Agenda Date: 6/24/21
Agenda Item: 8B

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2022	))))	ORDER DOCKET NO. QO21040720

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Philip J. Passanante, Esq., Atlantic City Electric Company
Deborah M. Franco, Esq., Elizabethtown Gas Company and South Jersey Gas Company
Joshua R. Eckert, 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 Board of Public Utilities ("Board" or "BPU") at its June 24, 2021 public meeting, where the Board considered and determined fiscal year 2022 ("FY22") programs and budget for New Jersey's Clean Energy Program ("NJCEP").[1]

BACKGROUND & 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 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 years. The CRA would then be used to determine the appropriate level of funding over the next four years for the EE and Class I RE programs, which are part of what is now known as 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 each those programs, all

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

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 2021 ("FY21").

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act ("CEA").[2] The law called for a significant overhaul and amplification of New Jersey's clean energy systems through increasing the commitment to both EE and RE, as well as building sustainable infrastructure in order to fight climate change and reduce carbon emissions. These efforts 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. The FY22 programs reflect significant changes to the delivery of energy efficiency programs, as described below.

STAFF REPORT ON REVISIONS TO THE FY21 BUDGET

By Order dated February 4, 2014[3] ("Delegation Order"), the Board delegated limited authority to its staff ("Staff") to modify NJCEP budgets in accordance with the conditions set out in the Delegation Order. In relevant part, the Delegation Order authorized Staff to revise NJCEP budgets within a given Funding Category (such as EE or RE) so long as such revision would not reduce a program's budget by more than 10% and so long as the Commissioners and the public were provided with at least seven (7) days' notice and an opportunity to comment.

In accordance with the Delegation Order, Staff provided notice of the below-described revisions to the FY21 budget, which were driven by a need to ensure that adequate funding remains available across all Energy Efficiency ("EE") Programs and to allow for a smooth transition of the EE programs to the utilities, as described in the notice.[4] Staff received a comment prior to the close of the comment period on June 11, 2021. A summary of comment and response are provided below. Thereafter, on June 13, 2021, the Director of the Division of Clean Energy approved the below-described revisions to the FY21 budgets for NJCEP:

[2] L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_.PDF, codified at N.J.S.A. 48:3-87.8 et al.
[3] I/M/O 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 (February 4, 2014).
[4] The NJCEP Proposed Budget Reallocation, issued June 4, 2021, is available at https://njcleanenergy.com/main/njcep-policy-updates-request-comments/policy-updates-and-request-comments.

Current Board Approved FY21 Budget by Cost Category							
Program/Budget Line	***Total Budget***	***Administration***	***Sales, Marketing, Website***	***Training***	***Rebates, Grants and Other Direct Incentives***	***Rebate Processing and QA***	***Evaluation***
Existing Homes	$30,324,379	$2,187,463	$65,261	$301,500	$25,703,953	$2,066,202	$0
Direct Install	$30,506,440	$742,131	$32,631	$12,500	$29,576,406	$142,772	$0
Proposed Revisions							
Program/Budget Line	***Total Budget***	***Administration***	***Sales, Marketing, Website***	***Training***	***Rebates, Grants and Other Direct Incentives***	***Rebate Processing and QA***	***Evaluation***
Existing Homes	$2,000,000				$2,000,000		
Direct Install	($2,000,000)				($2,000,000)		
Resultant Revised FY21 Budget by Cost Category							
Program/Budget Line	***Total Budget***	***Administration***	***Sales, Marketing, Website***	***Training***	***Rebates, Grants and Other Direct Incentives***	***Rebate Processing and QA***	***Evaluation***
Existing Homes	$32,324,379	$2,187,463	$65,261	$301,500	$27,703,953	$2,066,202	$0
Direct Install	$28,506,440	$742,131	$32,631	$12,500	$27,576,406	$142,772	$0

Process Regarding Development of the Proposed FY22 Programs and Budget Filings

Coordination with Program Administrator

On December 1, 2015, the Department of Treasury awarded a Program Administrator contract ("Contract") to TRC Energy Solutions ("TRC").[5] The Contract requires TRC to participate in the annual CRA process, participate in the annual budget process, prepare draft annual Compliance Filings (as defined below) for NJCEP, design and implement improvements to NJCEP's programs, obtain and consider stakeholder feedback, coordinate annual NJCEP evaluations, and implement the agreed-upon recommendations flowing from those evaluations. TRC has been fulfilling these requirements as applicable and as they come due.

Stakeholder and Public Process

On May 7, 2021, via the BPU listserv and NJCEP website, the Board provided public notice of a May 25, 2021 public hearing. This notice stated that the draft FY22 CRA ("CRA Straw Proposal") and related programs and budget for FY22 would be released during the week of May 17, 2021. On May 18, 2021, the Board released these documents. The covering emails and website postings requested comments by June 4, 2021 on the proposed FY22 programs and budget, including the following documents posted to the NJCEP website: the CRA Straw Proposal, the Board's Division of Clean Energy Compliance Filing, TRC Program Descriptions and Budgets, the Utilities' Compliance Filing, the Charge Up NJ Compliance Filing (collectively, "Proposed FY22 Compliance Filings" or "Compliance Filings"), and the proposed FY22 budget ("Proposed FY22 Budget"). At the May 25, 2021 public hearing, Staff presented the Proposed FY22 Budget, and oral comments were heard on the CRA Straw Proposal and the Proposed FY22 Compliance

[5] On January 13, 2017, TRC acquired the NJCEP Program Administrator Contract from Applied Energy Group, Inc. ("AEG") and assumed AEG's rights and duties thereunder. For ease of presentation, the Program Administrator is referred to throughout this Order as "TRC" or "the Program Administrator." TRC, together with its subcontractors, is referred to as the "TRC Team."

Filings and Budget. By email dated May 27, 2021, the New Jersey Department of Environmental Protection ("NJDEP") confirmed that: (a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY22 Funding Level set forth therein (as defined below); and (b) the NJDEP agreed with the Proposed FY22 Funding Level.

Approval of CRA Straw Proposal

On June 24, 2021, prior to acting on the present Order, the Board reviewed and approved a Comprehensive Energy Efficiency & Renewable Energy Resource Analysis Straw Proposal, including new SBC funding and total FY22 funding ("CRA Order"). The proposed budgets set out below utilize and are consistent with the funding levels approved in the CRA Order.

PROPOSED FY22 PROGRAMS AND BUDGET

Based on the goals set forth in the CRA Straw Proposal, the policy objectives of the NJCEP, and historic spend rates, and in close coordination with the TRC Team, Staff developed proposed programs and budget as described below.

Proposed FY22 Budgets for NJCEP

To determine the proposed FY22 budget for the entire NJCEP, Staff did the following:

- Calculated the total funding per the CRA Order, the amounts of new SBC funding, other funding[6], and total FY22 funding;
- Estimated the amount of commitments made prior to FY22 that are expected to be paid in or to remain committed through FY22 ("Estimated Commitments"); and
- Added the commitment backlog to total FY22 funding to arrive at a total proposed FY22 budget of $586,106,880.

New Jersey Clean Energy Program - FY22 Budget

FY22 Program/Budget Line	*FY22 New Funding*	*Other New Funding (Uncommitted Carryforward Plus Interest)*	*FY21 Estimated Carryforward (Commitments)*	*FY22 Draft Budget*
Total NJCEP + State Initiatives	**344,665,000**	**7,404,846**	**234,037,034**	**586,106,880**
State Energy Initiatives	**87,100,000**	**0**	**0**	**87,100,000**
Total NJCEP	**257,565,000**	**7,404,846**	**234,037,034**	**499,006,880**
Energy Efficiency Programs	**137,484,894**	**6,809,846**	**166,930,313**	**311,225,053**
Res EE Programs	**18,169,071**	**0**	**8,217,668**	**26,386,739**
Residential Retrofit	8,380,000	0	4,118,503	12,498,503
RNC	8,627,000	0	4,099,165	12,726,165
EE Products	1,162,071	0	0	1,162,071

[6] Other sources of funding can include interest earnings, carryforward funds, and revenue from application fees.

Res Low Income	**45,930,000**	**0**	**0**	**45,930,000**
Comfort Partners	45,930,000	0	0	45,930,000
C&I EE Programs	**46,555,175**	**0**	**106,779,197**	**153,334,372**
C&I Buildings	40,975,328	0	94,659,641	135,634,969
LGEA	3,206,036	0	1,869,375	5,075,411
DI	2,373,811	0	10,250,181	12,623,992
Energy Efficiency Transition	**16,530,648**	**6,809,846**	**0**	**23,340,494**
State Facilities Initiative	**7,300,000**	**0**	**50,433,448**	**57,733,448**
Acoustical Testing Pilot	**3,000,000**	**0**	**1,500,000**	**4,500,000**
Distributed Energy Resources	**5,472,918**	**0**	**19,162,627**	**24,635,545**
CHP - FC	**5,472,918**	**0**	**15,162,627**	**20,635,545**
Microgrids	**0**	**0**	**4,000,000**	**4,000,000**
RE Programs	**11,661,449**	**0**	**17,722,821**	**29,384,270**
Offshore Wind	**8,992,441**	**0**	**17,722,821**	**26,715,262**
Solar Registration	**2,669,008**	**0**	**0**	**2,669,008**
EDA Programs	**9,587,000**	**0**	**5,772,085**	**15,359,085**
Clean Energy Manufacturing Fund	**87,000**	**0**	**22,085**	**109,085**
NJ Wind	**7,000,000**	**0**	**4,500,000**	**11,500,000**
R&D Energy Tech Hub	**2,500,000**	**0**	**1,250,000**	**3,750,000**
Planning and Administration	**30,920,000**	**595,000**	**13,995,870**	**45,510,870**
BPU Program Administration	**5,185,000**	**0**	**0**	**5,185,000**
Marketing	**8,000,000**	**0**	**5,601,927**	**13,601,927**
CEP Website	**0**	**0**	**400,000**	**400,000**
Program Evaluation/Analysis	**12,700,000**	**0**	**7,024,922**	**19,724,922**
Outreach and Education	**4,710,000**	**595,000**	**905,000**	**6,210,000**
Sustainable Jersey	500,000	0	500,000	1,000,000
NJIT Learning Center	450,000	0	300,000	750,000
Conference	0	595,000	105,000	700,000
Outreach, Website, Other	3,760,000	0	0	3,760,000
Memberships	**325,000**	**0**	**64,021**	**389,021**
BPU Initiatives	**62,438,739**	**0**	**10,453,318**	**72,892,057**
Community Energy Grants	**505,000**	**0**	**495,000**	**1,000,000**
Storage	**20,000,000**	**0**	**0**	**20,000,000**
Electric Vehicle Program	**41,933,739**	**0**	**5,458,318**	**47,392,057**
Plug In EV Incentive Fund	30,000,000	0	3,388,171	33,388,171
CUNJ	4,433,739	0	2,070,147	6,503,886
EV Grid Assessment (EDA)	500,000	0	0	500,000
State Vehicle Fleet	6,000,000	0	0	6,000,000
Municipal Clean Fleet	1,000,000	0	0	1,000,000
Workforce Development	**0**	**0**	**4,500,000**	**4,500,000**

Proposed FY22 Budgets for EE Programs

As part of the statewide overhaul of New Jersey's clean energy systems, the CEA required New Jersey's investor-owned 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 approved a comprehensive suite of efficiency programs designed to transition the State to some of the highest energy savings in the country.

These "next generation" energy efficiency programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the programs will continue to be administered by NJCEP, but during FY22, many will transition to administration by the utilities.

Generally, there will be three main categories of what are now NJCEP programs:

1. Programs that will remain administered by and through NJCEP.
    a. Residential New Construction ("RNC");
    b. Commercial and Industrial ("C&I") Buildings - New Construction ("C&I NC" or "SmartStart NC");
    c. C&I Buildings: Pay for Performance ("P4P") - New Construction ("P4P NC");
    d. C&I Buildings: Customer Tailored Energy Efficiency Program ("CTEEP" or "Customer Tailored"), as to new construction only;
    e. C&I Buildings: Large Energy Users Program ("LEUP");
    f. Local Government Energy Audit ("LGEA"); and
    g. Combined Heat and Power – Fuel Cells ("CHP-FC").

    During the beginning of FY22, Staff expects that these programs will continue to be administered in a way substantially similar to the way they have been administered for the last several years but expects continued evaluation of these programs, along with stakeholder engagement about possible improvements and enhancements aimed at increased energy savings throughout the year.

2. Programs that will transition to the utilities, but will remain open for the limited purpose of accepting applications for equipment purchased on or before June 30, 2021. It is anticipated that the new utility programs will commence operation on or about July 1, 2021 for equipment purchased on or after July 1, 2021. The NJCEP programs will remain open for the limited purpose of accepting applications for equipment purchased on or before June 30, 2021.
    a. Existing Homes: Residential Gas & Electric HVAC Program ("HVAC");
    b. Energy Efficient Products ("EEP");
    c. C&I Buildings: Retrofit ("C&I Retrofit" or "SmartStart Retrofit"); and
    d. C&I CTEEP, as to retrofits only.

3. Programs that will be transitioning to the utilities and/or will be closed to new applications but will remain open for the limited purpose of processing applications submitted or funds committed, as applicable, on or before June 30, 2021.
    a. Existing Homes: Home Performance with ENERGY STAR ("HPwES");
    b. C&I Buildings - P4P – Existing Buildings ("P4P EB"); and
    c. Direct Install ("DI").

The proposed FY22 budgets for EE programs that will continue to be administered by the State are shown in the FY22 Budget table above; a brief description of each of the EE programs is set forth below:

- *Residential Retrofit:* Merges the pre-existing Residential HVAC and Home Performance with Energy Star Programs. Provides rebates to customers who purchase high efficiency heating, ventilating, and cooling ("HVAC") equipment, such as furnaces and central air conditioners. Relies on contractors who are Building Performance Institute ("BPI")-certified and incentivizes the installation of whole-house energy conservation measures, such as new HVAC, air sealing, insulation, etc. in existing homes.
- *Residential New Construction*: Provides financial incentives to builders who construct new homes meeting the New Jersey Energy Star Homes standards, which exceed the requirements of existing energy codes.
- *Energy Efficient Products*: Provides financial incentives and support to retailers who sell energy efficient products, such as appliances or LED light bulbs. Provides light bulbs to food banks.
- *Comfort Partners*: Provides for the installation of energy conservation measures at no cost to income-qualified customers.
- *Commercial & Industrial Buildings ("C&I")*: Includes C&I - New Construction, Large Energy Users, Pay-for-Performance - New Construction, and Customer-Tailored Energy Efficiency Program – New Construction Programs. Provides rebates and other incentives to C&I customers who incorporate high efficiency equipment into new construction.
- *Local Government Energy Audit*: Provides subsidized energy efficiency audits to municipalities, school districts, and non-profits.
- *Direct Install*: Provides incentives for the installation of energy efficiency measures in small commercial buildings and non-profits' buildings.
- *Energy Efficiency Transition:* Includes funding to support the transition of the energy efficiency programs that will remain with the State and be administered by the program administrator.
- *State Facilities Initiatives:* Through an Energy Capital Committee, identifies and implements energy efficiency projects in State-owned facilities with the objective of producing energy savings.
- *Acoustical Testing Pilot*: The Acoustical Testing Pilot Program encourages the exploration of new energy-saving opportunities in complementary sectors, such as the water sector.

Proposed FY22 Budgets for Distributed Energy Resource Programs

The proposed FY22 budgets for distributed energy resources ("DER") programs are shown in the preceding table; a brief description of each DER program is set forth below:

- *CHP / Fuel Cell*: Provides incentives for the installation of Combined Heat and Power ("CHP"), including, without limit, those utilizing bio-power and fuel cells with heat recovery and without heat recovery.
- *Microgrids*: Provides incentives to fund feasibility studies and engineering design for potential DER microgrids in the state.

Proposed FY22 Budgets for RE Programs

The proposed FY22 budgets for RE programs are shown in the preceding table; a brief description of each of the RE programs is set forth below:

- *Offshore Wind*: Provides funding for research, evaluations, and general consulting services.
- *Solar Registration:* Registers projects that are eligible to generate and trade Solar Renewable Energy Credits ("SRECs") or Transition Renewable Energy Certificates ("TRECs") under the Solar Programs. In FY22, the focus of the Solar Programs will be to support the goals and objectives of New Jersey's solar polices, including the pending Successor Program.

Proposed FY22 Budgets for EDA Programs

The proposed FY22 budgets for RE programs are shown in the preceding table; a brief description of each of the RE programs is set forth below:

- *Clean Energy Manufacturing Fund:* Provides incentives to attract and expand energy efficiency and renewable energy manufacturing facilities in New Jersey. No new applications will be accepted, and no new grants or incentives will be awarded by the New Jersey Economic Development Authority ("EDA"). Instead, EDA will manage the existing portfolio of loans and grants previously awarded through the programs.
- *NJ Wind:* Supports the launch and growth of the WIND Institute, with efforts focused on workforce development.
- *R&D Energy* Tech Hub: Strengthens the state's cleantech ecosystem and encourages the continued development and growth of the green workforce and economy focusing on innovation.

Proposed FY22 Budgets for Planning & Administration

The FY22 budgets for planning and administration are shown in the preceding table; a brief description of each of the planning and administration functions is set forth below.

- *BPU Program Administration:* Includes primarily Staff salaries and fringe benefits.
- *Marketing:* Includes funding for marketing initiatives.
- *CEP Website:* Includes funding for a new Clean Energy Program website.
- *Program Evaluation/Analysis:* Includes funding for program evaluation, the results of which are used to, among other things, set incentive levels and design programs.
- *Outreach and Education:* Includes funding for a Clean Energy Conference, the implementation of outreach prepared by the TRC Team, and projects with NJIT and Sustainable Jersey.
- *Memberships:* Includes funding for, among other things, membership in organizations coordinating advancement of clean energy initiatives.

Proposed FY22 Budgets for BPU Initiatives

The Proposed FY22 budgets for BPU Initiatives are shown in the preceding table; a brief description of each of these initiatives is set forth below.

- *Community Energy Grants:* Helps communities leverage existing complementary programs, as well as encourage other energy saving behavior modifications, with the goal of reducing energy usage as a whole.
- *Storage:* Provides funding to establish a process and mechanism for achieving the State's energy storage goals.
- *Electric Vehicles*: Encourages adoption of electric vehicles.
- *Workforce Development:* Advances workforce development with a focus on community-based approaches that will build a more inclusive and representative clean energy workforce.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

Written and oral comments regarding the Proposed FY22 Compliance Filings, the Proposed FY22 Budget, the Charge Up New Jersey Program - Fiscal Year 2022 Straw Proposal, and revisions to the FY21 budget were submitted by the Amy Tsang, Affordable Homes Group, American Council for an Energy-Efficient Economy, Bloom Energy, Ceres, ChargEVC, ChargePoint, Chris Wong, Community Clean Energy Microgrids, Danh Nguyen, David Buenocore, David Nerenberg, Deepak Arora, Derek Cohen, Don Kim, and Tesla, Energy Efficiency Alliance of New Jersey ("EEA-NJ"), Environmental Defense Fund, Environment New Jersey, Erin Bradley, Guillermo Vargas Dellacasa, Hengle Zambrano, Home Energy Diagnostics, Ira Gross, Isles Inc., Kadir Karagoz, Lia Tisseverasinghe, Matthew Kluger, Marc Weinberg, Michael Buonocore, Mike Riccoili, Muhammad Atiya, NanoPV Solar Inc., National Fuel Cell Research Center, Natural Resources Defense Council ("NRDC"), New Jersey Coalition of Automotive Retailers ("NJCAR") New Jersey Conservation Foundation, New Jersey Division of Rate Counsel, New Jersey Natural Gas ("NJNG"), New Jersey Property Assessed Clean Energy ("NJ PACE"), New Jersey Public Research Group, New Jersey Utilities Association ("NJUA"), New Jersey Work Environment Council, Nicholas Spaltro, Nicole Rice, Olga Krazotkina, Richard Pauls, Sean Hadley, Shalom Azar, Sierra Club New Jersey Chapter, Rose Salvatore, Sean Hadley, Smit Ganhi, Stanislav Jaracz, Steven Toto, Stephaie Lezotte, Stephen Volpe, Sudhir Patel, Sunrise Movement, Tatleaux Solar Group, Uday Arrealla, and Vibhu Shakelli.

Below is a summary of the testimony and comments as well as Staff's responses to them. However, Staff reiterates, in FY22 many NJCEP programs will be transitioned to the utilities, and the contract with the current Program Administrator for many of the remaining programs will expire. In addition, Staff is conducting a series of meetings and other outreach for soliciting input on broad features of the programs that will enable the State to meet the clean energy goals set forth in the CEA, the EMP, and similar documents. Accordingly, although Staff is ready, willing, and able to further consider input on such broad features, in many cases the current proceeding is not an appropriate vehicle for doing so.

Staff notes that the process and schedule for commenting on the CRA Straw Proposal and the associated draft Clean Energy Programs and Budget for FY22 (collectively, "FY22 Compliance Filings and Budgets") were very similar and that both proposals are being presented to the Board on the same day. Because some comments do not readily lend themselves to being classified

as being about one proposal versus the other, Staff strongly encourages readers to read the comments and responses regarding both proposals.

