformation by giving building owners the tools to make data-driven decisions to improve energy efficiency. Once the state collects sufficient data from the benchmarking program, the state can use the information to modify or develop new programs, host educational events, and develop other resources to target and assist under-performing buildings.

There are several important reasons that the Board should allocate funds to hire a consultant to design the program and begin the work this year. First, beginning before the statutory deadline will ensure sufficient lead-time to carefully develop the program. Next, the sooner building energy benchmarking is in place, the sooner the state can make more-informed decisions about programs to tackle climate emissions from the building sector and building owners will have critical information on their building energy performance. Further, benchmarking requires that building owners have easy access to building energy use data, and utilities may require time to build systems to ensure this is possible. Finally, and most importantly, the Board should have a fully operational building energy benchmarking program before the next triennial review of the state-, and utility-run EE programs. Utilities and the Board will begin designing their programs for the second triennial period within the next two years. Those programs will have significantly higher EE savings targets, as well as requiring new programs to address peak-demand reduction and demand response consistent with the EE Framework order. To begin that critical program design period without building energy benchmarking would set the state back years in achieving its climate and clean energy goals.

C. Distributed Energy Resources ("DERs")

With respect to the FY22 CRA's DER programs and budget, the NGO Commenters incorporate by reference April 13, 2020, comments made by several organizations in response to the Board's Spring 2020 Straw Proposal for New Jersey Energy Efficiency and Peak Demand Reduction

Program.[30] Given that the Board did not take action at that time, the NGO Commenters restate a portion of those commenters here:

Combined heat and power technologies and fuel cell technologies run on fossil fuels, primarily natural gas. In light of New Jersey's commitment to 100% Clean Energy by 2050, however, the role of natural gas in New Jersey's future economy is currently unclear. As such, it is troubling to read in the Straw Proposal that "NJCEP supports the statewide growth" of these technologies, as this support does not seem to be rooted in any empirical analysis finding that the growth of these technologies would be consistent with the state achieving its greenhouse gas emissions and clean energy goals in a cost-effective manner. Combined heat and power can represent an efficiency gain over combustion for heat without also generating electricity, but its environmental benefit as an electric resource on the future system is unclear.

The NGO Commenters again propose that New Jersey should require any Combined Heat and Power programs to demonstrate a net GHG reduction over their lifetime to ensure that they do not deter the State from other climate goals, particularly in light of the stranded cost risk posed by overinvestment in such resources and infrastructure in the near term. Unless such a requirement is met, no financial incentive should be provided to fossil-based CHP projects. Further, the NGO Commenters respectfully request that the Board explain in its FY22 CRA how the growth of fossil-based CHP systems furthers the goals of the 2019 EMP, because the NGO Commenters believe their continued deployment does not provide environmental benefits, especially compared renewable energy technologies.

D. Workforce Development

The NGO Commenters recommend that the NJCEP workforce development program focus on community-based approaches that will build a more inclusive and representative clean energy workforce. It is important that, as New Jersey expands its energy efficiency and clean energy programs, opportunities to participate in the new economy are available to all residents of the state.

[30] Docket No. QO19010040.

However, The FY22 CRA budget for workforce development has remained stagnant from Fiscal Year 2021 New Jersey's Clean Energy Program (NJCEP) Budget, ("FY21 Budget").[31] Given the statewide impacts of the COVID-19 crisis and the current economic recovery effort there is a greater need for expenditure on workforce development programs. A corresponding increase to its funding is necessary to adequately prepare for the pending demand. Therefore, to create equitable access to the economic benefits and workforce opportunities offered by energy efficiency and clean energy programs, the NGO Commenters ask that the Board and Utilities coordinate to execute the following suggestions:

- Achieve diversity among suppliers and contractors by reviewing procurement policies and addressing barriers to participation, targeting diverse suppliers for training efforts, and providing application assistance to those seeking to serve as utility and state-led program implementers.

- Collaborate with other agencies or private organizations to make job openings, certifications, and other trainings available in a cohesive manner so workers can easily access employment opportunities, pathways to career advancement, and other methods to enhance their skill sets.

- Connect trainings to employment, have both union and non-unionized jobs ready for newly trained employees, and ensure clear pathways for career development.