General Comments

Comment: Ceres, EEA-NJ, Environmental Defense Fund, Environment New Jersey, Isles Inc., NJPIRG, and NRDC (collectively, the "NGOs") recommend that the Board allocate funds in the FY22 CRA to begin the building energy benchmarking program required by the CEA. They note that benchmarking benefits building owners by providing them with data to assess building performance and make long-term energy efficiency improvements. Benchmarking also benefits the State and program administrators by providing important building data to modify or develop new programs, host educational events, and develop other resources to target and assist under-performing buildings.

Also, the commenters suggest that the Board allocate funds and hire a consultant to design the program and begin implementation this year for the following reasons. First, the statutory deadline of 2023 is fast approaching and beginning before this deadline will ensure sufficient lead-time to carefully develop the program. Next, it is in the best interest of State goals to implement benchmarking as soon as possible in order to provide building owners with data to better manage energy use as well as provide the State and program administrators with data to design programs more effectively. Further, it will take some time for utilities to develop the necessary IT infrastructure to provide building owners easy access to energy use data. Finally, the Board should have a fully operational building energy benchmarking program before the next triennial review of the State-, and utility-run EE programs in order to effectively design energy efficiency and peak demand reduction programs for the second triennial period. The commenters caution that not having building benchmarking data for that critical design period would set the State back years in achieving its climate and clean energy goals.

Response: Staff thanks the commenters and acknowledges the importance of an effective benchmarking program in achieving New Jersey's climate and clean energy goals. Staff is currently in the early stages of developing a benchmarking program with the funding outlined in a March 24, 2020 Board Order[7] and will consider allocating additional funds as needed. At this time, Staff is receiving technical assistance through existing contracts but will evaluate the need for additional consultant resources as program development progresses.

Comment: ACEEE, the NGOs, and Rate Counsel commented that the proposed FY22 Compliance Filings and FY22 CRA appear to represent only one year of programming and not to be part of a larger three-year filing that they believe to have been contemplated by the Board's June 10, 2020 Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs.

Response: Because the current Program Administrator's contract expires in November 2021, and because the utility transition will be occurring through FY22, it was and is appropriate to plan and budget for only a year for FY22 and to consider a return multi-year plans and budgets beginning with FY23 and after additional planning and public engagement on the enhancement of State-run programs.

[7] I/M/O the United States Department of Energy – State Energy Program – July 1, 2021 – June 30, 2022, BPU Docket No. QO20020109 (March 24, 2020).

Comment: ACEEE and the NGOs commented that the NJCEP Programs are not sufficiently focused on electrifying buildings even though the CEA, EMP, and other documents have identified the benefits of and need for such electrification. ACEEE and the NGOs recommended improving that focus by (i) providing higher incentives for all-electric new residential construction, and (ii) the use of State Energy Program funds to incentivize customers using truck-delivered fossil fuels (e.g., home heating oil, propane) to switch to heat pumps.

Community Clean Energy Microgrids commented that, for reasons similar to those noted by ACEEE and the NGOs, the Board should significantly increase the incentives for heat pumps through a program it, not a utility, manages.

Sunrise commented that the Residential HVAC Program should incentivize only electric heat pumps, not gas or oil-fueled equipment, also for reasons generally similar to those noted by ACEEE and the NGOs.

Response: Staff first notes that several of its programs provide support for building electrification by, among other things, providing substantial incentives for heat pumps, especially cold climate heat pumps. Indeed, the incentives for such heat pumps were substantially increased in FY20. That said, Staff acknowledges the key role building decarbonization plays in achieving clean energy objectives and will continue to increase focus on electrification and including reviewing additional measure for stronger support for heat pumps, especially cold climate heat pumps. However, Staff also believes that the transition to electrification requires a well thought-out plan that takes into consideration numerous factors such as installed costs, operating costs, and building characteristics. Accordingly, it will, among other things, continue stakeholder engagement on these matters and consider independent proceedings.

At this time, Staff respectfully disagrees with Sunrise's suggestion that it should immediately cease incentivizing EE fossil-fueled HVAC equipment and notes that there is a benefit of the savings achieved by the increased EE which is currently valuable to achieving energy use reductions and cost-effective.

Comment: Community Clean Energy Microgrids commented that the Board should develop an incentive program for biomass electric generation, in part because a recent state law requires food waste to be separated from other municipal solid waste and then reused or recycled. It claimed that such food waste is "biomass," which is in turn a Class I Renewable Energy source. It finally pointed to the Trenton Biogas project as the type of project the proposed program would be able to support.

Response: Staff agrees that the use of biomass should be supported, but it respectfully submits that its current programs already provide such support. For example, in the current Combined Heat and Power – Fuel Cells ("CHP-FC") Program, systems fueled by a Class 1 renewable fuel source, such as biomass, are eligible for a 30% bonus incentive. Staff also remains open to considering other ways of supporting biomass electrical generation in the future.

Comment: The NGOs recommended that 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, per the NJ DEP's recent 80x50 Report.[8] In order for the State to meet its climate targets, it will require electrifying delivered fuel customers, which they believe can be achieved in a cost-effective manner.

Response: Staff thanks the commenters for their remarks. As mentioned previously, as many of the programs transition over to the utilities in FY22, Staff is conducting a series of meetings and other opportunities for soliciting input on broad features of the programs that will enable the State to meet the clean energy goals set forth in the CEA, the EMP, and similar documents. Specifically, SEP programs are evaluated on a yearly basis, and Staff will take these comments into consideration during the next review period.

Budgets

Comment: Community Clean Energy Microgrids expressed their concerns with funding being allocated from the Clean Energy Program to the FY22 State budget and the need to set funding levels on a four-year cycle to help achieve the goals of the EMP. Additionally, the commenter is seeking further clarification on what the funds are used for that support the State Energy Initiatives budget line because Community Clean Energy Microgrids asserts that they should strictly be utilized to implement the goals and strategies of the EMP. Specifically, the commenter provides three integrated initiatives that BPU should focus their attention on: 1.) upgrading all existing fossil fuel heating in State buildings to heat pumps; 2.) switching out all internal combustion engines to electric vehicles; and 3.) installing solar and storage on all available State buildings.

Response: Staff appreciates the comments submitted by Community Clean Energy Microgrids regarding funding allocations and the State Energy Initiatives budget line and appreciates Community Clean Energy Microgrids's suggestions; however, Staff believes the funds are appropriately allocated in the State's budget. Also, Staff wants to make sure that it is understood that the State Energy Initiatives is used, in part, for NJ Transit energy related initiatives. Additionally, Staff seeks to reiterate that the COVID-19 pandemic created an environment of significant financial uncertainty throughout the State. Over the past three years, , there has been a reduction in the need for this non-recurring revenue, and these funds have gone to support other essential services, such as providing support for reducing energy use and promoting cleaner ways of producing power.

Comment: Rate Counsel commented that Board Staff has not explained why there remains a $241,000,000 carryover from FY21 and the need for greater transparency into the development of NJCEP's budget. Additionally, Rate Counsel expressed concern about the amount and use of funding in NJCEP's budget going towards the State Energy Initiatives.

Response: The primary reason for the carryover, which is not unusually large as compared to carryovers from previous FYs, is that State law requires State programs to incur an expense against their budgets, i.e., to encumber their budgeted funds, when they make a commitment, even though the expense may not be paid until a subsequent fiscal year. Especially for NJCEP's C&I and New Construction Programs, commitments are typically made several months, if not several years, in advance of when payment is made. Similarly, when the Board enters into contracts for services, such as for formally evaluating a program, the Board is required to

[8] Pursuant to the Global Warming Response Act, the New Jersey Department of Environmental Protection is required to assess the state's progress in meeting the Act's carbon reduction goal of reducing total carbon emissions by 80% by 2050. (Source: https://www.nj.gov/dep/climatechange/docs/nj-gwra-80x50-report-2020.pdf).

encumber the full amount of the contract at the time at which it is entered into. Thus, it is necessary and appropriate to carryover approximately $240,000,000 to cover the committed, but unpaid, incentives and contractual commitments expected to exist at the end of FY21.

Also, Staff appreciates the comment regarding the State Energy Initiatives and would like to emphasize again that the COVID-19 pandemic created an environment of significant financial uncertainty throughout the state. Nonetheless, funds lapsed from the NJCEP have been reduced over the last three years as compared to prior years.

Comment: The New Jersey Work Environment Council and Jersey Renews provided its support for the level of funding across the FY22 budget including offshore wind, energy storage, electric vehicles, and microgrids.

Response: Staff appreciates the commenters' support.

Comment: Rate Counsel and the Community Clean Energy Microgrids commented that there are no details on the rate impacts.

Response: Staff will be evaluating the rate impact under the EMP rate impact study.

Comment: Community Clean Energy Microgrids noted that the costs of the CEP should not only be based on gas and electric usage, but should be based on greenhouse gas and global warming impacts.
Response: Staff appreciates this comment and notes that evaluation of additional tracking mechanisms, beyond that which is already required for programs, is under discussion by staff and stakeholders, and that the Board has renewed its commitment to robust measurement and verification through order and through the procurement of a Statewide Evaluator. .
Comment: Rate Counsel acknowledged that they had no objections to the FY21 revisions.

Response: Staff thanks Rate Counsel for their comment.

Energy Efficiency

Comment: Home Energy Diagnostics expressed their concern about some of the utility-run programs of the EE transition.

Response: Staff appreciates Home Energy Diagnostics' feedback and request for clarification as it pertains to the energy efficiency transition. Staff is working diligently to ensure the smoothest transition possible and has been working with the utilities, including PSE&G, to provide both customers and contractors the necessary information about their programs. As the program in question will be run by PSE&G, Staff encourages them to follow up directly with them. Staff will continue work the utilities to ensure that all messaging is disseminated to avoid market confusion.

Comment: The NGOs expressed their desire to ensure that the Board's procedures for EE program evaluation and reporting are consistent with the EE Framework Order.[9] They would like to see timely and transparent reporting across both utility- and State-run EE programs. The NGOs

[9] In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040 (June 10, 2020) ("June 2020 Order").

feel this is critical to evaluate program performance, budget decisions, and to ensure the programs are delivering on the State's climate goals. They recommend that 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.[10]

Response: Staff agrees with the NGOs that transparency and feedback are an important part of the energy efficiency transition and will continue to use the monthly public EE Committee Meetings to share necessary updates and receive feedback as well as to continue to post reports on the NJCEP website. Staff is also committed to ensuring that the reporting required of the utilities on EE program achievement by the EE Framework Order be accessible and easily available for public review.

Comment: The NGOs and Rate Counsel commented that, in order to ensure transparency and accountability, Staff should report the same type of data the utilities report regarding their energy efficiency ("EE") programs, such as energy savings, cost-effectiveness, environmental benefits (e.g., greenhouse gas reductions), number and types of participants, and program expenditures associated with state programs. It suggested that such data, including data regarding cost effectiveness, was not reported for the programs administered by TRC.

Response: Staff agrees that transparency and accountability are important and that those characteristics are furthered by the reporting of the types of data described by the commenters. However, Staff respectfully submits that all of that data is provided through the TRC Compliance Filing, including the Cost-Benefit Analyses ("CBAs") provided in its Appendix G and/or through quarterly public reports that include program expenditures broken out by various cost categories, annual and lifetime energy and demand savings, emission reductions, and number of participants broken out by various reporting metrics for each program.

Comment: Rate Counsel commented that the proposed documents provide an insufficient explanation for the expenditure of $19,300,000 for Energy Efficiency Transition, which it claims consists only of the statements that $11,600,000 is for "Administration" and $7,700,000 is for "Rebates, Grants, and Other Direct Incentives."

Response: The total budget for the Energy Efficiency Transition is estimated based on transition costs for the existing programs, as well as the development of the infrastructure to assume program administration and implementation. Because the current program implementation is set to expire, limited details are available due to the anticipated release of the program administrator RFP.

Comment: The NJUA expressed their appreciation of the consistency in the energy efficiency transition and how the FY22 budget fits within this framework.

Response: Staff appreciates the commenters' support.

State Facilities Initiative

Comment: Rate Counsel commented on their concern regarding the growth of the State Facilities Initiative budget line and their desire to see additional information on the work plan related to the historical and future energy savings stemming from this funding.

[10] Id.

Response: Staff thanks Rate Counsel for its comments. The increase to the FY22 budget line for the State Facilities Initiative reflects an effort by Staff to capture known commitments and new funding that is needed to support ongoing and planned projects. A table, with a further explanation, was added to the DCE Compliance Filing that provides further details on each project. Also, Staff agrees that that increasing transparency on spending is appropriate and continues to work toward that end.

EDA Programs

Comment: Rate Counsel inquired about what specifically the funding for NJ Wind and R&D Energy Tech Hub budget lines will be used to support.

Response: Staff appreciates Rate Counsel's comments and refers them to the DCE Compliance Filing, which provides details of the MOUs between the BPU and the EDA for the WIND Institute and R&D Energy Tech Hub. In FY22, funding for the WIND Institute will continue to support key areas such as training programs to address key skill gaps areas, such as submerged arc welding; the development of an offshore wind module which will be utilized in vocational training and continuing education for the industry. In regard to R&D Energy Tech Hub, FY22 funding will be used to strengthen and expand the scope of the Seed Grant Program in order to benefit the state's cleantech ecosystem and develop a mentorship program for applicant companies.

Planning and Administration

Comment: Rate Counsel inquired about the increase in funding associated with the Planning and Administration budget lines, specifically in regard to the Program Evaluation and Marketing, and the reason for why administrative costs are higher despite many of the energy efficiency programs transition to the utilities.

Response: Staff thanks Rate Counsel for these comments regarding needing further clarification on the FY22 budget for Planning and Administration. First, Staff would like to reiterate that the FY22 budget is for a 12-month fiscal year while the FY21 budget was for a 9-month FY. In addition to the carryforward commitments in Marketing, there has only been a slight increase in overall funding for this budget line. This program will continue to support NJCEP's plan to effectively communicate the State's clean energy goals in alignment with the EMP. Also, as the lead implementing agency for the development and implementation of the EMP and NJCEP, the Program Evaluation budget line is crucial for BPU to track and report progress in meeting EMP goals. In addition to performing evaluation studies, Staff will begin working with a contractor to update New Jersey's interconnection rules to reflect national best practices and better enable the state to achieve its clean energy goals.

Clean Energy Equity and Comfort Partners Program

Comment: Community Clean Energy Microgrids expressed support of Comfort Partners and its program offerings for LMI communities. They acknowledged that increased customer access is a desirable outcome but do not fully agree with the program moving away from strict income verification requirements. They suggested using the different low-income designations from the State, with Comfort Partners covering the cost in full for window upgrades, door replacements, roof repairs, and significant structural insulation for "extremely low-income" homes. They also

recommended Comfort Partners installing solar on all appropriately faced low-income homes at no or low cost to the homeowner.

Response: After extensive stakeholder engagement and utility investigation into market barriers as well as consistency with the EE Framework Order, staff believes that alternative routes to ensuring access to programs for low-income customers (such as by census-tract as recommended in the Comfort Partners Compliance Filing, is appropriate and necessary. Staff appreciates comments that would expand incentives as it relates to the Comfort Partner program, including the addition of solar installation and additional home improvement repairs. Per the Comfort Partners Compliance Filing, "[e]nergy efficiency measures, and other reasonable repairs required to install those measures, may be installed in each home. The program will review, on a case-by-case basis, the repair and installation of items that, in and of themselves, may not be considered energy saving technologies, but would be required in order to effectively install energy conservation measures; such as, the repair of a roof prior to the installation of attic insulation. Cost-effectiveness will be assessed on a measure and site-specific basis. All installed measures and energy education services will be provided free of charge."

Staff believes that the Whole House Pilot Program would help address health and safety improvements that would fall outside of the scope of Comfort Partners and have kept customers from being able to participate.

Comment: Rate Counsel expressed their support of the Comfort Partners' new Location Based Eligibility Pilot and increase in overall funding for this budget line. The commenter also suggests that the allocation of Comfort Partners' budget across the service territories be further explained and recommends specific data points be presented in the budget documents, including the total number of eligible customers, previous participation amongst eligible customers, and FY22 participation and savings from eligible customers.

Response: Staff appreciates Rate Counsel's feedback and request for clarification of breakdown of cost attributable to each utility. Staff will work with the utilities to clarify participation per utility territory as well as attributed cost.

Comment: The NGOs expressed support of the Comfort Partners Program for its roles in providing energy efficiency and weatherization improvements to NJ customers most in need and with the highest energy burden. They also indicated that they are in support of the new Location Based Eligibility Pilot, which will reduce enrollment barriers. For this pilot, they recommend using the NJ DEP's Overburdened Communities map to identify the six eligible communities in order to align with the efforts of other state agencies and to ensure the communities most in need receive the intended benefits.

Response: Staff appreciates the support for Comfort Partners and the location based eligibility pilot. Staff can confirm that the pilot locations currently suggested are in overburdened communities as defined by the DEP.

Comment: The Sunrise Movement indicated that they would like to see greater alignment with the 2019 Energy Master Plan. They emphasize the importance of rapid electrification and decarbonization, especially of the transportation and building sectors. An example of this would be Comfort Partners and the C&I program, within which they request an update to the program definition to more explicitly focus on electrification. Sunrise Movement also expressed support of

fully electric homes, including expanded EV charging in parking spaces to better enable home charging.

Response: Staff appreciates the Sunrise Movement's feedback and commitment to addressing the clean energy goals put forth in the Energy Master Plan. The Comfort Partners program provides energy efficiency and is designed to improve energy affordability for low-income households through energy education, efficiency, and conservation. To achieve this objective, 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; and (4) split incentives between renters and landlords. The Program addresses these barriers through:

- Direct installation of cost-effective energy efficiency measures
- Comprehensive, personalized customer energy education and counseling
- Installation of health and safety measures, as appropriate

Staff recognizes the importance of electrification and is working with stakeholders to address building electrification and building code changes that can result in wider adoption of beneficial electrification. Staff is working to develop a policy and programmatic approach that will include low-income housing across the whole of the State.

Comment: The NJUA provided its support for the level of funding for the Comfort Partners budget line in FY22.

Response: Staff appreciates the commenters' support.

Comment: ACEEE expressed support of the EE Framework Order[11], which calls for EE program reporting, and evaluation requirements that are consistent with the utility-run EE programs and would like to ensure this is carried out by the Board. Metrics that they would like to see include energy savings, cost-effectiveness, environmental benefits (e.g., greenhouse gas reductions), number and types of participants, and program expenditures associated with State programs. This will help ensure programs are accountable to the EE and climate goals and that EE programs are cost-effective for all customers.

Response: Staff believes the building electrification is indeed an important part of reaching the goals outlined in the CEA. To that end, Staff is working on a broader code collaboration and building electrification with necessary stakeholders including the Office of Clean Energy Equity to ensure that the needs of low-income residents are included and addressed. Through this process, Staff believes that this process will result in a comprehensive policy and plan that address this critical need across the state including the most vulnerable.

Comment: The Sierra Club expressed strong support for the whole home retrofits targeted at households with high energy burdens and focused on electrification, and would like to see more details regarding the implementation of the Whole Home Retrofit Program. The Sierra Club also indicated their support of Rutgers University conducting a cost-benefit analysis for amendments to the NJ Energy Code as well as their co-facilitation of the NJ Zero Energy Building Code

[11] Id.

Collaborative. Finally, the Sierra Club is pleased that the Equity Working Group and Workforce Development Working Group led by the Office of Clean Energy Equity will continue and requests additional information on their implementation and on how the Workforce Development Working Group will expand upon diversity in the workforce.

Response: Staff appreciates the Sierra Club's support. Staff would direct the Sierra Club to refer to the June 10, 2020 Board Order that outlines the development and scope of the working groups. Invitations for participation to the working groups were sent out to various relevant stakeholders based on public comment, area of focus, and groups represented. Efforts were made to ensure diverse participation and the inclusion of participants who normally are not involved in the stakeholder process while keeping the working group size manageable.

Workforce Development

Comment: ACEEE expressed support of the recent changes to the Comfort Partners and the new Location Based Eligibility Pilot, which will simplify enrollment and delivery of program services for low-income customers. The commenter indicated that they would like to see more explicit focus on electrification in the offerings and incentives of the Comfort Partners Filing in order to meet the State's energy and climate goals. They would also like to see more inclusion of low-income customers living in master-metered multifamily buildings in the Comfort Partners Program and/or other EE Programming. Finally, ACEEE would like to see greater investment in EE Workforce Development to create well-developed training opportunities and ultimately build an inclusive and diverse workforce.

Response: Staff appreciates ACEEE's feedback on equity and workforce and this effort continues to be undertaken by the Equity and Workforce Development Working Groups. Staff will also take into account the suggestions ACEEE has made that are not already reflected in the Board Order and are currently being considered by the working groups.

Comment: The NJUA commented on their general support for the funding for Workforce Development but was looking for some further clarity into the specifics of what the funding will be used to support. Also, the commenter expressed an eagerness to continue to participate in the various energy efficiency working groups and how the utilities can contribute in their respective service areas.

Response: Staff appreciates the NJUA's feedback and encourages its participation as a member of the various energy efficiency working groups. The $4.5 million will be used to address a larger Clean Energy Workforce Development plan and is not necessarily earmarked for the plan outlined in the June 10, 2020 order.[12] As far as the energy efficiency workforce development plan is concerned, the utilities are expected to work with Staff and other stakeholders to develop a statewide workforce pipeline. While the State will ultimately set the goal and scope after engagement in the working group, the utilities are expected to contribute as necessary to build this pipeline. These contributions may include, but are not limited to, targeted marketing about energy efficiency jobs and training, developing relationships with training and certification sites, and providing internships to eligible students.

Comment: The NGO Commenters recommend that the NJCEP workforce development program focus on community-based approaches that will build a more inclusive and representative clean

[12] Id.

energy workforce. They want to ensure 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. The NGO Commenters also recommend an increase in the FY22 CRA budget to further address supplier and contractor diversity, expand access to trainings and certifications, create clear pathways to union and non-unionized job opportunities, and ensure key stakeholders are involved in the planning and implementation.

Response: Staff appreciates the feedback as well as the participation of several of the undersigned in both the Equity and Workforce Development working groups and look forward to addressing a working through the points raised as part of the larger working group discussions.

Comment: The New Jersey Work Environment Council and Jersey Renews provided its support for the level of funding for the Workforce Development budget line in FY22 and encouraged the BPU to further collaborate with the Department of Labor.

Response: Staff appreciates the commenters' support and will continue to review the program for future changes.

Microgrids

Comment: Rate Counsel comments that no new funding is being proposed for FY22, and that the grant received from the US DOE should be used to explore financing models that will minimize the need to rely on ratepayer funding for microgrids.

Response: Staff appreciates Rate Counsel's comments. The study on microgrid financing is meant to explore all existing and potential financing models.

Solar

Comment: Community Clean Energy Microgrids recommends that the BPU develop a new incentive for non-profit organizations and local governments to develop a community solar ownership-based model for low-income households. The commenter states that, while the current BPU community solar program is the best in the country to address the LMI community, it is limited to community solar by large (mostly out of state) solar developers that offer only a subscription-based model to LMI households. The commenter recommends that the Board seek to enable low-income ownership of community solar panels, thereby providing the clean energy economy to low-income households in a more inclusive way than the current LMI Community Solar or Comfort Partners programs. The commenter states that the recommended incentive should be sufficient to offset the value of the federal solar investment tax credit, which is often unavailable to non-profit organizations and local governments, and that the incentive be made available to 10% of the total approved community solar annual capacity or 15 MW.

Response: Staff strongly supports ideas for increasing LMI access to community solar and maximizing the financial benefits that accrue to LMI customers. As stated by the commenter, the Pilot Program has had early success in providing benefits to LMI customers. Staff plans to organize a future stakeholder proceeding to take comment on the design and implementation of the permanent community solar program. Staff believes that this stakeholder proceeding will provide a better venue for discussion of new and innovative methods for implementing community solar.

Comment: Rate Counsel commented that the renewable energy portion of the budget includes $2,700,000 budget to maintain SREC registration levels but that Board Staff fails to explain how the CEA-driven changes to the solar program and market will affect the cost of administering SREC registrations.

Response: The budget is actually stated as being for "Solar Registration," not just SREC registration, and the text of TRC's Compliance Filing makes clear that those costs are for not only closing out the SREC Program, but also for administering the current Transition Incentive ("TI") Program and the pending Successor Program. The amount of the budget is based in large part on a forecast of the cost of processing the number of registrations to be processed through each of the three programs.

Comment: Nano PV and Tatleaux Solar Group provided comments in regard to aspects of the proposed Solar Successor Program, particularly in regard to incentive levels.

Response: Since Staff are still in the process of finalizing the details of the Solar Successor Program and the commenters' remarks were substantially similar in both proceedings, Staff reserves its response to be answered in future proceedings related to the implementation of the Solar Successor Program.

Whole House Pilot Program

Comment: The NGOs expressed support for the Board's Whole House Pilot Program but respectfully request more regular updates on program design progress over the course of the awarded contract's term.

Response: Staff appreciates the commenters' support for the Whole House Pilot Program. Staff is committed to transparency and effective stakeholder collaboration and will work to provide updates on the Pilot's progress as much as possible.

Storage

Comment: Community Clean Energy Microgrids noted that the storage provisions of the CEA do not limit the BPU in developing a storage incentive to only solar and storage. The BPU storage incentive program should be available to other types of storage technologies linked with other types of DER facilities/technologies. The key metric for the overall storage incentive should be reducing distribution congestion on local peak demand or to increase solar hosting capacity on feeders or lines that have reached their max load as set forth in the current BPU interconnection (IX) regulations at N.J.A.C. 14:8-5.

Response: As noted on page 19 of the *Solar Successor Program: Staff Straw Proposal*, Phase Two of an energy storage program is being developed, which is separate from the Solar Successor Program, and will further investigate, with stakeholder involvement, where storage can provide the most benefit to the transmission and distribution system at the least cost to ratepayers. Specifically, Phase Two will consider: Non-wires Alternatives/Storage as a Transmission Asset; a "clean peak" program that uses energy storage resources to shave system peaks; increased integration of renewable energy (including distributed energy such as net metered solar); long-duration storage; and other comparable programs. Staff envisions developing a straw proposal for issue in mid-2021 and holding stakeholder meetings and technical conferences towards the

end of 2021 that would inform the development of this phase of the energy storage program, with the intent of initiating Phase Two of the program after stakeholder meetings are completed.

Comment: Rate Counsel comments that there is insufficient support for the proposed $20 million for energy storage projects and that the DCE should not be overly optimistic regarding the energy storage program. Rate counsel also asks if any of the proposed budget would be required to support the storage component of the solar successor program.

Response: We appreciate Rate Counsel's comments. As noted in the solar successor straw proposal, Phase Two of the energy storage program, which is separate from the Solar Successor Program, will further investigate, with stakeholder involvement, where storage can provide the most benefit to the transmission and distribution system at the least cost to ratepayers. Specifically, Phase Two will consider: Non-wires Alternatives/Storage as a Transmission Asset; a "clean peak" program that uses energy storage resources to shave system peaks; increased integration of renewable energy (including distributed energy such as net metered solar); long-duration storage; and other comparable programs. Staff envisions developing a straw proposal for issue in mid-2021 and holding stakeholder meetings and technical conferences towards the end of 2021 that would inform the development of this phase of the energy storage program, with the intent of initiating Phase Two of the program after stakeholder meetings are completed. Further details of the energy storage program are being developed as part of the Phase Two straw proposal, and Staff believes that this is a realistic schedule. Staff notes that none of the proposed energy storage budget is allocated to the solar successor program.

Existing Homes: Residential Gas & Electric HVAC Program

Comment: The Affordable Homes Group commented that NJCEP should add ground source heat pumps ("GSHPs") to the list of equipment for which prescriptive rebates are provided because they are one of the most efficient residential heating/cooling systems available. They pointed out that air source heat pumps ("ASHPs") and other types of heat pumps are eligible for rebates.

Response: Staff appreciates the Affordable House Group's comment. Currently, geothermal is eligible as a measure as part of the Home Performance with ENERGY STAR program. Staff will consider Mr. Pipes' comment if additional geothermal incentive programs are developed in the future.

Residential New Construction ("RNC")

Comment: Sunrise Movement commented that it is a waste of the ratepayers' money to subsidize ENERGY STAR homes in that they claimed such homes are only marginally more efficient than code. Instead, it suggested that NJCEP should incentivize only new construction that meets the "DOE net zero or net zero ready standard" and that is all-electric. It finally recommended that any incentivized residential new construction with parking spaces should be required to provide electric vehicle charging stations.

The NGOs commented that the RNC Program should provide increased incentives for all electric/ Air-source Heat Pump and Heat Pump Water Heaters over dual fuel homes, in a manner generally consistent with a Settlement in the Public Service Company of Colorado ("Xcel") 2021-2022 Demand-Side Management proceeding, and/or substantially increase its support for residential heat pumps in a way generally consistent with a program recently adopted in Massachusetts.

Response: Staff respectfully disagrees that it is a waste of money to subsidize ENERGY STAR homes. To qualify for RNC, the home must be at least 15% more efficient than the applicable energy code requires, which is not reasonably considered "marginal." The NJCEP incentives are set at a level that is just high enough to encourage the builder and/or prospective owner to go sufficiently above code, and incentives increase for Zero Energy Ready Homes ("ZERH") and ZERH with Renewable Energy ("RE").

Staff also disagrees with the suggestion of immediately cease providing incentives for new construction that includes fossil-fueled equipment and/or that is anything less than zero energy ready ("ZER"). The benefit of the savings achieved by the increased EE provided by the current broader range of new construction incentives continues to be valuable and cost-effective.

Regarding the NGOs' comments, Staff first notes that, as mentioned elsewhere in this document, it significantly increased the incentives for heat pumps, especially cold climate heat pumps, in FY20. That said, Staff generally agrees that it should consider an increased focus on electrification, including the mentioned Colorado and Massachusetts initiatives, all possibly through the various meetings and other proceedings Staff has planned for the next year or so.

Comment: Rate Counsel commented that the proposed RNC program budget is 25% lower than the budget for FY20, despite offering the same incentives to participants. Rate Counsel further claims that, at the same time, TRC projects electric savings that are 14% higher than projected in the FY20 filing. For FY22, TRC claims that the cost effectiveness as measured by the TRC test for its RNC program will be 0.6, meaning that this program is not cost-effective. Staff and TRC should reconcile this result with the expectation of more savings with less funding for essentially the same program as was proposed in FY20.

Response: Staff notes that the final FY20 budget of $16,840,000 for the RNC Program was for a 15-month fiscal year (as a result of COVID-19) while the FY22 budget is for a 12-month FY, which accounts for the vast majority of the difference between the FY20 and FY22 RNC budgets. Staff is unsure of the basis for Rate Counsel's claim that the estimated FY22 electric savings are 14% higher than the savings projected in the FY20 filing given that the FY22 estimated lifetime savings are 113,748 MWH, an amount significantly lower than the final FY20 Compliance Filing, Rev 2.0, dated July 29, 2020, estimated lifetime savings of 126,845 MWH.

The proposed FY22 budget is based, in part, on extrapolations of recent trends in participation including the mix of single and multifamily homes. In FY21, in part driven by the COVID-19 pandemic, the program saw a slow-down in construction of new homes and an increase in the ratio of multifamily ("MF") to single family homes coming through the pipeline as compared to FY20. The base incentive for an MF home is less than the base incentive for a single family home. However, while the base incentives are lower, the savings for a multifamily project will typically be greater than savings from a single-family home or a townhouse. Both the budget and the estimated savings are based upon the Program Manager's best estimate of participation levels and savings given recent participation trends and the forecasted ratio of single to MF homes, which explains, in part, why savings are relatively higher in FY22 compared to FY20, i.e., FY22 includes a higher ratio of MF homes than did FY20.

Regarding cost-effectiveness, Rate Counsel's premise of more savings for less funding is, as noted above, unfounded. In addition, the cost-benefit analyses considers numerous factors beyond just program costs and savings, e.g., they consider incremental costs, project costs, the

mix of measures installed, and avoided energy costs. Staff also notes that the avoided costs provided by Rutgers Center for Green Buildings and used for the FY20 analyses were higher than the updated, more accurate avoided costs used for the FY22 analyses. When all of the above is considered, the results of the FY22 cost-benefit analyses remain largely unchanged from the FY20 results.

Commercial and Industrial ("C&I")

Comment: Rate Counsel expressed concern that despite the decreased overall budget, TRC is projecting a 21% increase in MWh savings relative to FY20, and a decrease in therm savings of approximately 32% relative to FY20. It is unclear why TRC's savings expectations are so different from that of FY20. Rate Counsel noted this is particularly of concern, as reducing gas use in buildings should be a significant focus of any new construction program, consistent with New Jersey's greenhouse gas emissions reduction goals. Rate Counsel recommends that new construction programs, in particular, focus on reducing gas use in new buildings.

Response: The difference is largely due to differences in the types of projects in the C&I pipeline at the time each of the respective calculations were prepared. The C&I program budgets and estimated savings are based, in large part, on approved/committed projects in the pipeline that are estimated to be completed and paid in FY22. For example, the draft C&I EE FY22 budget of $153,334,372 includes $46,555,175 in new funding versus $106,779,197 in estimated carryforward commitments. In other words, more than two-thirds of the proposed FY22 budget and estimated savings are for projects already in the pipeline and for which the estimated incentive and savings are known. This is particularly true for FY22 given that the majority of C&I EE programs will be transitioning to the utilities effective July 1, 2021. By way of further explanation of the specific difference commented upon, Staff notes that one or two large projects in the Large Energy Users Program ("LEUP") can significantly swing estimated savings and that the estimated FY20 savings included gas savings from a very large refinery project that are not included in the FY22 calculations.

As mentioned in the other responses, Staff generally agrees that it should consider an increased focus on electrification, possibly through the various meetings and other proceedings Staff has planned for the next year or so. That said, NJCEP continues to promote gas saving measures in FY22.

Combined Heat and Power – Fuel Cells ("CHP-FC")

Comment: The NGOs commented that New Jersey should require any CHP programs to demonstrate a net greenhouse gas ("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.

They further commented 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 NGOs believe their continued deployment does not provide environmental benefits, especially compared to renewable energy technologies. Rate Counsel somewhat similarly commented that the EMP's goal of moving away from fossil fuels, coupled with the maturity of the CHP market, suggest that the Board should consider limiting eligibility to projects that use renewable energy.

Response: Through the current CHP Program, projects deliver energy savings by using waste heat recovery technology to capture wasted heat associated with electricity production, which is more energy efficient compared to systems that do not do so. Accordingly, it is consistent with many of NJCEP's current goals and the EMP. Staff also notes that the EMP's Goal 4.1.1 specifically recognizes that CHP may be the right solution for some state facilities. That said, Staff agrees that it should give further consideration to adding features to the Program that would be designed specifically to reduce GHG emissions.

Comment: Rate Counsel questioned the value of the CHP-FC Program and claimed that the materials provided by Staff "contain no analysis of the costs and benefits" of the Program.

Response: Staff respectfully submits that the CHP-FC provides benefits sufficient to justify its costs, and it points out that the CBAs set forth in TRC's Compliance Filing, Exhibit G, clearly analyze the costs and benefits of the Program, including, among other scores, a Modified New Jersey Cost Test score of 1.6 and a Program Administrator Cost Test score of 4.2.

Comment: Bloom Energy, with support from NFCRC, repeated comments it has made in the past that the CHP-FC Program's failure to provide special incentives for FCs as compared to CHPs and the Program's "manufacturer diversity" cap inappropriately discriminate against cleaner FCs in favor of polluting CHPs. It adds new references to policies that are designed in part to support better environmental justice, such as the EMP. NFCRC also recommends that the Board follow the recent California Public Utility Commission ("CPUC") determination to preclude the award of incentives for internal combustion projects located in a county listed as a severe or extreme federal nonattainment area for particulate matter (PM10 or PM2.5) or eight-hour ozone (O3) in the U.S. Environmental Protection Agency Green Book in any of the three years prior to the application date.

On the other hand, Rate Counsel commented that the Board should consider limiting eligibility for FCs to only those that are at least 60%, instead of the current 40%, efficient.

Response: Most of Bloom Energy's and NFRC's comments have been made, considered, rejected, and fully responded to regarding one or more previous Staff proposals. The reader is respectfully referred to those materials. Staff also notes that it would not be prudent to make sweeping changes to program design given that the structure of NJCEP is expected to substantially change over the next several months as the programs are transitioned to the utilities and/or substantially re-restructured. All that said, Staff repeats that it continues to believe it appropriate to favor CHPs, which by definition must be at least 60% energy efficient, over FCs, which can be as low as 40% energy efficient, with the typical FC application to NJCEP being well below 50%. The support for CHPs over FCs is further justified because CHPs generally have a significantly lower capital cost and higher annual system efficiency than do FCs. All the foregoing CHP benefits are not sufficiently outweighed by the FCs' possible advantage in terms of non-GHG emissions. Further, Staff continues to support the allocation of limited funds to energy efficiency measures that result in significantly higher benefits per program dollar spent than do FCs. Additionally, Staff notes that CHPs are not "internal combustion" projects and that, at any rate, the CPUC determination appears to have been based on a number of factors that would require further study and analysis before a recommendation to follow the CPUC determination could be made. Staff believes that all of the above is consistent with the furthering of environmental justice. All the above said, Staff also believes, despite Rate Counsel's comment, that the current Program appropriately and cost-effectively provides certain incentives for FCs that fall between 40% and 60% efficiency.

Comment: Bloom also repeated its past comment that the proposed two-tier incentive structure providing one incentive for ≥ 40% FCs and a higher incentive for ≥ 60% FCs, and CHPs, is too blunt and will inappropriately encourage the development of lower efficiency FC projects. It again pointed out that a hospital that installs a 60% efficient CHP could receive an incentive of up to $3,000,000 while another that installs a 59% efficient FC would be limited to $1,000,000, resulting in NJCEP paying $2,000,000 for the 1% incremental increase in efficiency and ultimately disincentivizing the developer of the FC to invest in the technology to get its equipment from 40% to 59%. Bloom suggested that a sliding scale between 40% and 60% would better achieve NJCEP's goals.

Response: Staff preliminarily notes that NJCEP has not yet received an application from Bloom or any other FC provider that comes anywhere near the posited 59% efficiency; instead, as noted above, the applications are for units in the low to mid-40% range. Further, neither has NJCEP received such an application that was limited by the $1,000,000/project cap; instead, the applications have been for projects in which the incentive was approximately $300,000 or less. That said, Staff agrees that there may be merit in using a sliding scale, rather than a cliff, to manage the incentivization of FCs that range between 40% and 60%. However, the proper design of such a scale would require substantial analysis, time, and stakeholder input. Accordingly, although it does not support the adoption of the sliding scale as part of the current process, it will more carefully consider the sliding scale approach in the relatively near future.

Comment: The Sierra Club inquired into why there is no discussion of the CHP-FC program in the CRA. Further, Sierra Club believes that this program is inconsistent with the EMP and should be eliminated.

Response: Staff would refer the Sierra Club to the TRC Compliance Filing, who administers this program, where the CHP-FC is described in detail. Also, Staff notes the value that CHPs and fuel cells contribute to enhancing system resiliency and reliability but will continue to evaluate this program for possible changes in the future.

Electric Vehicles

Comment: ChargEVC, NJCAR, and NRDC suggested that while the increased overall EV budget was a good start to increased investment in EV adoption, the Board should commit to funding the Charge Up Program at $300 million over the first 5 years of the program. Stakeholders also suggested that the Board should create EV ride share programs and other pilots to address LMI communities.

Response: Staff recognizes the impact that additional funding would have on the program, but also acknowledges that the NJCEP has numerous impactful programs and must balance funding requests from each of these programs. Additionally, the Legislature requires the Board to fund this program with $30 million per year for ten years. Accelerating payments on the front end does not alleviate the Board's obligation in future years of the program. It is Staff's position that in order to meet the obligations of the EV Act and to grow the other EV programs outlined here, the $30 million allocated is appropriate for the FY22 program.

Comment: ChargEVC and NRDC were supportive of the increase in funding for State and local government fleets. NJCAR suggested that the program should also be opened up to subscription EVs for those entities. Gerald Reiner, from the Bergen County Administration, suggested that a

pilot program should be created to encourage innovative EV adoption plans. Rate Counsel objected to the expanded use of ratepayer dollars to fund these vehicles and suggests other pots of funding should be explored.

Response: The Clean Fleet Program was initially launched on a pilot basis using USDOE funds and given its success and the impact that this program can have on achieving the goals of the EV Act, Staff feels this is an appropriate use of these dollars. Staff also continues to work with our sister agencies, DEP and EDA, on ways to encourage innovation in EV adoption in the public and private sectors.

Comment: Stanislav Jaracz, ChargEVC, NJCAR, and Rate Counsel were supportive of the tiered incentive as a way to extend the program within the existing budget and put more EVs on the road. NJCAR comments also suggested that funding should be consistent and should be fully funded each fiscal year. Similar comments were made during the stakeholder session. Comments continued that changes to the program are in line with the intent of the EV Act in encouraging people to transition to an EV rather than rewarding people who have already made the decision to purchase an EV, regardless of the incentive.

Response: Staff is maintaining the tiered incentive proposed in the straw in this Compliance Filing.