- Offer a diverse array of workforce training opportunities that target all levels of experience with free courses, incentivized or required. Where possible, ensure that training opportunities or internships are paid and lead to permanent employment Opportunities.

- Provide health and safety training specific to the work of these professionals to avoid confusion, maintain consistency in protocol, and safeguard the health of the workforce

[31] NJ Board of Public Utilities, Div. of Clean Energy, COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS**,** NJCEP Fiscal Year 2021 True-Up Budget, Budget Revisions and Program Changes (February 23, 2021) [*hereinafter*, "FY21 Budget"].

and community.

- Coordinate Workforce Development Working Group meetings with key stakeholders, including program implementers and other trade allies, community centers, high schools, and community and state colleges. Strive to launch training programs quickly, as a large workforce will be required to ensure the success of the first round of energy efficiency Programs, scheduled to launch July 1, 2021.

- For examples of how other states have modeled successful energy efficiency workforce development programs, Board and the Utilities can refer to programs initiated by other Atlantic states as described below, and refer to the American Council for an Energy Efficient Economy's report, Expanding Opportunity through Energy Efficiency Jobs.[32]

- Examples from other states:
    - NYSERDA has dedicated $100 million to workforce development and is training across all sectors of the clean energy workforce as well as identifying curriculum and career pathways.[33] NYSERDA, in partnership with the joint utilities, is in the development stages of creating an installer training program that will leverage the existing training infrastructure of manufacturers. The program will ensure that the training manufacturers are delivering a core set of design and install practices, especially relevant to New York's climate, building stock, typical applications, etc. Washington DC's Sustainable Energy Utility (DC SEU) administers a workforce development program where the city places DC residents in six-month paid externships with local organizations.[34] DC SEU also provides externs with job certifications and job placement assistance.
    - Massachusetts has created a central hub to advance workforce development and other clean energy initiatives via its Clean Energy Center (MassCEC). Recent

32 Washington, DC: American Council for an Energy-Efficient Economy, *Expanding Opportunity through Energy Efficiency Jobs: Strategies to Ensure a More Resilient, Diverse Workforce*, (October 29, 2020) *available at:* https://www.aceee.org/research-report/u2010
33 *available at:* https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Workforce-Development
34 DC Sustainable Energy Utility; Workforce Development *available at*: https://www.dcseu.com/about/workforce-development

legislation in Massachusetts requires that utilities provide $12 million a year to the MassCEC for workforce development.[35]

E. Transparency and Accountability

With regard to EE program evaluation and reporting, the Board should ensure that its procedures are consistent with the EE Framework Order. There, Board staff recommended, and the Board approved, the requirement that "the state program administers also submit public reports consistent with the utility reporting framework and including values for each applicable metric."[36] Consistent, timely, and transparent reporting across both utility- and state-run EE programs is critical to evaluate program performance, budget decisions, and to ensure the programs are delivering on the State's climate goals.

Therefore, the NGO commenters recommend that, similar to the utility-run programs, staff report on metrics such as cost-effectiveness, environmental benefits, program participation and expenditures, as well as the cost-to-achieve requirements contained in the EE Framework order. Absent a robust and transparent reporting process than encompasses a broad range of Board-determined metrics, it will be difficult for interested parties, including the NGO Commenters and the Board itself, to determine whether the State is on track to meet its ambitious targets.

IV. CONCLUSION

The NGO Commenters appreciate the opportunity to provide meaningful input on the Board's FY22 CRA process. Many of the organizations signed on to these comments have been committed and active participants in a number of Board-led programs, stakeholder meetings, hearings, reports, and other venues to design and implement the programs required by the Clean Energy Act of 2018, Executive Orders, the Plug-in Vehicle Act, and other key legislation and regulations that make up the state clean energy strategy. The NGO Commenters strongly believe that unless the State's approach to address the climate crisis is unified, comprehensive, and consistent across state agencies, we will ultimately fail to avoid the worst effects of climate change. Fortunately, the NGO Commenters feel that the FY22 CRA will make meaningful

[35] On March 26, 2021 Governor Baker signed bill S.9., *An Act Creating A Next Generation Roadmap for Massachusetts Climate Policy*
[36] EE Framework Order, at 33.

progress on several policy fronts, and that our recommend changes, if adopted, will assist the Board, the Administration, and the residents of New Jersey in achieving an equitable clean energy economy.

Sincerely,

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