Comment: Many respondents (Amy Tsang, Chris Wong, Danh Nguyen, David Nerenberg, Derek Cohen, Guillermo Vargas Dellacasa, Lia Tisseverasinghe, Michael Buonocore, Mike Riccoili, Muhammad Atiya, Richard Pauls, Sean Hadley, Nick Spaltro, Stephaie Lezotte, Stephen Volpe, Sudhir Patel, Uday Arrealla, David Buenocore, Hengle Zambrano, Rose Salvatore, Nicole Rice, Kadir Karagoz, Don Kim, and Tesla) voiced opposition in similar comments to the proposed "soft-cap" which provided a maximum incentive of $2,000 for vehicles over the MSRP of $45,000. Commenters provided several reasons for this opposition, but in general the reasons included that the change would limit options, would impact the ability of purchasers to add on extended battery options, and would "force" consumers to choose base models of vehicles. Commenters also expressed frustration that models that included AWD would often fall above the "soft cap" and that many of the electric SUVs or "family vehicle" options would also be above the "soft-cap" threshold. Many of the comments objected to the lack of luxury brand options available for the full $5,000 incentive.

Response: As indicated in the proposal, the recommendation prioritizes "incentive-essential" buyers. The proposed tiered incentive provides a larger incentive for more moderately priced vehicles in order to provide greater equity as New Jersey electrifies its transportation options.
Staff also notes that this year the number of vehicles available has increased and there are several options for buyers looking for SUVs. The FY22 iteration of the Program has a vehicle eligibility list with 31 different makes and models, ranging from sedans to crossovers to SUVs. Staff recognizes that the needs of each family will be different, but vehicles which would receive a full $5,000 incentive under the program for FY22 are the Chevrolet Bolt, Ford Mustang Mach-E, Hyundai Kona Electric, Kia Niro Electric, Nissan Leaf & Leaf Plus, Tesla Model 3 Standard Range & Standard Range Plus, and the VW ID.4. Other PHEVs in the class of crossovers and SUVs are also available for FY22, including the Jeep Wrangler 4xe, Mitsubishi Outlander PHEV, Toyota Rav4 Prime PHEV, Volvo S60 PHEV, Ford Escape PHEV, Kia Niro PHEV, and the Chrysler Pacifica Minivan PHEV. The variety of options for the program is such that incentive-essential buyers may find the vehicle of their choice, which fits with their lifestyle and needs, from

this list of 31 options. This list of eligible vehicles is expected to grow as more electric offerings are released from manufacturers.

Comment: Several respondents (Marc Weinberg, Uday Arredla, Vibhu Shakelli, Nicole Rice, Steven Toto, Don Kim) requested that the overall MSRP cap be raised to account for increased costs and inflation.

Response: As indicated in the proposal, per the EV Act, the recommendation prioritizes "incentive-essential" buyers, and increasing the overall cap does not accomplish that goal. While Staff has seen that there have been COVID-19 related cost increases, as EV adoption grows, the impacts of increased production will also drive costs down.

Comment: Some respondents suggested that the entire incentive amount should be lowered in order to extend the program, but provide one consistent incentive level. Rate Counsel suggested that the Board should set the incentive amount at the lowest possible level to encourage EV adoption in order to maintain consistent funding for the program throughout the year. Rate Counsel and Tesla also suggested that the Board should consider lowering the level of the incentive each year by $500. Stanislav Jaracz also suggested that any lower amount would be preferred as long as it prolonged the availability of funding.

Response: While in Year One a majority of the applicants received the maximum incentive level ($5,000), it was not a flat incentive, but it was based on the all-electric battery range of each vehicle. This standard has been maintained to encourage purchase of the most efficient makes and models. Further, the tiered incentive allows the program to target "incentive-essential" buyers while extending the impact of the allocated dollars.

Comment: NJCAR commented that the Board should keep current definition of MSRP in the FY22 year.

Response: The compliance filing definition of MSRP closely aligns with the FY21 definition.

Comment: Some respondents (Ira Gross, Deepak Arora, and NRDC) suggested that cars purchased out of state should be eligible for the incentive. In addition, some of these comments suggested that the post-purchase incentive should continue alongside the point of sale program.

Response: Many stakeholders in this process, and throughout the planning and development phases, have indicated that having the incentive offered at the Point-of-Sale was key to providing equity and efficiency in the program. The most efficient way to do so is by offering it only in New Jersey dealerships and showrooms. In addition, the EV Act had a strong preference for prioritizing vehicles sold in the State of New Jersey.

Comment: Staff asked for comments on whether a flat incentive should be instituted for FY22, recognizing that PHEV incentives must end by December 2022. Reactions to this proposal were mixed.

NJCAR was supportive of a flat incentive, and proposed a $1,500 incentive, which would increase PHEV sales as a gateway to BEVs. NRDC also suggested that a flat incentive above $1,000 would provide for increased equity in transportation electrification – especially for residents living in multi-unit dwellings who cannot charge at home. Sean Hadley also suggested such an incentive

would be useful to the transition and Deepak Arora suggested that the PHEV incentive should be ½ of the BEV incentive.

Others, including ChargEVC, Rate Counsel, Tesla, and Stephen Volpe suggested that not all PHEVs are created equal and many do not have the necessary range to make it worth incentivizing them at a higher level. Tesla suggested that PHEV incentives should be capped at $650.

Response: Staff believes that for FY22, PHEV incentives should remain at the same level as all other EV incentives and will be set based on the $25/e-mile calculation.

Comment: NRDC and Tesla suggested that used vehicles should be included in the Incentive Program.

Response: Staff has limited this year's program to new vehicles and focused the FY22 expansion on government fleets as a way to achieve the goals of the EV Act and to encourage early government fleet build out but will consider and engage on this through future stakeholder discussions.

Comment: ChargEVC, NJCAR, and NRDC called for additional sharing of data points, including requests for the final MSRP for all vehicles that received incentives and the date of order or purchase/lease of all vehicles that received incentives. There were also requests to provide regular updates on metrics moving forward.

Response: Staff shared several data points during the stakeholder meeting. However, the program administrator is still processing the final applications from the post-purchase incentive program. In the post-purchase program, MSRP and order date were confirmed for eligibility, but not captured in searchable fields. As indicated in the EV Act, the BPU intends to provide update information on several metrics at the launch of the Point-of-Sale Program. At that phase, buyers should be able to see how much funding is currently available and make purchase decisions with that information.

Comment: Several respondents (Guillermo Vargas Dellacasa, Mike Riccioli, Nicholas Spaltro, and Olga Krasotkina) indicated that EV buyers who had purchased between December 15, 2020 and the launch of the new program should be eligible for a post-purchase incentive. Included in those comments were questions regarding what the rules for Year Two would be regarding when a vehicle would be eligible and a desire for the incentive to be based on the delivery date, not the order date. Comments from Vibhru Shakelli, Shalom Azar, Smit Ganhi, and Matthew Kluger suggested that the program should be based on delivery date. NJCAR suggested that the program eligibility should be based on the entire vehicle transaction, including both the date of order or the purchase, in order to provide an even playing field for all EV makes and models.

Response: The Board announced on December 14, 2020 that the program would be closed on December 15, 2020, and a new program would be launched in FY22 when new funding became available. Those who purchased vehicles on or after December 16, 2020 decided to purchase those vehicles without the ability to apply for an incentive and, as such, are outside of the "incentive-essential" population the program is focusing on. The funding available for the program will be dedicated to paying out any remaining eligible FY21 incentives and then funding new purchases once the new program is launched. As indicated in this compliance filing, the Year Two program eligibility will be based on the entire vehicle transaction, including the vehicle's order and

delivery date that the vehicle's order date must occur on or after the new program is launched in order to be eligible for an incentive.

Comment: The EV Act also provided BPU with authority to create a residential charger incentive. The straw proposed an incentive of up to 50% of the cost of the charger, with a maximum incentive of $250. NJCAR and ChargePoint were supportive of this program. Rate Counsel was not supportive of the program, suggesting that residential charger incentive will be utilized by high-income earners, thus an unnecessary use of ratepayer dollars and not required by the legislation. NRDC was supportive of the program, but suggested there should better definition of smart charger.

Response: The program as proposed in the Straw is included in the Compliance Filing. Definitions and details will be included in the Terms and Conditions when the program launches.

Comment: The Sierra Club would like the Clean Energy Program to fund a pilot program for conversion from diesel-driven school buses to electric.

Response: School buses are Medium and Heavy Duty Vehicles (MHDV). At present, there are no MHDV programs. Board Staff is currently working on a straw proposal that focuses on MHDV charging, which will help guide future programs in that sector. Both DEP and EDA currently have programs for MHDV.

Comment: Sean Hadley supported transitioning to a Point-of-Sale Program. Erin Bradley requested information on when the Point-of-Sale program would launch and what the required paperwork and deadlines would be.

Response: As indicated in the Compliance Filing, the FY22 program will be a Point-of-Sale Program. There will be no post-purchase incentive. In this Phase, all paperwork will be completed at the time of sale, and the dealer or showroom will submit the application on behalf of the applicant.

Comment: Guillermo Vargas Dellacasa asked that dealers be provided with training on the program and on EVs.

Response: The program administrator has already commenced trainings on the system for dealers and showrooms. The DEP also has been working with the dealerships for several years on general EV education through a program called PlugStar.

Comment: Nicholas Sparto suggested that utilities should offer an EV specific Time of Use (TOU) Rate.

Response: The Board is currently reviewing two utility filings for light duty EVs. The two approved programs incorporate TOU rates for EVs.

REVISIONS TO PROPOSED FY22 COMPLIANCE FILINGS AND PROPOSED FY22 BUDGETS")

Following the posting of the Proposed FY22 Compliance Filings and stakeholder comments received in regard to the Proposed FY22 Budget and the Charge Up New Jersey Program - Fiscal Year 2022 Straw Proposal, they were revised as follows.

1. The Division of Clean Energy Compliance Filing now includes additional information on approved or planned RFQs that were budgeted under the Program Evaluation/Analysis program line for FY22.

2. The National Wind Consortium will now be funded from the Offshore Wind budget line rather than by the funding supporting the WIND Institute.

3. The CRA was updated to clarify details of the Solar Successor, microgrids, and energy storage programs.

4. In order to better categorize the purpose of the funding, the Clean Tech budget line is now included within the Program Evaluation/Analysis budget line.

5. Funding of $4 million was moved from the State Facilities Initiatives' budget line to the Energy Efficiency Transition budget line to ensure adequate funding is available for the energy efficiency programs that will continue to be administered by the BPU.

6. EV program changes:

   A. Clarified that eligible applicants who applied by March 15, 2021 and were approved will be paid an incentive based on Year One of the program. Some applicants, due to the availability of funding, may be paid at the start of FY22, pending Board approval of the DCE budget. As of the writing of this Compliance Filing, that amount equates to approximately $7 million of electric vehicle incentives.

   B. As a result of the stakeholder process for the Charge Up New Jersey Program, the Phase Three incentive amount will cover 50% of the cost of the charger, up to $250. The FY 22 budget allocates $3 million for this program. Details on eligibility for this program are included in the Compliance Filing.

   C. Based on stakeholder feedback, the filing clarified that Vehicles ordered in advance of Phase Two, Point-of-Sale Program, launch will not be eligible for an incentive.

   D. In response to stakeholder questions, the filing clarifies that a purchase or lease is deemed completed when the purchaser or lessee of the vehicle has executed and signed a purchase or lease contract or security agreement. Eligibility is based on this date.

   E. Clarified the MSRP to include only fees that relate to the value of the vehicle. Destination fees, vehicle car packages and accessories (i.e., first aid kits, floor mats, cargo nets), tax, registration fees, title fees, and documentation fees are not part of the calculation. This is in line with current procedure.

   F. Based on stakeholder feedback, Staff has proposed a tiered incentive structure:

Incentive Calculation	Determining Factor
$25 per all-electric mile, maximum of $5,000	Eligible Electric Vehicle, MSRP up to $45,000
$25 per all-electric mile, maximum of $2,000	Eligible Electric Vehicle, MSRP between $45,000 and $55,000

G. Based on stakeholder feedback, the eligibility criteria for the Clean Fleet program has been updated in alignment with the FY21 program. Applicants will be eligible for up to two $4,000 incentives for eligible BEV purchases and one $1,500 charger incentive each year.

7. Comfort Partners Program: The number of neighborhoods who will be selected to participate in the Comfort Partners' Location Based Eligibility – Pilot Program has increased from six (6) to ten (10) neighborhoods to allow for an increased number of participants and to provide more data for program evaluation and potential modifications.

8. The TRC Compliance Filing was updated to reflect the correct name of the program line, Solar Registration; the SREC Registration Program has been closed to new registrations; and the terminology recognizes the ongoing transition to the Successor Program. Also, details were provided to elaborate on the relationship between the Outreach Team and the Office of Clean Energy Equity in their efforts to ensure greater equity in overburdened communities.

9. In the DCE Compliance Filing, an appendix table was added to provide further details on ongoing and new projects funded from the State Facilities Initiative budget line.

STAFF RECOMMENDATIONS

The FY22 Compliance Filings and Budgets set out in detail the rationale utilized by Staff and the program administrators to develop the Proposed FY22 Programs and Proposed FY22 Budget. Having reviewed and considered the comments regarding the FY22 Compliance Filings and Budgets, Staff recommends that the Board approve the Proposed FY22 Compliance Filings and Proposed FY22 Budget.

DISCUSSION AND FINDINGS

Consistent with the Contract, Staff coordinated with the TRC Team regarding the Proposed FY22 Compliance Filings and Budgets, as well as regarding the comments received on the same. The Proposed FY22 Compliance Filings and Budgets were distributed to the BPU listserv and posted on the NJCEP website. Staff accepted oral comments on the Proposed FY22 Compliance Filings and Budgets at a public hearing, solicited written comments from stakeholders and the public, and reviewed and considered these comments. Accordingly, the Board **HEREBY FINDS** that the processes utilized in developing the FY22 Compliance Filings and Budgets were appropriate and provided stakeholders and interested members of the public with adequate notice and opportunity to comment on them.

The Board has reviewed the FY22 Compliance Filings and Budgets, written and oral comments submitted by stakeholders, and Staff's recommendations. The Board **HEREBY FINDS** that the FY22 Compliance Filings and Budgets will benefit customers and are consistent with the NJCEP's primary objective of lowering energy bills, as well as with NJCEP's secondary objectives. Further,

the programs reflected in the FY22 Compliance Filings and Budgets will provide environmental benefits, and are otherwise reasonable and appropriate. Therefore, the Board **HEREBY APPROVES** the FY22 Compliance Filings and Budgets.

The Board **HEREBY DIRECTS** Staff to work with the Program Administrator to update relevant program documents, such as applications and program manuals, and to take the necessary steps to implement the programs and changes ordered herein, including, including but not limited to, the provision of adequate notice of such changes.

The budgets approved herein are based on estimated FY21 expenses and once final FY21 expenses are known, are subject to "true up" in a future Order(s). For example, if actual FY21 expenses are less than the estimated expenses for any program, then the unspent amount will carry over into FY22. To the extent that FY22 budgets approved herein are below FY22 expenses due to actual FY21 expenses being less than estimated FY21 expenses, the Board **HEREBY AUTHORIZES** the Fiscal Office to pay invoices for approved program expenses.

Pursuant to its authority under N.J.S.A. 48:2-40 and as required, the Board may reopen this matter and adjust the FY22 budgets. Any such adjustments will be considered by the Board and memorialized in a separate Order. The budgets approved herein are contingent on appropriations by the Legislature and subject to State appropriations law.

This Order shall be effective on June 24, 2021.

DATED: June 24, 2021

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
PRESIDENT

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

UPENDRA J. CHIVUKULA
COMMISSIONER

ROBERT M. GORDON
COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2022 - DOCKET NO. QO21040720

SERVICE LIST

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

TRC Energy Solutions

317 George Street, Suite 520
New Brunswick, NJ 08901

Michael Ambrosio
mambrosio@trcsolutions.com

Thomas A. Kowalczyk
tkowalczyk@trcsolutions.com

New Jersey Division of Law

Department of Law & Public Safety
Division of Law
25 Market Street
P.O. Box 112
Trenton, NJ 08625-0112

David Apy, Assistant Attorney General
david.apy@law.njoag.gov

Daren Eppley, Section Chief, DAG
daren.eppley@law.njoag.gov

Pamela Owen, Assistant Section Chief, DAG
pamela.owen@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

New Jersey Board of Public Utilities

44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary of the Board
board.secretary@bpu.nj.gov

Paul Flanagan, Esq., Executive Director
paul.flanagan@bpu.nj.gov

Bob Brabston, Esq.
Deputy Executive Director
robert.brabston@bpu.nj.gov

Curtis Elvin
Chief Fiscal Officer
Curtis.elvin@bpu.nj.gov

Division of Clean Energy

Kelly Mooij, Director
kelly.mooij@bpu.nj.gov

Stacy Ho Richardson, Deputy Director
stacy.richardson@bpu.nj.gov

Sherri Jones, Assistant Director
sherri.jones@bpu.nj.gov

Crystal Pruitt, Deputy Director
Office of Clean Energy Equity
crystal.pruitt@bpu.nj.gov

Matthew Rossi, Administrative Analyst 3
matthew.rossi@bpu.nj.gov

Counsel's Office

Abe Silverman, Esq., General Counsel
abe.silverman@bpu.nj.gov

Atlantic City Electric Company

500 N. Wakefield Drive
Newark, DE 19714

Philip J. Passanante, Esq.
philip.passanante@pepcoholdings.com

Marisa Slaten, Esq.
marisa.slaten@exeloncorp.com

Heather Hall
heather.hall@pepcoholdings.com

Elizabethtown Gas Company

Thomas Kaufmann
520 Green Lane
Union, NJ 07083
tkaufmann@sjindustries.com

Susan Potanovich
520 Green Lane
Union, NJ 07083
spotanovich@sjindustries.com

Gina O'Donnell
520 Green Lane
Union, NJ 07083
godonnell@sjindustries.com

Deborah M. Franco, Esq.
Regulatory Affairs Counsel
SJI Utilities
520 Green Lane
Union, NJ 07083
dranco@sjindustries.com

Steven R. Cocchi, Esq.
SJI Utilities
520 Green Lane
Union, NJ 07083
socchi@sjindustries.com

Elizabethtown Gas Company, cont'd

Stefany M. Graham, Director
Rates & Regulatory Affairs
SJI Utilities
1 South Jersey Place
Atlantic City, NJ 08401

Jersey Central Power & Light Company

300 Madison Avenue
Morristown, NJ 07962

Joshua R. Eckert, Esq.
jeckert@firstenergycorp.com

Mark Mader
Director, Rates & Regulatory Affairs – NJ
mamader@firstenergycorp.com

Tom Donadio
tdonadio@firstenergycorp.com

James O'Toole
jotoole@firstenergycorp.com

Kurt Turosky
kturosky@firstenergycorp.com

Kent Hatt
khatt@firstenergycorp.com

Lori Brightbill
llbrightbill@firstenergycorp.com

Lauren Lepkoski, Esq.
llepkoski@firstenergycorp.com

New Jersey Natural Gas Company

1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Andrew Dembia, Esq.
Regulatory Affairs Counsel
adembia@njng.com

New Jersey Natural Gas Company, cont'd

Anne-Marie Peracchio
Director, Conservation and Clean Energy Policy
aperacchio@njng.com

Public Service Electric and Gas Company

PSEG Services Corporation
80 Park Plaza, T5
PO Box 570
Newark, NJ 07102

Matthew M. Weissman, Esq.
General State Regulatory Counsel
PSEG Services Corporation
80 Park Plaza, T5G
Newark, NJ 07102
matthew.weissman@pseg.com

Joseph F. Accardo, Jr., Esq.
Vice President – Regulatory & Deputy General Counsel
joseph.accardo@pseg.com

Danielle Lopez, Esq.
danielle.lopez@pseg.com

Tim Fagan
Manager, Planning and Evaluation
PSE&G – Renewables & Energy Solutions
tim.fagan@pseg.com

Karen Reif
karen.reif@pseg.com

Todd Van Aken
todd.vanaken@pseg.com

Caitlyn White
Regulatory Case Coordinator
caitlyn.white@pseg.com

Rockland Electric Company, cont'd

New York, New York 10003
comesm@coned.com

John Carley, Esq.
Associate General Counsel
4 Irving Place Room 1815-S
New York, New York 10003
carleyj@coned.com

Charmaine Cigiliano, Section Manager
Customer Energy Services
Orange & Rockland Utilities, Inc.
390 West Route 59
Spring Valley, NY 10977
ciglianoc@oru.com

Donald Kennedy, Director
Customer Energy Services
Orange & Rockland Utilities, Inc.
390 West Route 59
Spring Valley, NY 10977
kennedyd@oru.com

South Jersey Gas Company

Steven R. Cocchi, Esq.
SJI Utilities
520 Green Lane
Union, NJ 07083
socchi@sjindustries.com

Stefany M. Graham, Director
Rates & Regulatory Affairs
SJI Utilities
1 South Jersey Place
Atlantic City, NJ 08401

Deborah M. Franco, Esq.
Regulatory Affairs Counsel
SJI Utilities
520 Green Lane
Union, NJ 07083
dranco@sjindustries.com

Rockland Electric Company

Margaret Comes, Esq.
Associate Counsel
4 Irving Place Room 1815-S

South Jersey Gas Company, cont'd

Atlantic City, NJ 08401
kcrispin@sjindustries.com

Carolyn A. Jacobs
Regulatory Compliance Specialist
SJI Utilities
1 South Jersey Place
Atlantic City, NJ 08401
cjacobs@sjindustries.com

Karen J. Crispin, Senior Rate Analyst
South Jersey Gas Company
1 South Jersey Place

New Jersey's Clean Energy Program™
Fiscal Year 2022 Program Descriptions and Budget

Energy Efficiency and Renewable Energy Program Plan Filing

FY22 Compliance Filing

June 24, 2021

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Table of Contents

Introduction

This Fiscal Year 2022 ("FY22") compliance filing ("Compliance Filing") presents the program plans, budgets, and anticipated savings of the initiatives of *New Jersey's Clean Energy Program*™ ("NJCEP").[1]

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

Budgets

Budget information for the programs implemented by the TRC Team ("TRC") can be found in Appendix E: Program Budgets.

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

Savings Goals

Energy savings projections for the programs implemented by TRC can be found in Appendix F: Program Goals and Performance Metrics.

New Jersey's Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act. The law called for a significant overhaul of New Jersey's clean energy systems by building sustainable infrastructure in order to fight climate change and reduce carbon emissions, which 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 Clean Energy Act required New Jersey's investor-owned 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 approved a comprehensive suite of efficiency programs that would transition the State to some of the highest energy savings in the country.

These "next generation" energy efficiency programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the programs will continue to be administered by NJCEP, but during FY22, many will transition to administration by the utilities. Many of the details of that transition have been and will be provided through means other than this Compliance Filing, but many of the key elements of the transition are summarized in the text and table immediately below.

[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.

There will essentially be three main categories of what are now NJCEP programs:

1. Programs that will remain administered by and through NJCEP.

    a. Residential New Construction ("RNC");

    b. Commercial and Industrial ("C&I") Buildings - New Construction ("C&I NC" or "SmartStart NC");

    c. C&I Buildings: Pay for Performance ("P4P") - New Construction ("P4P NC");

    d. C&I Buildings: Customer Tailored Energy Efficiency Program ("CTEEP" or "Cust Tailored"), as to new construction only;

    e. C&I Buildings: Large Energy Users Program ("LEUP");

    f. Local Government Energy Audit ("LGEA");

    g. Combined Heat and Power – Fuel Cells ("CHP-FC"); and

    h. Renewable Energy (i.e., solar) Programs ("RE").

    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. Complete descriptions of these programs and their incentives are set out in this Compliance Filing.

2. Programs that will transition to the utilities, but will remain open for the limited purpose of accepting applications for equipment purchased on or before June 30, 2021. It is anticipated that the new utility programs will commence operation on or about July 1, 2021 for equipment purchased on or after July 1, 2021. The NJCEP programs listed below will remain open for the limited purpose of accepting applications for equipment purchased on or before June 30, 2021.

    a. Existing Homes: Residential Gas & Electric HVAC Program ("HVAC")

    b. Energy Efficient Products ("EEP");

    c. C&I Buildings: Retrofit ("C&I Retrofit" or "SmartStart Retrofit"); and

    d. C&I CTEEP, as to retrofits only.

    If the applicant satisfies the June 30, 2021 deadline by purchasing the product or piece of equipment, the applicant must then comply with all other applicable program rules to receive an incentive, including those that set deadlines for the submission and/or completion of an application for the purchased product or equipment. For example, if an applicant purchases a piece of eligible equipment for a C&I retrofit on June 29, 2021 and submits a completed application to the C&I Retrofit Program by June 28, 2022 (i.e., within the program's rule requiring an application within one year of purchase), it would be eligible for an incentive for that piece of equipment. Regarding this category, this Compliance Filing contains only a reference to and incorporation of the applicable provisions of the FY21 Compliance Filing.

3. Programs that will be transitioning to the utilities and/or will be closed to new applications but will remain open for the limited purpose of processing applications submitted or funds committed, as applicable, on or before June 30, 2021. The June 30, 2021 deadline can be satisfied by submitting a completed application and/or other item(s) specified in Table 1:

    a. Existing Homes: Home Performance with ENERGY STAR ("HPwES");

    b. C&I Buildings - P4P – Existing Buildings ("P4P EB"); and

    c. Direct Install ("DI")

    If the applicant satisfies the June 30, 2021 deadline by submitting the required item(s), the applicant must then comply with all other applicable program rules to receive an incentive. For example, if a P4P EB partner submits a completed application on June 28, 2021, and the application is approved on July 28, 2021, the applicant's Energy Reduction Plan ("ERP") would be due by January 28, 2022 (i.e., within the program's expiring rule requiring the submission of an ERP within six months of the application approval date.) All other program deadlines and requirements would apply thereafter. Regarding this category, this Compliance Filing contains only a reference to and incorporation of the applicable provisions of the FY21 Compliance Filing.

In addition, the non-Investor-Owned Utility ("IOU") State Energy Program ("SEP") will be transitioning in a manner that follows the transitional rules that apply to the substantive program to which the SEP application is submitted.

Once an applicable deadline is met, all other existing program rules, including the availability of exceptions and appeals, apply. Applications not timely filed will be rejected. However, a rejection for a late submission as it applies to this section of the Compliance Filing will not necessarily render a project ineligible for programs administered by the utilities.

Set forth below is a table that summarizes the key elements of the transition:

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Table 1: Transition Summary

PROGRAMS	REMAINS WITH NJCEP?	DEADLINE EVENT	DEADLINE DATE
Energy Efficiency Programs			
Res EE Programs			
Existing Homes			
HPwES		Reserve/claim funding (1)	6/30/2021
HVAC		Purchase of Equipment	6/30/2021
RNC	X	NA	NA
EE Products (appliances only)(3)		Purchase of Product	6/30/2021
C&I EE Programs			
C&I Buildings			
C&I NC	X	NA	NA
C&I Retrofit		Purchase of Equipment	6/30/2021
P4P NC	X	NA	NA
P4P EB		Complete Application	6/30/2021
Cust Tailored	See note 2	Purchase of Equipment	6/30/2021
LEUP	X	NA	NA
LGEA	X	NA	NA
DI		Complete Application, including EAT & SoW	6/30/2021
Distributed Energy Resources			
CHP – FC	X	NA	NA
RE Programs			
SREC Registration		Deadline passed	Deadline passed
TI Program	X	NA	NA
Successor Program	X	NA	NA
SEP		Dependent on substantive program (4)	6/30/2021
Outreach and Education			
Outreach, Website, Other	X	NA	NA

Notes to the table immediately above:

1. I.e., the participating contractor must have completed the modeling for the application in SnuggPro and have moved the application into "Bid Approved Status."
2. NC remains with NJCEP; retrofits transition in accordance with this table.
3. The lighting and recycling components of EEP will cease to provide any incentives to manufacturers/retailers/applicants for sales or pickups, as applicable, that occur after June 30, 2021.

4. The SEP is a means to use federal funding to allow fuel oil, propane, and municipal and cooperative electric utility customers, i.e., customers who do not pay Societal Benefit Charges, to participate in select NJCEP programs. In FY21, those select programs consisted of the HVAC, HPwES, and DI Programs. By way of example only, the table above would require that an HVAC applicant have purchased her equipment by June 30, 2021 and submit her application within the time period required by the program rules (i.e., within 180 days of purchase in most cases) that an HPwES applicant have reserved/claimed funding by June 30, 2021.

Table References

Residential Energy Efficiency Programs

Existing Homes: Residential Gas & Electric HVAC Program

"New Jersey *WARM*Advantage & *COOL*Advantage"

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

Existing Homes: Home Performance with ENERGY STAR Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

Residential New Construction Program ("RNC Program")

Program Purpose and Strategy Overview

The RNC Program is designed to increase the energy efficiency 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® Certified New Homes Program, EPA ENERGY STAR Multifamily High Rise ("MFHR") Program, 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 energy efficiency 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 building stronger relationships with the participating builders through the development and use of a Builder's Participation Agreement clarifying the builders' relationship with the RNC Program, 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.

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 MMBtu incremental

savings compared to the User Defined Reference Home ("UDRH").[2] 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 a 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 a ZERH single-family or multi-single home;
- 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.

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

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 IECC 2009/2015/2018 energy code sets the minimum energy performance requirement for newly constructed homes. Therefore, they all result in energy performance that is better than that required by IECC 2009/2015/2018, as applicable, depending on the home's permit date.

ENERGY STAR Home

Builders that enroll in this pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI, including full inspection checklist requirements. This pathway includes ENERGY STAR Version 3.0 or 3.1, depending on the date of the applicable building permit for single-family and multi-single homes. 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 energy efficiency achievement in new home construction. Program requirements include meeting or exceeding all DOE ZERH[3] technical standards, building in compliance with the ENERGY STAR Homes Program and all checklists, meeting 2015 IECC insulation levels, and certifying under EPA's Indoor airPLUS 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.

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 renewable energy 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.

ENERGY STAR Multifamily High Rise (MFHR) / ENERGY STAR Multifamily New Construction (MFNC)

On January 1, 2019, EPA launched its new ENERGY STAR MFNC Program that combines low, mid, and high rise buildings under one program. By July 1, 2021, EPA will cease using its predecessor programs for any multi-family buildings. This pathway will satisfy the requirements for ENERGY STAR MFNC Version 1.1 certification, meeting the performance targets of the ERI or ASHRAE pathways, including full inspection checklist requirements.

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[3] https://www.energy.gov/eere/buildings/guidelines-participating-doe-zero-energy-ready-home-program

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., townhouses), multifamily buildings are eligible for RNC Program benefits if the home/building will use natural gas and/or electricity as the heating fuel supplied by a New Jersey public utility. 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 in order to receive incentives.

For buildings and projects registered in this RNC Program during FY20 and thereafter, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as Appendix D, 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, including but not limited to the Residential HVAC Program (*COOL*Advantage/*WARM*Advantage) or Existing Homes 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 Certified Home, ZERH, ZERH+RE, ENERGY STAR MFHR, or ENERGY STAR MFNC 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 Certified Homes and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by EPA ENERGY STAR and supersede requirements of this program.

ENERGY STAR Certified Homes

Meet or exceed all EPA ENERGY STAR Certified Homes version 3.1 or 3.0 (based on permit date) Performance Path standards[4] including:

- Meet or exceed the ENERGY STAR Certified Homes version 3.1 or 3.0 Energy Rating Index Target; and

[4] ENERGY STAR Certified Homes: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

- Complete all ENERGY STAR Certified Homes version 3.1 or 3.0 mandated checklists.

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards[5] including:

- Complete all ENERGY STAR Certified Homes Version 3.1 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 electric site energy usage must be met by renewable energy systems installed onsite prior to completion of the home.

ENERGY STAR Multifamily High Rise (MFHR)

Meet or exceed EPA ENERGY STAR MFHR Program standards[6] including:

- Follow Performance Path which utilizes ASHRAE approved energy modeling software to determine energy savings of a customized set of measures; and
- NJCEP will require the application of a specific baseline within six months of EPA imposing such a requirement.

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed EPA ENERGY STAR MFNC Version 1.1 performance path standards[7] including:

- Meet or exceed the ENERGY STAR MFNC 1.1 following either the Energy Rating Index or ASHRAE pathways; and
- Complete all ENERGY STAR MFNC 1.1 mandated checklists.

Incentives

The RNC Program incentive tables can be found in Appendix A.

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 MFHR and MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFHR and 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 building permit. The ASHRAE reference building is incorporated in the

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[5] Zero Energy Home Standards https://www.energy.gov/eere/buildings/zero-energy-ready-home

[6] https://www.energystar.gov/partner_resources/residential_new/program_reqs/mhrp/program

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

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 Low- and Moderate Income (LMI).[8]

ZERH Rater Incentive

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single 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 fiscal year 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 Enrollment 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

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

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.

Energy Efficient Products Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

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 energy efficiency 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 energy efficiency 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 energy efficiency 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;
- Prescriptive incentives for pre-identified energy efficient equipment and custom incentives for more complex and aggressive measures to permanently raise the efficiency levels of standard equipment;

- Pay for Performance ("P4P") opportunities that emphasize building operation and performance in addition to the efficiency of installed equipment;
- 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 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 12 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, by submitting an application to the program and receiving program incentives, customers self-certify that they are complying with prevailing wage requirements.

C&I Buildings: C&I New Construction and Retrofit Programs

"SmartStart"

Program Purpose and Strategy Overview

The C&I New Construction and Retrofit ("SmartStart") Programs were part of the original suite of C&I programs available through the NJCEP.

The applicable portions of the FY21 Compliance Filing, Rev 1.0 will govern the SmartStart Retrofit Program until that program transitions to the utilities and/or out of existence in accordance with the discussion in the Introduction to this Compliance Filing. By contrast, the SmartStart New Construction ("SmartStart NC") Program will continue under NJCEP and be governed by this FY22 Compliance Filing.

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 energy efficiency professionals to better solicit a prospective energy efficiency project.

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 energy efficiency measures. On September 3, 2019, the State of NJ adopted the ASHRAE 90.1-2016 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 energy efficiency 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 include:
    - Electric Chillers;
    - Natural Gas Chillers;
    - Unitary HVAC (Heating, Ventilating, Air Conditioning) Systems;
    - Ground Source Heat Pumps ("Geothermal");
    - Gas Furnaces;
    - Variable Frequency Drives ("VFDs");
    - Gas Fired Water Heating;

- Gas Fired Water Booster Heating;
- Tankless Water Heaters;
- Performance Based Lighting;
- Kitchen Hood Variable Frequency Drives;
- Low Intensity Infrared Heaters;
- Boiler/AC Economizing Controls; and
- Food Service Equipment.

- **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 B found in the *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).[9] 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 Large Energy Users Program, the Local Government Energy Audit Program, and the Direct Install Program. Applicants to the program must be contributors to the SBC.

Incentives

The tables in Appendix B: Commercial and Industrial Incentives and General Rule 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 90.1-2016 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2016 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

[9] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this RNC 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.

prescriptive standard and incentive once it has received three or more custom applications for the same measure.

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 – Existing Buildings

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

C&I Buildings: Pay for Performance New Construction

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 cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy 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, ENERGY STAR, and ASHRAE Building Energy Quotient.

Program Description

The P4P NC Program takes a comprehensive, whole building approach to energy efficiency in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.[10] The program provides tiered incentive levels correlated to the modeled 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 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 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 energy efficiency measures. The submitted Proposed ERP must include a package of energy efficiency measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2016.[11] The minimum performance target will be measured in terms of energy cost, which is consistent with ASHRAE 90.1, Appendix G, EPAct Federal Tax

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[10] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this RNC 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.

[11] 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 90.1-2013 will have their P4P NC applications processed using ASHRAE 90.1-2013 as their baseline.

Deductions and LEED NC. Program Guidelines will outline equivalent savings values depending on the modeling compliance path chosen.

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 or as approved by the Program Manager. The program will offer two modeling compliance paths to demonstrate that the proposed design meets or exceeds the minimum performance target.

Path 1: ASHRAE Building Energy Quotient (bEQ) As-Designed Path

Under this path, the partner will develop a single energy model representing the proposed project design using prescribed modeling assumptions that follow *ASHRAE Building Energy Quotient ("bEQ") As-Designed* [12] simulation requirements. Proposed design simulation results, including Energy Use Intensity ("$EUI_{standard}$"), will be measured against the median EUI for the building type ("EUI_{median}") to evaluate the Performance Score.

$$\text{Performance Score} = (EUI_{standard} / EUI_{median}) \times 100.$$

Measures must be modeled within the same proposed design energy model, but as parametric runs or alternatives downgraded to code compliant parameters.

Path 2: ASHRAE 90.1-2016 Appendix G Path

Under this path, the partner will model a baseline and proposed building using ASHRAE 90.1-2016 Appendix G *modified by Addendum BM.* Addendum BM sets a common baseline building approach that will remain the same for ASHRAE 90.1-2016 and all future iterations of ASHRAE 90.1, and is roughly equivalent to ASHRAE 90.1-2004. To comply with ASHRAE 90.1-2016, a proposed building has to have energy cost savings of 11-40% from the Addendum BM baseline, depending on the building type and climate zone. Measures must be modeled as interactive improvements to the ASHRAE 90.1-2016 Appendix G baseline with Addendum BM accepted.

Each project, regardless of compliance path selected, 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 90.1-2016 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.

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[12] http://buildingenergyquotient.org/asdesigned.html

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.[13] Multiple buildings that are grouped into one program application are viewed as a single

[13] 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 the decision tree Appendix D: 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 90.1-2016. (See also the P4P EB section of this Compliance Filing.)

Program Offerings and Incentives

The P4P NC Program's incentive structure was conceived to encourage the design and achievement of comprehensive energy cost 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 2: P4P NC Incentive Schedule

	Cost or Source Energy Reduction from 90.1-2016 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. Entity caps also apply.
- 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 energy efficiency 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: Large Energy Users Program

Program Purpose and Strategy Overview

The purpose of the Large Energy Users Program ("LEUP") is to foster self-investment in energy efficiency and combined heat and power projects for New Jersey's largest C&I 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 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;
- Appealing incentive structure allowing customers to obtain up to 90% of their respective NJCEP contribution for qualifying projects; and
- Ability to participate in other programs while engaged in LEUP.

Program Description

Incentives are awarded to customers that satisfy the program's eligibility and program requirements ("Eligible Entities" or "Eligible Customers") for investing in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's energy efficiency, conservation, and greenhouse gas reduction goals. The program relies on eligible customers and their technical consultants to identify and develop qualifying energy efficiency 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; [14]
- Review and approval/rejection of all submitted Final Energy Efficiency Plan ("FEEP") submittals;
- Technical assistance via email and telephone to assist entities in the proper submittal of the required information;
- Updates of data tracking tools to incorporate additional tasks related to this initiative; and

[14] Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEEP.

- 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. Eligible entities shall be defined as (1) Public: having distinct and separate budgetary authority; (2) Public Schools: having distinct and separate budgetary authority; and (3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey. Consistent with Docket No. EOO7030203.
- Further, in order to be considered for incentives, the average billed peak demand of all facilities included in the DEEP/FEEP must meet or exceed 400kW and/or 4,000 DTherms.
    - Example: Entity submits DEEP/FEEP for two buildings. Building one has a metered peak demand of 200kW; building two has a metered peak demand of 600kW. Per the above guideline, both buildings would be considered for incentives as the average would be equal to 400kW.

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:

- Number of buildings/sites and list of all associated utility and third-party supplier accounts;
- Total usage and number of location or premise IDs as provided by utility; and
- Total contribution to NJCEP fund in previous fiscal year from above buildings/sites.

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 ECM must meet Minimum Performance Standards, which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
    a. Pay for Performance Guidelines-Appendix B;
    b. ASHRAE 90.1-2016; and
    c. Local code
2. ECMs must be fully installed no later than twelve (12) months from approval of the FEEP. Extensions may be granted for a period of up to six (6) months with satisfactory proof of project advancement. This could be in the form of 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; however, these projects may be eligible for other NJCEP incentives.
2. Incentive will be limited to energy efficiency measures. The following shall not be included as part of this program:
    a. Renewable energy; and
    b. Maintenance energy saving projects
3. 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.
4. 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.
5. Federal grants/incentives are allowed. Other state/utility incentives are allowed provided they do not originate from NJCEP funds. NJCEP loan funds are allowed. Total of federal, state, utility, and LEUP funding shall not exceed 100% of total project cost.
6. No DEEP or FEEP may have more than 50% of the overall total energy savings coming from lighting and/or lighting controls measures.

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 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 M&V data as requested and will comply with any program evaluation activities.

Program Offerings and Incentives

The program will offer a maximum incentive per entity, which will be the lesser of:

- $4 million;
- 75% of total project(s) cost as identified in the FEEP. Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP;
- 90% of total NJCEP fund contribution in previous year (i.e. from all entity facilities), provided, however, that an applicant may choose to bank and combine up to two (2) consecutive years of total NJCEP fund contributions for the purpose of calculating its maximum incentive in a given fiscal year, provided the applicant has not participated in LEUP in the fiscal year immediately preceding the subject application. For example, if a participant in FY15 contributed $500,000, in FY16 contributed $600,000, and in FY16 did not submit a LEUP application, the applicant's maximum incentive for a project in FY17 would be no more than $990,000 (.9 x (500,000 + 600,000)).

    - The total contribution is calculated as 3% of the annual energy costs described in the Target Markets and Eligibility subsection above.
- $0.33 per projected kWh saved annually; $3.75 per projected therms saved annually.

The program has a minimum incentive commitment of $100,000. Projects with incentives below this threshold will be redirected to other NJCEP 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. Incentive 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 energy efficiency 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: Customer Tailored Energy Efficiency

The applicable portions of the FY21 Compliance Filing, Rev 1.0 will govern the application of this Customer Tailored Energy Efficiency Program ("CTEEP") to retrofits until the applicability of this program to retrofits transitions to the utilities and/or out of existence in accordance with the discussion in the Introduction to this Compliance Filing. By contrast, that portion of this CTEEP that applies to new construction (for the avoidance of doubt, including substantial renovations (aka gut rehabilitations)) will continue under NJCEP and be governed by this FY22 Compliance Filing.

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 energy efficiency 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 energy efficiency technologies that are not currently addressed under SmartStart;
- Technical assistance incentives offered to help minimize the soft costs associated with developing an energy efficiency project;
- Leverages existing energy efficiency professional networks;
- Larger customers with multiple measures can access incentives for their targeted energy efficiency 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 CTEEPP 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 energy efficiency 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.

Program Implementation Description

The CTEEPP 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 energy efficiency professionals.

The program process is as follows:

1. **Outreach and Recruitment** – The CTEEPP 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. **Benchmarking (Optional)** – CTEEP will offer benchmarking services to help customers identify which opportunities and facilities may benefit most from energy improvements.

4. **Energy Efficiency Plan Development** - Upon application acceptance, the customer works with its technical experts to develop the EEP.

5. **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.

6. **ECM Installation** – The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.

7. **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 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 energy efficiency 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 independent[15] 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.

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.

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

Table 3: CTEEPP 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 Minimum Performance Standards 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 CTEEPP 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 CTEEPP 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 & 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.

Local Government Energy Audit Program

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 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 guide Applicants towards appropriate NJCEP funded 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.

Program Description

This program is implemented as follows:

- The Applicant will submit a pre-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;
- A case manager will assist the Applicant in determining the audit path that best addresses the Applicant's needs (as described below) before the Applicant submits additional information regarding utility accounts and associated bills and other applicable energy usage information for each building in the scope;
- Available energy audit paths include:
    - ASHRAE Level I audit[16];

[16] 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.

    - ASHRAE Level II audit; and
    - Add-on scope audits (i.e., a more detailed review of an existing or potential CHP or renewable energy system added on to the scope of a standard audit).[17]
- When an Applicant is enrolled in LGEA and participating in any NJCEP equipment incentive 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 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.
- The scopes of work of the energy audit paths are consistent with Section 3.8.1 of RFP 16-X-23938, dated April 21, 2015, and the related Technical Proposal and Contract (#A40225).
- In order to provide compatibility with the ESIP, the energy audit scope will include an evaluation of energy related water conservation measures, demand response potential, and estimated greenhouse gas reduction for each recommended measure.
- 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 $100,000 per fiscal year, per Applicant. 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 $100,000, the Program Manager will work with the Board Staff to determine and authorize a larger cost cap, not to exceed $300,000. Additionally, 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 $100,000 would be for auditing facilities designated as hospitals by the NJ Department of Health ("DOH").

Services offered under LGEA do not count towards the fiscal year incentive cap (see C&I / DER Entity Incentive Caps in Appendix B of this Compliance Filing).

It provides detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions.

[17] 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.

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.

Buildings must demonstrate an average demand of 200kW or greater in the most recent twelve (12) months of electric utility bills (inclusive of all accounts in the building) in order to qualify to participate in LGEA. Buildings that do not meet this requirement will be recommended to apply for the Direct Install Program. The Program Manager will have the ability to grant exceptions to the kW requirement, on a per building basis, if the Applicant can demonstrate they meet at least one of the following criteria:

1. ESIP is an anticipated source of funding;
2. Master or campus metering arrangement on-site where demand of any single building is unknown; and
3. Demonstrates:
    a. The scope of one or more measures the Applicant would like to pursue is not available in the Direct Install Program; or
    b. The type of building is not a good fit for the Direct Install Program (e.g., it is an industrial building).

For #2 and #3 above, the Applicant must provide a detailed explanation as to how it meets the criteria for the claimed exception. LGEA is available to buildings never previously audited under the Program, as well as, buildings that have received an audit no less than three (3) years earlier (measured from the audit report approval date). All program requirements must be met in order for an entity to qualify for a second energy audit.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all LGEA participants. All applications received are reviewed to confirm compliance with eligibility requirements and technical information. Applicant supplied information is entered into the database and electronic files are created for all documents, including project correspondence. The Program Manager will perform internal quality assurance reviews on audit reports.

On an annual basis program quality control staff will accompany each LGEA auditor on a visit to a randomly selected LGEA applicant's facility to verify that the audit is conducted in accordance with proper protocols, and to ensure the accuracy of the audit in documenting the facility's detailed building survey. Quality control staff will also regularly conduct technical reviews of full audit reports. The selection of projects will be based on a pre-determined, random sampling percentage. Finally, audit pricing will be reviewed by the Program Manager for consistency and compared to LGEA historical data, referencing similar facilities for comparison.

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

Direct Install Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

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.

Projects meeting the definitions of either CHP or WHP 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.

FCs are further broken down between "≥ 60% FCs" that can achieve an annual system efficiency of ≥ 60% (Higher Heating Value – HHV), based on total energy input and total utilized energy output (Efficiency) and "≥ 40% FCs" that can achieve an Efficiency ≥ 40% < 60%.

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

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 serve 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. One hundred percent 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 projects are subject to ten (10) year warranty requirements with the exception of public entities. Public entities that are prohibited from entering into agreements for the full ten (10) years may comply with the 10-year requirement by: (a) providing an agreement for the longest lawful term; (b) committing the entity to purchase an agreement for the remaining years; and (c) either (i) providing the vendor's commitment for specific pricing for those remaining years, or (ii) assuming the pricing for the remaining years will increase by 2.5% each year (e.g., for the purpose of calculating a payback period);
- Each project must pass a project-level cost-effectiveness analysis demonstrating the simple project payback period, including any federal tax benefits and the Program incentive. Systems installed in Critical Facilities must not exceed a payback period of twenty (20) years, systems fueled by a Class 1 renewable source must not exceed a payback period of twenty-five (25) years, and all other systems must not exceed a payback period of ten (10) years;
- 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;
- System must be sized to meet all or a portion of the customer's on-site load not to exceed 100% of the most recent historical annual consumption or peak demand. For all projects, any surplus power that may become available during the course of a given year may be

sold to PJM. Any system fueled by a Class 1 renewable source is exempted from this program requirement provided the system is sized to match the Class 1 renewable fuel produced on-site; 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 back-up generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

Manufacturer Diversity Caps for ≥ 40% FCs

During FY22, that is, from July 1, 2021 through June 30, 2022, new incentive commitments for ≥ 40% FCs are capped at $4,500,000, and new incentive commitments for projects primarily involving equipment from any single ≥ 40% FC manufacturer are capped at $1,500,000. By way of example, if during FY22 applicants A, B, and C have each been issued a $500,000 commitment for ≥ 40% FC projects using equipment primarily supplied by manufacturer D, no further commitments would be issued during FY22 for ≥ 40% FC projects using manufacturer D's equipment.

Board Staff may approve exceptions to the above caps on a case-by-case basis if it determines that doing so is necessary to ensure full use of the current FY's FC and/or CHP-FC budgets.

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 Appendix C.

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. Installations of multiple systems planned for the same site within a 12-month period must be combined into a single project. 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.

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") were established through legislation and implemented through regulation and Board Order. NJCEP's Solar Renewable Energy Certificate ("SREC") Registration Program ("SRP") was designed to meet the goals and objectives of the regulations. More recently, in 2020, the Board proposed and adopted additional regulations establishing a solar Transition Incentive ("TI") Program to provide a bridge between the legacy SRP and the pending Successor Program, as more fully explained under the *Transition Incentive and Successor Programs* section below.

Program Description

SRECs are tradeable certificates that represent the clean energy benefits of electricity generated from a solar electric system. Transition Renewable Energy Certificates ("TRECs") are certificates that can be sold to the TREC Administrator at fixed prices determined by the Board. For each 1,000 kWh (1MWh) of electricity a solar electric system generates, an SREC or TREC (hereinafter sometimes collectively, "REC") is issued, which can then be sold or traded separately from the power. The revenues from REC sales or trades can make it more economically attractive for individuals and businesses to finance and invest in clean, emission-free solar power.

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 tracking and trading of RECs.

In FY22, the focus of the Solar Programs will be to support the goals and objectives of New Jersey's solar polices, including the pending Successor Program.

FY22 Program Changes

The Board and its Staff have undertaken various activities to implement the Clean Energy Act. Those activities include various proceedings regarding the solar transition required by the Act as more fully explained under the *Transition Incentive and Successor Programs* section below. In FY22, TRC will coordinate with Board Staff to continue to carry out the solar transition described in the subject section.

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 New Jersey 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 in 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 and 14:8-10. The program rules will continue to conform to these regulations.

In addition:

1. A web based solar portal, including a new one for the Successor Program, will be used for submitting registrations; and
2. The Program Manager will prepare monthly reports identifying program results and trends.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

1. Sustain the growth of New Jersey's solar markets, while communicating accurate and objective information on market development activity.
2. Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g. new RPS levels, net metering, etc.), and translate new policies into program operational procedures, as required.
3. Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Act.

Transition Incentive and Successor Programs

On May 23, 2018, the Clean Energy Act, L. 2018, c. 17, codified at N.J.S.A. 48:3-51 to -87 (Act), became law. The Act, among other things, mandates that the Board close the SRP to new applications once it determines that 5.1% of the kilowatt-hours sold in the State have been generated by solar electric power generators connected to the distribution system (Milestone). The Board determined this milestone date was reached on April 30, 2020.

The Act also directed the Board to modify or replace the SRP with a new program to encourage the continued efficient and orderly development of solar generating sources throughout the State (Successor Program). Through several Orders and other means, the Board and its Staff have established the TI Program to provide a bridge between the legacy SRP and the Successor Program. The TI Program will remain open until the adoption of a Successor Program.

The Successor Program is being developed by the Board and its Staff with input from stakeholders and the public. Board Staff released its Straw Proposal on April 7, 2021, conducted a series of public meetings regarding the proposal, and accepted comments on it. See Solar Successor Program: Staff Straw Proposal. Board Staff anticipates the program would launch during FY22.

Quality Control / Quality Assurance Provisions

All renewable energy systems facilitated through the Solar Programs 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 Programs 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" 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 the Solar Programs projects. An on-site verification will be performed for all grid-supply projects, all behind the meter projects with a capacity greater than 500 kW, and all add-on systems that add additional capacity or unique installations. The Program Manager may also conduct on-site verifications upon written request from the 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 the 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.

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

State Energy Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

Outreach, Website and Other

Outreach Plan

Executive Summary

This Outreach Plan ("Plan") supports NJCEP's broad range of incentive programs through the work of the TRC Outreach Team. This Plan highlights the tactics that the Outreach Team will use to raise awareness of these programs, educate potential program applicants, contractors, and stakeholders. Based on the transitioning of some energy efficiency programs to the utility companies for FY22, this plan includes components to support both the BPU and the program contractors through the transition process. Accommodating for the transition, the Outreach Team will be structured to give individualized support to the energy efficiency programs in this plan that are staying with the BPU. When NJCEP is referenced in this document it is referencing the programs that are staying with the Clean Energy Program after the transition.

Newly added tactics for FY22 support the priorities and focus areas of BPU and include:

- Expanded community outreach to Overburdened Communities;
- Individualized approaches to energy efficiency programs run by the BPU; and
- BPU Support for the Energy Efficiency Transition of some programs to the utility companies.

In addition to these new tactics, improvements have been made to the existing outreach tactics to focus deeper on specific TRC programs after gauging the market's interest and measuring success in FY21. The Outreach Team will continuously monitor success and adjust tactics and actions, as needed.

The addition of expanded Community Outreach will allow the Outreach Team to understand the concerns and challenges of Overburdened Communities through equitable relationship building in targeted communities. This support integrates with the other new tactics and goals of expanded community outreach to spread clean energy program education and community level awareness.

Background

During FY21, the Outreach Team completed a fiscal year in a mostly remote environment due to COVID-19 while continuing to support the programs and engage with stakeholders across the entire state of New Jersey. The strategies had a positive impact on applications submitted, presentations given, energy savings, trade ally recruitment, BPU participation, and audit program participation. This FY22 Outreach Plan incorporates lessons learned from past years to focus on tactics that increase engagement and energy savings over FY21.

Highlights from FY21 (9 months):

Program Performance

- Outreach activities took place in all 21 counties of New Jersey in FY21.
- The greenhouse gas emissions saved through Outreach generated energy efficiency projects installed in FY21 were the same as the greenhouse gas saved from taking 21,977 passenger vehicles off the road for a year (source: EPA Greenhouse Gas Calculator).
- The Outreach Team surpassed their year-end goal of presentations by March 2021 with 215 presentations given to 4,529 participants. Select presentations were saved on the Clean Energy Learning Center website.
- The percentage of LGEA projects that moved on to participate in NJCEP incentive programs increased from 48% to 51% (through March 2021, 5 months).

Equity

- Worked with BPU and the products team to coordinate the distribution of free LED bulbs at food pantries and other community organizations.
- Supported environmental justice through dedicated and focused efforts to address underserved customers and communities through outreach in Urban Enterprise Zones, Opportunity Zones, and engaging decision makers in the affordable housing industry.
- Expanded outreach to Community Action Agencies and other nonprofit organizations in NJ and provided them with a detailed presentation about the NJ Clean Energy Programs.
- Expanded Spanish-speaking community-focused outreach to include translated collateral, Spanish-spoken presentations, customer/contractor support in Spanish, and new relationships with Hispanic organizations including a membership with the Statewide Hispanic Chamber of Commerce of New Jersey.
- Minority organizations were targeted for further program awareness. The team joined the African American Chamber of Commerce of New Jersey and the New Jersey Association of Women Business Owners; and presented at the Black Issues Convention, NJBIA Women Business Leaders Council, NJ LGBT Chamber of Commerce, and NYNJ Minority Supplier Development Council among many other groups.
- Assisted GreenFaith in their re-launch to their regional Green Circle leaders that included a NJCEP presentation about benefits to residents, local businesses, and religious facilities. These Circles act as regional hubs to houses of worship interested in sustainability.
- Created content for multifamily, small businesses, and a more general NJCEP overview, as well as more high-level residential and C&I overviews to be utilized just before and after the transition of some programs to the utilities.

BPU Support

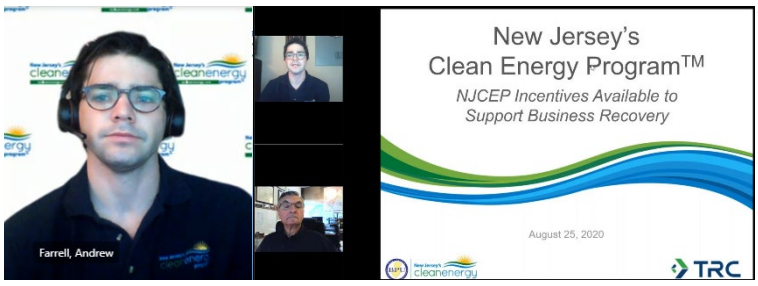
- Supported BPU-led initiatives through presentation content and providing leads for events and speaking requests to the BPU.
- Served on the EE Transition Marketing Working Group to assist in the planning and messaging of the program transition including the creation of the informational Transition Landing Page, frequently asked questions, presentation slides, and content for the EE Working Group Orientation Meetings and the EE Committee Meetings.
- Created a specialized GIS application for the Transition Landing Page to assist customers and contractors to find the gas and utility provider for any entered address.

Adaptable Market Strategies

- Provided presentations specific to careers in energy efficiency to college students and educators.
- Developed monthly content for NJCEP/BPU social media feeds.
- Updated monthly a GIS tool to map outreach campaigns, opportunities, and projects.
- Orchestrated and created targeted educational webinars during the COVID-19 pandemic with varying topics supporting trade ally development.
- Strategized and developed a new presentation geared towards homeowner audiences. Created a comprehensive realtor contact list and presented webinars to various realtor groups to further homeowner awareness of energy efficient homes.
- Updated the NJCEP presentation template and the NJCEP slides with program updates and streamlined the end user message.
- Worked with the new Marketing Team to assist them in understanding the programs and program metrics.
- Continued to adjust since March 2020 to accommodate the COVID-19 pandemic by assisting with program messaging, and by adapting the Outreach Team to reach the target markets virtually through webinars and targeted e-blasts rather than in-person events. Virtual booths were designed and staffed at large conferences that used to be held in person.

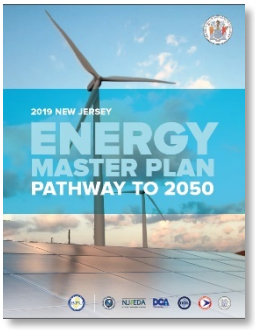
The team shifted and setup virtual conference exhibitions where a live account manager was at the booth and other staff networked with vendors and conference attendees.

Equitable tactics took place to target Urban Enterprise Zones, Opportunity Zones, and Affordable Housing. Map is of DI projects and the Atlantic City Opportunity Zone (blue).



FY21 meetings and presentations remained virtual due to COVID-19.

Outreach Goals



The Outreach Team supports the goals of NJCEP, as well as those of BPU and the Administration, including:

- ***Support the Administration's goal of 100% clean energy by 2050*** – Since the release of the 2019 New Jersey EMP, the Outreach Team's support of the Plan's strategies continues to play a crucial role in reducing our reliance on fossil fuels.

Table 4: Energy Master Plan Strategies versus Outreach Tactics

EMP Strategy	Outreach Tactics
1. Reduce Energy Consumption and Emissions from the Transportation Sector	▮▯▯
2. Accelerate Deployment of Renewable Energy and Distributed Energy Resources	▮▮▯
3. Maximize Energy Efficiency and Conservation and Reduce Peak Demand	▮▮▮
4. Reduce Energy Consumption and Emissions from the Building Sector	▮▮▮
5. Decarbonize and Modernize New Jersey's Energy System	▮▮▮
6. Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low and Moderate Income and Environmental Justice Communities	▮▮▮
7. Expand the Clean Energy Innovation Economy	▮▮▯

- ***Promote programs to customers, contractors, and trade allies*** – Representation of the Clean Energy Program in the marketplace for all programs and program enhancements. We will work across all target markets to ensure they have the necessary information and training to fully engage in the programs.
- ***Support Environmental Justice to Overburdened Communities and customers*** – Work with BPU, other state agencies, and community organizations towards ensuring all customers have an equitable opportunity to learn about and use the programs.
- ***Support Marketing Team in promotional efforts*** – In collaboration with BPU and Marketing Team, ensure all outreach messaging is consistent with new marketing messages and themes. Program information will be shared as requested to highlight successes around program opportunities, successes, and events.
- ***Collaboration with BPU to reach specific sectors and customers*** – Jointly develop outreach strategies for specific sectors to leverage contacts and expertise.

The tactics outlined in this plan are intended to support these goals. The Key Performance Indicators ("KPI") listed below, and other indicators that will be included in monthly reports, will track progress toward these goals.

Target Markets

NJCEP programs are available to every resident, business, local government, and nonprofit entity in the State that is a customer of an Investor-Owned Utility. Outreach efforts are intended to address this vast audience that is comprised of a variety of markets. The tactics described within this plan are designed to address these target markets to increase the reach and success of NJCEP programs.

Table 5: Market Category Definitions

Market Category	Definition
Customer	Homeowners, Property Owners/Managers, Renters, Businesses, NPOs, State, County & Municipal Government Entities, Schools
Contractor	HVAC & Insulation Contractors, Plumbers, Remodelers, Electricians, Program Contractors
Trade Ally	Builders, Developers, Architects, HERS Raters, Consultants, ESCOs, Engineers, Realtors, Manufacturers, Distributers, Retailers
Stakeholder	Community Organizations, Membership Organizations, Green Teams, State Agencies, Chambers of Commerce, Business and Economic Development Associations
Partner	Marketsmith, Sustainable Jersey, NJ Institute of Technology, GreenFaith, Utilities (ACE, ETG, JCP&L, PSE&G, NJNG, RECO, and SJG), EPA, DOE, USDA, DEP, ENERGY STAR, County Improvement Authorities

Outreach Tactics

Tactics are how we achieve our goals. They are specific steps and actions taken to support the outreach strategy and give structure to day-to-day activities. Most of the tactics employed in FY22 address the strategies of the EMP along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below.

Community-Specific Outreach in Overburdened Communities

NEW in FY22

Equity

Ensuring equitable access to and awareness of the programs offered by NJCEP continues to be a cornerstone of the outreach effort. In FY22, the Outreach Team will segment into two different focuses: Program Outreach and Community Outreach. The existing Community Outreach Account Manager position will be expanded in FY22 to broaden equitable outreach to select cities and municipalities into a new outreach role known as Community Organizer. This community-centered approach will provide awareness of clean energy including utilization of the LGEA program to communities that often do not have the staffing or volunteer capacity to utilize the program.

By utilizing the NJDEP's list of Overburdened Communities and collaborating with the Division of Clean Energy's Office of Clean Energy Equity and with partners such as the Marketing Team, Sustainable Jersey, and Comfort Partners for jointly targeted campaigns, geographic areas with the highest scores/percentages of the following indicators will be targeted: low-income, minority, and limited English. To have a broad distribution of outreach efforts across the State, a pilot approach that will focus on five urban areas with extended assistance to nearby rural areas with high percentages of low-income census tracts. Each Community Organizer will be working in one core urban area to expand on existing and build new localized relationships.

A separate strategic plan will outline the engagement with these pilot areas to collaborate with program partners, build relationships, and gain trust among the community leaders. These organizers will be the face of NJCEP by holding initial meetings with decision-makers, hosting educational workshops jointly with the local utility outreach representative, staffing local community events such as street fair booths, and identifying additional needs such as translated collateral into different languages. The leaders from the following types of organizations will be targeted:

- Statewide and regional minority organizations,
- Town councils,
- Environmental commissions,
- Housing authorities,
- Community based organizations, and
- Faith based organizations.

While engaging with the town officials, the Community Specialists will also provide assistance to the city or town to participate in the Local Government Energy Audit program if they have not participated before. Often areas serving Overburdened Communities do not have the staffing or volunteer resources to invest time in the free audit program.

Customized Program-Specific Outreach Focus

NEW in FY22

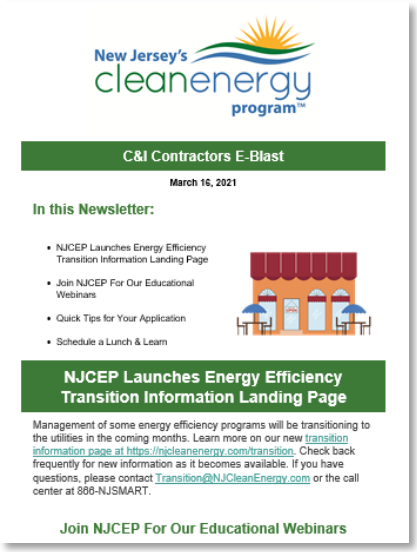
Program Account Managers will focus solely on outreach designed to bring projects into the programs offered in this filing. Given the scope of programs, each has different target applicants, membership organizations and other access points so the outreach techniques will be customized for each of those project sectors. This new Outreach Team design for FY22 allows the Program Account Managers to specialize in specific focus areas needed to assist participants in navigating the programs, understanding their opportunities for energy savings and applying to the programs

New Construction: Engage Contractors & Trade Allies

New construction contractors and trade allies have direct and influential contact with potential NJCEP customers since they are designing the projects. Cultivating those relationships by participating in professional organizations, soliciting feedback from them about their needs and the needs of their customers, as well as, their experience with the programs can help us to continually improve the customer experience and program quality. How we work with these contractors and trade allies may differ between those that primarily serve C&I customers and those that serve residential customers. The goals, however, are the same – to increase economic development and clean energy awareness that leads to the use of the new construction programs to minimize lost opportunities.

We will continue our educational training series specific to each sector to educate potential participants about the benefits and costs of participation and help identify the program path most-suited to each potential participant's needs and interests. We will represent the entire NJCEP portfolio at events and triage inquiries about BPU-led initiatives to the BPU. Utility run programs will be referenced as a standard part of the messaging for increased clean energy awareness. Some contractors and membership organizations span both Residential and C&I such as the U.S. Green Buildings Council of NJ and the American Institute of Architects, while other outreach is more focused.

The Residential New Construction Account Manager will be responsible for developing relationships with builders/developers, contractors of new construction projects, realtors, and homebuyers. The Account Manager will be responsible for walking builders/developers through the Residential New Construction process. The Account Manager will also provide program education to builders/developers, architects, contractors, realtors, and homebuyers through collateral, presentations, educational webinars, and staffing meetings and events. Memberships that will continue include the NJ Builders Association and Jersey Shore Builders among others.



New Jersey's cleanenergy program℠

C&I Contractors E-Blast

March 16, 2021

In this Newsletter:

- NJCEP Launches Energy Efficiency Transition Information Landing Page
- Join NJCEP For Our Educational Webinars
- Quick Tips for Your Application
- Schedule a Lunch & Learn

NJCEP Launches Energy Efficiency Transition Information Landing Page

Management of some energy efficiency programs will be transitioning to the utilities in the coming months. Learn more on our new transition information page at https://njcleanenergy.com/transition. Check back frequently for new information as it becomes available. If you have questions, please contact Transition@NJCleanEnergy.com or the call center at 866-NJSMART.

Join NJCEP For Our Educational Webinars

The C&I New Construction Account Manager will focus on maintaining and expanding relationships with the contractors, trade allies, stakeholders, facility managers, and energy managers through a targeted approach to each stakeholder group. This is done through our memberships with specialized groups such as the Southern New Jersey Development Council, Commercial Real Estate Development Association, Commerce & Industry Association of NJ, NJ Alliance for Action, Society of Mechanical Engineers NJ, International Facility Management Association of NJ, NJ Association of Energy Engineers, and more. The comprehensive contact list of new construction contractors and stakeholders is constantly being updated as new construction projects are continuing to grow in the state. The list will be used to communicate about the program and invite key decision makers to webinars and to visit the NJCEP booth at industry trade shows and conferences. The message will remain all-encompassing regarding NJCEP programs as there are other programs that are applicable to these contractors as well.

In FY22, it is crucial that outreach efforts are complemented with marketing efforts to transform the New Construction marketplace to spark consumer demand for highly energy efficient homes in addition to encouraging builders to build ENERGY STAR certified and ZERH and C&I new buildings. For both residential and C&I programs, the Account Managers will provide support to the trade allies within their assigned program focus with an awareness of the other programs.

Local Governments: Engage Counties, Municipalities, K-12 School Districts, and Higher Education

BPU programs available to local governments include the Local Government Energy Audit (LGEA) and the new construction programs. The LGEA is the most popular of the programs as it is the first step to entering into the other programs including the BPU's Energy Savings Improvement Program (ESIP).

An Account Manager will specialize in ensuring that these applicable entities are aware of the NJCEP programs through involvement with the annual conferences, newsletter content for applicable organizations, and continued trainings such as the one that outreach conducts for municipal staff through Rutgers University Continuing Education. Continued organizational involvement will continue with the Association of Counties, Conference of Mayors, School Buildings and Grounds Association, School Boards Association, and the League of Municipalities. Equitable outreach for hard-to-reach towns and authorities will be conducted in targeted regions by the Community Outreach Organizers.

Large Energy Users and CHP/FC: Targeted Contractors

The outreach to expand the customers using the Large Energy User Program will be done in conjunction with the known contractors who target these customers. Additionally, we will continue to maintain relationships with past program participants to ensure they remain engaged in the program as many applicants tend to re-apply each fiscal year.

Similarly, known Combined Heat and Power and Fuel Cell distributers who will be further targeted following a survey that they completed in FY21. FY22 strategies will use survey results to improve contractor engagement and support with their customers to drive project participation into NJCEP.

Trade Ally Development

NEW in FY22

To streamline operations and support contractors and trade allies, a specialized Account Manager known as the Trade Ally Manager will focus on developing the existing trade allies and contractors as well as planned methods for bringing in new contractors to the program. During the past years, the NJCEP data has shown that contractor-focused outreach campaigns bring in the largest number of program applications. A contractor-focused approach is essential to recruit, maintain and support both contractors and trade allies. The Trade Ally Manager will be responsible for developing content for collateral and presentations that recruit, train, and support the contractors. Account managers will continue to offer one on one project specific assistance to contractors as needed.

Recruit

Using a combination of historic program data, purchased lists, and public facing data, a strategic recruitment initiative will take place for the contractors who have utilized the programs. Recruitment efforts will take place through calling campaigns, professional organization involvement, offering presentations for professional credits, and exhibiting at trade shows and applicable conferences. Program collateral will be available to give a general overview of NJCEP and success stories to highlight benefits to the end customer and contractor. Recruitment efforts will be planned in coordination with the Program Managers and other Account Managers to focus on programs that require additional contractor awareness and participation.

Train

A series of contractor trainings will be developed to address various areas of interest including benefits to the contractor and customer, program overview, and how to fill out the applications. Trainings will offer short and streamlined messaging that will be recorded and saved on the program website in the form of short vignettes for future reference. The Trade Ally Manager will create and deliver content for the training presentations.

A monthly 30-minute program overview will be held separately for Residential and C&I program offerings that goes into the details of the programs and showcases success stories. The target audience will be new contractors being recruited as well as existing contractors and their application processing staff who may need a program refresher.

Support

The Coordinator offers ongoing support to the past and future program contractors and is responsible maintaining contact with the network to solicit input on needs, feedback on their experience with the programs and input on potential program changes or enhancements. Ongoing support to the contractors by the Trade Ally Manager includes:

- **Collateral** content to support contractors in general program awareness and focused sector specific collateral where applicable;
- **Success Story** collaboration with Program Account Managers to ensure that a regular flow of new success stories is acquired for each program;
- **Monthly Newsletter** of all program changes, collateral links, training invitations, and upcoming networking events;
- **Bi-weekly Contractor Coffee** will be hosted by TRC to meet the Trade Ally Manager and ask face to face application questions. Program staff will be on standby for detailed questions. This will be offered virtually until public health concerns around COVID-19 subside; and
- **Quarterly Networking** events where contractors can meet each other as well as program staff and form valuable partnerships in a structured networking format.
- **Annual/Bi-Annual Survey** to solicit feedback that will further allow the Outreach Team and program design team to support the program participants.

Energy Efficiency Transition Support

NEW in FY22 Equity

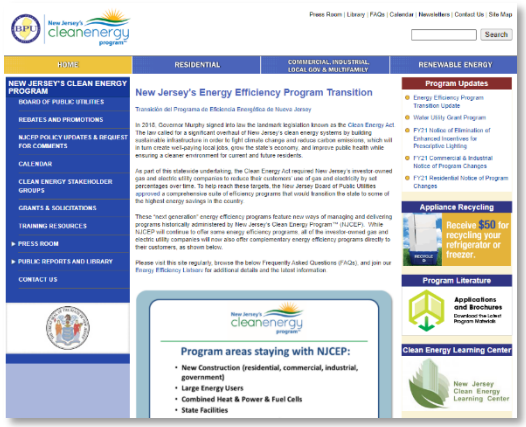
As of July 1st 2021, some programs will be run by the Investor-Owned utility companies. The process of the change is referred to as the Energy Efficiency Transition. The Outreach Team will continue to support transition related education and messaging as needed and ensure that the website communications are in both English and Spanish.

We will work with our contractor and partner networks to help them navigate the transition process. Messaging will reference programs being run by both NJCEP and the utility companies and provide clear guidance for customers and contractors.

BPU Support

The Outreach Team will continue to support the BPU through EE Marketing Working Group and by coordinating new messaging or website updates regarding any remaining utility program information. This includes:

- Content updates and maintenance of Transition Landing Page and Frequently Asked Questions in both English and Spanish;
- Content and presentation slides for the BPU and Outreach Team around transition; and
- Webinars to partner organizations about the transition.



NJCEP's Transition Landing Page was created in English and Spanish including a custom-made GIS Application to verify gas and electric utility companies based on an address.

Contractor Support

Contractors were identified as needing additional support since programs will be changing and many of their business models are built around the pre-transition program processes. The Trade Ally Manager will give the contractors additional support to ensure that they are aware of the transition and to offer focused assistance including:

- Contractor eblasts, EE Listserv messaging, and specialized communications to contractors and trade allies about the transition;
- Lunch-and-learn style webinars to ensure that they are up to speed on the current program offerings;
- Answer inquiries from contractors who may require further guidance navigating the program options; and
- Webinars to trade organizations, contractors, and key stakeholders about the transition.

Utility Coordination

Coordination with utilities on messaging will be critical in order to minimize any customer or contractor confusion. In this new structure, customers and contractors may be receiving information about and able to use multiple utility program offerings as well as those programs remaining with the BPU. Ensuring that all messaging is clear and coordinates will help ensure a seamless transition.

Expanded Outreach Education

A key component of the Outreach Team is the education of overburdened residents, as well as contractors and trade allies regarding not only the Clean Energy Program offerings and utility offerings, but also about the environmental and financial impacts of program participation. Community Outreach team members will attend local events geared towards educating residents on clean energy while the Program Outreach team will be focused on educating the contractors and trade allies on the benefits of energy efficiency, program overviews, and training. Attending select sustainability, networking, and industry related events allows the Outreach Team to gain successful exposure with the targeted audience. The Outreach Team will also identify and secure speaking opportunities where we can reach larger audiences to present the programs. Additionally, the Outreach Team will continue to leverage and coordinate any speaking or event engagements with BPU, utilities, Sustainable Jersey, GreenFaith, and other partners.

During FY22, we will assess community and partner needs and develop delivery timelines in collaboration with them. We will also evaluate the level of education needed for each audience and the need for sector specific collateral.

Customized Collateral Development

Customized collateral developed in has been very well received within hard-to-reach verticals and for those that are challenged with navigating the program offerings. In FY22, the Outreach Team will identify additional sectors that would benefit from customized collateral, such as a one-page summary sheet or a quarter page handout. The focused collateral can include an industry specific case study and which programs are most applicable. The Outreach Team will utilize BPU's one pager template using similar branding for the quarter page handouts. All collateral will be reviewed by BPU staff.

Additional customized collateral pieces that the public have already requested are below. Their purpose is to provide basic information and generate an interest to direct the reader to an Account Manager who can provide personalized guidance regarding program use and participation.

- **New Construction:** An overview of the programs offered with success story examples will target both contractors and customers.
- **Community Spotlight:** An example of how communities have worked with NJCEP through several short case studies such as: LGEA, new construction project, energy efficiency upgrades, Community Solar, Community Energy Plan, and Local Government EV Fleet.

Customized Training Series

Whether it is a one-time training or a series of trainings, the Outreach Team will determine the educational needs of the audience. Following a record number of trainings and presentations in FY21, participants have asked for more. In FY22, we will respond to requests and continue to adapt our regular presentation to provide additional trainings that are within standard technical certification programs, offer a training series on how the programs work, and more to develop our current trade ally network and to expand the number of trade allies and contractors who understand and participate in the programs.

Focused trainings will also be offered to touch on sectors that require a specialized message. The new construction multifamily sector straddles both the residential and C&I program offerings. We will adapt the FY21 presentation so it is applicable to the new construction programs and present a joint webinar on how to navigate the separate C&I and residential programs to receive the most incentives for new construction multifamily buildings. Additionally, if needed, the outreach team may resurrect the Building Science presentation developed prior to the pandemic to target VoTech school students to support workforce development efforts throughout the state.

One-On-One Assistance

Successful outreach and education require regular follow-up and offers of assistance to ensure customers have what they need to understand the programs and allow projects to move ahead. Soliciting feedback from customers regarding their experience is also critical in allowing us to improve materials and programs, and to garner feedback on making the information finely tuned. One-on-one assistance will continue with contractors, local governments, and businesses to help promote all programs.

Spanish Educational Outreach

Equity

According to the U.S. Census Bureau, the State of New Jersey has the highest percentage of Spanish speaking households in the Northeast and is higher than the average in the United States. In FY21, select program collateral was translated, Spanish webinars were offered and the Transition Landing Page was made available in Spanish. All new and updated collateral for FY22 is planned to be translated as well. Outreach pass-through funds have been set aside for professional translation services.

A Spanish-speaking Community Organizer oversees the Spanish educational outreach. This individual focuses on working with community groups and program participants. The coordination of this educational initiative will continue to align with the FY22 program offerings and will be a key component of the Community Outreach to Hispanic communities.

Although Spanish is the main language spoken after English, the Outreach Team will work with any community organizations that have a request for NJCEP collateral in their specific language to offer translation services.

TRC presented in October 2020 for NJCEP at the Black Issues Convention in conjunction with GreenFaith. As the convention platform changed due to COVID, the outreach team was flexible and put together a video.

Support BPU-Led Initiatives

BPU and TRC each have responsibility for developing and delivering components of the NJCEP. The Outreach Team's role is to bridge the gap so customers can navigate the program options that are most applicable to them. In doing this, the Outreach Team discuss with customers their needs and ensures they are aware of the entire Clean Energy Program portfolio. The Outreach Team will continue to refine the NJCEP presentation in order that the infographic and presentation flow addresses the audience appropriately based on their specific needs. The NJCEP portfolio overview infographic is used in most presentations to give an overview of the all programs available before diving into the discussion topic of the core presentation.

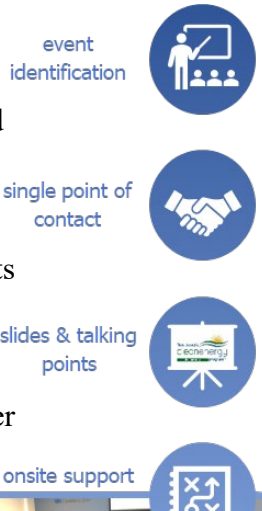
The Outreach Team stays up to date through BPU staff presentations of BPU-led initiatives. Outreach Team members are able to answer high level questions about all BPU initiatives and can direct specific inquiries to BPU staff, as needed. Many events that the Outreach Team already attends offer solid opportunities for the information sharing of BPU-led initiatives. Like-minded customers tend to have overlapping interests in sustainability. This is why it is important for the TRC and BPU-led initiatives to work together for consistent and comprehensive messaging

The Outreach Team coordinates and processes the purchases and expenses related to printing all program collateral. This includes collateral of BPU-led initiatives. The Outreach Team ensures there is a current stock with BPU and Outreach Team members, as well as at meetings and events, where applicable.

BPU Support and Coordination

The Outreach Team will work closely with BPU Staff to ensure that the program messaging and event representation are aligned with priorities of the BPU. This includes regular status meetings to ensure BPU is aware of the outreach activities, events, and speaking opportunities identified for BPU Staff and/or Commissioners.

Support Commissioner Engagement



The BPU Commissioners have expressed interest in continuing their involvement in the promotion of the programs, along with experiencing some of the interactions that take place between NJCEP participants and program staff. In FY21, these plans were put on hold as in-person events did not take place at a commissioner level due to the special circumstances surrounding COVID-19. As the state begins to change back to in-person events, engagements will be flagged for commissioners. These engagements may include stakeholder meetings, presentations to trade organizations, presentations to member organizations, panelist opportunities at trade shows, meetings with large energy users or key accounts, meetings with other state agencies, ribbon cutting ceremonies for completed projects, customer acknowledgments for milestones achieved, and LGEA audit and report presentation exit meetings.

Commissioner participation supports the NJCEP and demonstrates program enthusiasm across the BPU. Commissioners receive feedback directly from participants and stakeholders. In FY21, we continued to identify speaking opportunities for Commissioners and looked for opportunities to engage them with customers on a one-on-one basis.

We will continue the "Commissioner Concierge" approach in FY22 where a team member is assigned to supply the Commissioners and their staff with a seamless speaking engagement experience. This concierge approach supports Commissioner events from beginning to end. The assigned team member works with the Commissioners' staff to ensure they are well prepared for their event. This involves supplying specific background details as defined by BPU speaking engagement templates, such as, presentation type and length, event agenda, speaking time window, bulleted program data points, and post-event networking opportunities. The Outreach Team will also provide site support for the Commissioners and their staff. Additional support requirements will be defined as required.

Coordinate with BPU Staff

Coordination with the Division of Clean Energy and Ombudsman's Office is critical to ensure our messages are consistent, that we are not duplicating efforts, and we are documenting both success and opportunities for additional communication and outreach. We will coordinate with BPU staff to support and monitor cross-team outreach efforts to community organizations, local governments, and state agencies.

Regular reports, meetings, and calls will continue to address specific events and provide more in-depth knowledge into program information. We will continue to share event calendars and presentation content.

Outreach staff will attend meetings, site visits, or events as requested by the BPU staff. The Outreach Team will provide the relevant program presentation and materials for the meeting, in addition to, conducting any follow-up needed to assist the customer in using the programs.

Coordinate with Marketing Team

The Outreach Team will support the Marketing Team's marketing campaigns through data information requests along with program-specific plans. Collaboration 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 to help measure success.

The NJCEP branding and messaging that the Outreach Team uses will be consistent with the messaging of the Marketing Team. The program benefits most from synchronized Marketing Team and Outreach Team coordination to best target NJCEP programs and provide equitable awareness of the programs. The Outreach Team proposes having monthly meetings with the Marketing Team to understand their timelines and to prepare the program staff for the upcoming focuses and workload shifts.

Continue to Create, Develop, and Maintain Partnerships

Maintaining partnerships is key to ensure that the Outreach Team and Partners are aware of the other's initiatives and changes that occur. In FY22, we will continue to build upon our existing partnerships and pursue new partnerships that represent Overburdened Communities, targeted community organizations, and new trade specific membership organizations.

Sustainable Jersey

Ongoing coordination with Sustainable Jersey will continue to support their participants who are interested in NJCEP and offer program guidance to their Energy Team. Our efforts will include:

- Working with the nine Regional Hubs that bring together the Green Team representatives from all the participating towns in that region to share information about the Clean Energy Programs and develop coordinated plans to implement actions and measure success;
- Co-presenting webinars about NJCEP;
- Participate in the Sustainable Jersey Energy Task Force Meetings to ensure that the Outreach Team provides input regarding any updates to Sustainable Jersey relating to NJCEP initiatives;
- Coordinate with Sustainable Jersey on the monthly conference calls about upcoming events/conferences, and any inquiries they receive regarding NJCEP; and
- Train Sustainable Jersey's Environmental Defense Fund interns on the LGEA process and tips around LGEA outreach and application preparation.

County Improvement Authorities

While the roles of County Improvement Authorities vary from county to county depending on their enabling laws, they primarily support business retention and attraction for their respective territories. Some can provide financing and tax incentives, and most work closely with their municipalities to support local growth initiatives. Improvement authorities work closely with local chambers of commerce, rotary clubs, and business associations. They provide a platform to expose local government units and entities to programs that support their objectives. These organizations provided a valuable opportunity to promote the programs and helped to identify potential projects the past couple years. Account Managers will continue to connect with the active improvement

authorities to pro-actively seek opportunities to participate in meetings and events to create awareness of clean energy program offerings.

Investor Owned Utilities

Collaboration with the State's utilities is critical to providing customers with a clear and understandable path to undertaking energy efficiency projects and obtaining financial incentives to help mitigate the associated costs. The Outreach Team will continue to build on those relationships and identify opportunities to co-promote program offerings and provide customer assistance. We will continue to send emails to utility contacts when there are public program changes to ensure that they are aware and to create a direct channel for answering questions. The Outreach Team will continue to work with utility representatives to understand their program offerings so Account Managers can forward inquiries to the applicable utility contact.

Partnerships will be established in FY22 to co-present with utilities to applicable audiences that benefit from understanding transition or the utility program offerings as well as the NJCEP offerings. This may include transition related presentations with organizations where NJCEP has historically had an active presence or presentations at larger conferences. Community coordination will take place with the utility community representatives to support efforts in the community.

Organizations, State, and Federal Agencies

While we are currently active members in several organizations, such as U.S. Green Building Council, American Institute of Architects New Jersey, Shore Builders Association of Central NJ, Property Owners Association of NJ, NJ Association of School Business Officials, Housing and Community Development Network of NJ, NJ Association of Counties, NJ School Boards Association, and several regional Chambers of Commerce, we will investigate new membership and partnership opportunities where we can leverage more speaking engagements and promotional options (e.g., newsletter articles, success stories). FY21 included involvement and memberships with several minority organizations that will have continued relationships by the Community Specialists. State and Federal relationships will be maintained as well:

- Project coordination with U.S. Department of Agriculture NJ staff to utilize their grant program with NJCEP offerings;
- Actively participating in the Design Lights Consortium ("DLC") and any outreach or program committees that they offer; and
- Working with NJIT to enhance the Clean Energy Learning Center with educational content about programs.

Prepare the Market for Program Enhancements

Each fiscal year program changes and enhancements are implemented. The Outreach Team plays a critical role in preparing customers, contractors, trade allies, and other stakeholders for these changes.

Program enhancements will continue to be a FY22 focus. They include the updates on BPU-led programs as well as updates on programs within this filing. Knowledge of program enhancements for FY22 will involve all market sectors. This effort will include:

- Development and delivery of training for contractors and customers;

- Development and delivery of informational webinars;
- Articles in newsletters;
- Presentations at conferences and trade shows;
- One-on-one customer engagement, including either in-person visits or virtual contact with, equipment manufacturers, contractors, builders, and architects;
- Website postings;
- E-mail blasts; and
- Updating all presentations and collateral materials.

The Outreach Team will coordinate with BPU staff as it develops these plans and tools.

Delivery

The Team

The Outreach Team is comprised of an Outreach Manager, Account Managers, and an Administrative Coordinator. In FY22, the Account Managers are specialized into roles of Community Organizers, Program Account Managers, and a Trade Ally Manager. This Team collaborates closely with BPU staff, and the market sectors identified above.

Outreach Manager

The Outreach Manager works with the BPU and the members of the Outreach Team to ensure that the tactics of this plan and the priorities of the Division of Clean Energy are accomplished. The Outreach Manager ensures open communication between the Outreach Team and the BPU, as well as regular reporting on Key Performance Indicators and Outreach event follow-up.

Outreach Account Managers are the cornerstone of the Outreach Team. Account Managers tailor engagement to participant knowledge and expertise, while sharing techniques and equipment knowledge best suited for each unique project.

Administrative Coordinator

The Administrative Coordinator plays a key, office-based role in supporting Community Organizers, Account Managers and the Trade Ally Manager. The Administrative Coordinator is a key communicator between professional organizations, event coordinators, the Outreach Team, and the BPU. The coordinators manage event logistics, supply literature and giveaways, and maintain the calendars of events and approvals, as well as the purchase processing. Their role may require them to attend some events and presentations in support of Outreach Team activities.

Community Organizers

Community Outreach will be done by a group of Account Managers known as Community Organizers. Each organizer will work with an assigned region to target the most Overburdened Communities in New Jersey. They will network and work with existing community leaders such as town councils, environmental commissions, community organizations, and religious leadership groups to further understand the needs of the community. As the face of NJCEP to the community, the Community Organizer will attend targeted local events, such as street fairs, and work with the community to give additional and equitable assistance so they can participate in the free Local Government Energy Audit program and are aware of other equitable programs such as Community Solar, Community Energy Plan Grants, and Comfort Partners. The focus will be on general education and brand awareness of energy efficiency and the Clean Energy Program.

Program Account Managers & Trade Ally Manager

Program Account Managers work exclusively to ensure that contractors, trade allies, stakeholders, and partners are aware of NJCEP and submitting applications to the programs in this Filing. They are each focusing on one to two programs since each program has a different target applicant type or new to this year one of the managers solely focuses on Trade Ally engagement and known by the title of Trade Ally Manager. The targeted focus allows these managers to specialize and have targeted relationships with professional organizations where their target applicant can receive the message about NJCEP. All of these managers give specialized educational training about the programs, application training, and application support to the contractors and trade allies. They are responsible for ensuring that the project pipeline to programs meets the needs of the program team.

Key Performance Indicators and Reporting

Key Performance Indicators

Several key performance indicators (KPI) have been developed to track the progress of the Outreach Team. The KPIs below are a sample of the metrics collected and reported monthly. Detailed reports will be provided to staff regarding progress toward goals, monthly planning, and other outreach activity. Additional details are provided in the monthly reports that are sub-metrics of these KPIs, such as the number of people engaged at events and presentations and the number of LGEA applications attributed to Outreach. The Team will continue to work with staff to refine these reports.

Table 6: Program Outreach Key Performance Indicators (12 months)

Program Outreach	Annual Target
Application Enrollments: # of applications received attributed to outreach	220
MWh Installed Energy Savings: Lifetime electric savings from completed applications attributed to outreach	86,229
Dth Installed Energy Savings: Lifetime energy savings from completed applications attributed to outreach	173,878
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	930
Events: Events such as conferences and trade shows attended promoting NJCEP or NJCEP hosted contractor events	83
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	48

Note 1: The above KPIs are based mainly on the averages of FY21 with the assumption that the Outreach Team will still be working virtually as they have been since March 2020 when FY22 begins on July 1, 2021. If work conditions change, these KPIs will be adjusted accordingly.

Note 2: Installed Savings are based on all projects attributed to Outreach including from past fiscal years. Internal metrics for Committed Savings are tracked to ensure long-turn savings are on target.

Table 7: Community Outreach Key Performance Indicators (12 months)

Community Outreach	Annual Target
Meeting with New Group: The first one-on-one meeting with a new targeted group.	200
Workshops: General awareness webinars or presentations ideally co-presented with the local utility.	100
Local Community Events: Attending local community events (Earth Day, street fairs, etc.)	50
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	800
Application Attribution: # of entity submissions to LGEA attributed to community outreach	10

Note 1: The above KPIs will be further outlined in a separate strategic plan with monthly targets that allow for a ramp-up period and the seasonal nature of events such as street fairs.

Note 2: The KPIs take into consideration that the Outreach Team will still be working virtually as they have been since March 2020 when FY22 begins on July 1, 2021. If work conditions change, these KPIs will be adjusted accordingly.

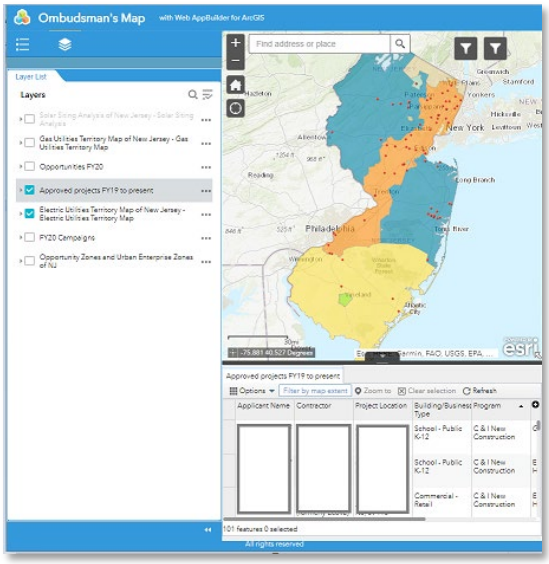
Reporting

We use a variety of tools to help inform the BPU Staff and Commissioners about outreach activities. Report formatting will be addressed with input from NJCEP staff to ensure that it meets their needs for FY22. The Monthly Progress Report is the primary reporting tool. It contains a dashboard overview of KPI metrics and progress towards the goals. It highlights themes, events, and purchases completed throughout the month, as well as joint planning initiatives and partner collaboration. Additional reporting includes invoice back-up, a list of approved program projects, and updates made to the Office of the Ombudsman's custom ArcGIS application.

Geographic Reporting

A geographic information system (GIS) reporting platform was developed and completed in FY20 to deliver monthly data regarding incoming projects and C&I Program Account Manager activity. This enhanced GIS application tool provided a new level of regional visualization that was used for internal planning and included in quarterly reports back to the BPU.

The application is accessible to C&I Program Account Managers and the BPU's Office of the Ombudsman on any computer or mobile platform. Additional layers will be added at the request of the Office of the Ombudsman in order to coordinate efforts between their office and the Outreach Team. Data is updated monthly to include Outreach campaigns, opportunities, and project submissions. Maps are used as an outreach management tool and can be produced for BPU Staff to include in presentations.



The Outreach Team manages the Ombudsman's Office ArcGIS access to "layers" such as these colored zones showing utility coverage and the red circles indicating NJCEP approved project data that has been filtered by the user using any number of data fields.

Rider A: Website

TRC will continue to host the New Jersey Clean Energy Program website.

A redesign of the website has been identified as a priority. The Outreach Team will provide support to those redesigning the site, and it will continue to provide feedback from interactions with trade allies and the public. We expect an improved design will better reflect how customers and partners use the site, making it easier for them to find the most frequently used documents, submit applications, and identify new content. The new website will not only provide a better user experience, but also provide logical points of engagement along the customer's journey through website analytics.

Rider B: Outreach Pass-Through Budget

The Outreach Pass-through budget includes support for activities such as memberships and expenses related to events, sponsorships, etc.

Examples of expenses that support our outreach efforts may include the cost of booth space at a trade show, registration costs, NJCEP promotional giveaways, sponsorship at events and local chamber of commerce meetings, advertisements at events where outreach staff will be attending, printing of program collateral, or translation services of program information/collateral. All expenses are approved in advance by BPU Staff.

Appendix A: Residential Incentives (including Enhancements)

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

Notes to the table immediately above:

- 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, all as described in more detail in the RNC Incentives section of this Compliance Filing.
- This table is only for Dwelling Units and single-room occupancy (SRO) units. As relevant to this table, SROs are limited to buildings of less than five (5) units; buildings with five (5) or more SRO units may be eligible to participate in P4P or other C&I Programs
- New multifamily buildings having less than five (5) Dwelling Units are eligible for this RNC Program.

Appendix B: Commercial and Industrial Incentives and General Rules

Extension Policies

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six months or one 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 the Compliance Filings and in the Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two extensions, each of a length set by the PA with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

C&I / DER Incentive Caps

Incentive caps have been established to ensure that there is equitable access to the C&I and DER programs for all qualifying customers. These caps have been established because of the potential scale of commercial/industrial projects, where 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

C&I New Construction - $500,000 per electric account and $500,000 per natural gas account, per fiscal year. A customer is defined as a utility account.

Pay for Performance – New Construction - 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. Entity caps also apply.

Large Energy Users Program – LEUP participants will be limited to the lesser of $4 million per eligible entity per fiscal year, 90% of calculated NJ Clean Energy Program contribution, 75% of eligible project cost or $0.33/kWh and $3.75/Therm saved annually.

Local Government Energy Audit Program – LGEA participants will be held to a fiscal year entity cap of $100,000 per entity, subject to the exceptions set forth in the specific LGEA Program Description in this document.

CHP-FC

See Appendix C.

C&I / DER Entity Incentive Caps

If an entity brings more than one project through NJCEP in any given fiscal year, it will be held to an Entity Cap of $4,000,000 (Entity Cap) for that fiscal year, in addition to the other incentive caps described above. Each Program's and/or Path's milestones for determining when incentives count towards an Entity Cap for a given fiscal year are as follows:

- Application approval - SmartStart NC, Combined Heat and Power
- Energy Reduction Plan / Proposed Energy Reduction Plan approval - Pay for Performance New Construction
- Final Energy Efficiency Plan approval - Large Energy Users

Incentives under any NJCEP Commercial & Industrial and Distributed Energy Resources Program(s), except the Local Government Energy Audit Program, count toward the Entity Cap. A fiscal year is a fiscal 12-month period from July 1 – June 30. Once the Entity Cap in a given fiscal year has been reached, the earliest an entity may apply for subsequent incentive funding is July 1 of the next fiscal year. For example, if an entity reaches its Entity Cap on March 15, 2019, it must wait until at least July 1, 2019, the first day of the fiscal year, to apply.

In addition, Large Energy Users are subject to additional C&I / DER Entity Caps consisting of the lesser of:

- $4,000,000; or
- 90% of total NJCEP fund contribution in previous year (i.e. from all entity facilities), provided, however, that an applicant may choose to bank and combine up to two (2) consecutive years of total NJCEP fund contributions for the purpose of calculating its maximum incentive in a given fiscal year, provided the applicant has not participated in LEUP in the fiscal year immediately preceding the subject application. By way of example only, if a participant in FY19 contributed $500,000, in FY20 contributed $600,000, and in FY20 did not submit a LEUP application, the applicant's maximum incentive for a project in FY21 would be no more than $990,000 (.9 x (500,000 + 600,000)).

Total Cost Incentive Cap

In addition to the specific caps outlined above, 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[18] of measures installed or performed.

[18] 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.

C&I New Construction Incentives & General Rules

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 90.1-2016 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2016 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 9: 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 90.1-2016, 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, et cetera) 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 10: C&I Electric Chiller Incentives

Equipment Type	Capacity	Constant Speed			
		Base$/ton		Variable Speed	
		$10.00	**Performance $/ton**	**Base $/ton**	**Performance $/ton**
Air Cooled Chiller	tons < 150	$10.00	$3.50	$45.00	$4.00
	tons ≥ 150	$6.50	$2.75	$46.00	$4.00
Water Cooled Chiller, Positive Displacement	tons < 75	$10.00	$2.25	$20.00	$2.50
	75 ≤ tons < 150	$8.50	$2.00	$21.50	$2.00
	150 ≤ tons < 300	$7.50	$2.00	$21.50	$2.00
	300 ≤ tons < 600	$15.00	$2.25	$18.50	$2.00
	tons ≥ 600	$12.00	$2.00	$22.00	$2.00
Water Cooled Chiller, Centrifugal	tons < 150	$5.00	$2.25	$12.00	$2.75
	150 ≤ tons < 300	$4.00	$2.00	$15.00	$2.50
	300 ≤ tons < 400	$4.00	$2.00	$10.00	$2.00
	400 ≤ tons < 600	$4.00	$2.00	$12.50	$2.00
	tons ≥ 600	$4.00	$2.00	$12.50	$2.00

Table 11: 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 A.H.R.I. 560, however, part load efficiencies are not rated.

Table 12: 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 13: 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.

Table 14: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive $/Ton
			SEER	EER	IEER	
Unitary HVAC Split System	< 65,000	1	14.0			$92
		2	16.0			$105
Unitary HVAC Single Package	<65,000	1	14.3			$92
		2	16.0			$103
Unitary HVAC Single Package or Split System	≥ 65,000 and < 135,000	1		11.5	13.0	$73
		2		12.5	14.0	$79
	≥ 135,000 and < 240,000	1		11.5	12.4	$79
		2		12.0	14.0	$89
Central DX AC	≥ 240,000 and < 760,000	1		10.5	11.6	$79
		2		11.0	12.5	$85
	≥ 760,000	1		9.7	11.2	$72
		2		10.0	12.0	$77

Table 15: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency					Incentive $/ton
			SEER	HSPF	EER	IEER	COP	
Air Source Heat Pump Split System	< 65,000	1	14.3	8.4				$92
		2	15.5	8.5				$100
Air Source Heat Pump Single Package	< 65,000	1	14.3	8.2				$92
		2	15.5	8.5				$100
Air Source Heat Pump Split System	≥ 65,000 and < 135,000	1			11.5	12.2	3.4	$73
		2			12.1	12.8	3.5	$77
	≥ 135,000 and < 240,000	1			11.5	11.6	3.3	$79
		2			11.7	15.0	3.3	$82
	≥ 240,000	1			9.5	10.6	3.2	$79
		2			9.7	12.0	3.2	$82
Air Source Heat Pump Single Package	≥ 65,000 and < 135,000	1			11.5	12.2	3.4	$73
		2			12.1	12.8	3.5	$77
	≥ 135,000 and < 240,000	1			11.5	11.6	3.3	$79
		2			11.7	15.0	3.3	$82
	≥ 240,000	1			9.5	10.6	3.2	$79
		2			9.7	12.0	3.2	$82

Table 16: 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
	≥ 17,000 and < 65,000	1	13.3	4.3	$30
		2	15.0	4.5	$34
	≥ 65,000 and < 135,000	1	13.3	4.3	$40
		2	15.0	4.5	$45

Table 17: 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	10.2		$10
		2	10.7		$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	10.2	3.1	$10
		2	10.7	3.2	$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 18: 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 19: 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 20: 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	≤ 5 tons	$85/control
	> 5 tons	$170/control

Gas Heating

Table 21: 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 to 1,500 MBtu/h	85% Et	$1.75/MBh
		> 1,500 to 2,500 MBtu/h	85% Et	$1.50/MBh
		> 2500 to 4,000 MBtu/h	85% Ec	$1.30/MBh
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	$1.40/MBH; Min $400
		> 300 to 1,500 MBtu/h	81% Et	$1.20/MBh
		> 1,500 to 2,500 MBtu/h	81% Et	$1.20/MBh
		> 2,500 to 4,000 MBtu/h	81% Et	$1.00/MBh
	Steam, natural draft	< 300 MBtu/h	82% AFUE	$1.40/MBH; Min $300
		> 300 to 1,500 MBtu/h	79% Et	$1.00/MBh
		> 1500 to 2,500 MBtu/h	79% Et	$0.90/MBh
		> 2,500 to 4,000 MBtu/h	79% Et	$0.70/MBh
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 22: 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 $1000
			93% AFUE	$2.00/MBH ; Min $1,000
		> 300 to 1,500 MBtu/h	88% Et	$2.00/MBh; Min $1000
			91% Et	$2.20/MBh; Min $1000
		> 1,500 to 2,500 MBtu/h	88% Et	$1.85/MBh
			93% Et	$2.20/MBh
		> 2500 to 4,000 MBtu/h	88% Ec	$1.55/MBh
			93% Ec	$2.00/MBh
		> 4,000 MBtu/h		Treated under Custom Measure Path

Table 23: 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	≥ 95% AFUE	$400
			≥ 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 24: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2016 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 25: 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)*	≥ 82% Et or ≥ 0.64 UEF	$1.75/ MBtu/h
			≥ 90% Et or ≥ 0.85 UEF	$3.50/ MBtu/h
		> 105 MBtu/h *(commercial)*	≥ 82% Et	$1.75/ MBtu/h
			≥ 92% Et	$3.50/ MBtu/h
	Gas-fired, instant (tankless)	< 200 MBtu/h *(consumer)*	≥ 90% Et or ≥ 0.90 UEF	$300/unit
		≥ 200 MBtu/h *(commercial)*	≥ 90% Et	$300/unit
	Gas-fired, Water Booster Heater	≤ 100 MBtu/h	n/a	$35/ MBtu/h
		> 100 MBtu/h	n/a	$17/ MBtu/h

Table 26: C&I Low-Flow Fixture Incentives

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	Tier 1 (2 GPM – EPA Water Sense)	$10/showerhead
	Tier 2 (1.5 GPM or Less)	$15/showerhead
Low Flow Faucet Aerator	Tier 1 (1.5 GPM – EPA Water Sense)	$2/aerator
	Tier 2 (1 GPM or Less)	$4/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 27: 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 28: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Chilled Water Pump	20 HP ≤ 50 HP	Must be installing VFD on centrifugal chilled water pump motors for HVAC systems only.
VFD on Air Compressor	25 HP ≤ 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.[19]
- Proposed lighting design must demonstrate lighting power density ("LPD") lower than specified by ASHRAE 90.1-2016 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and 9.2.2.3 of ASHRAE 90.1-2016.
    - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 30: 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 29: 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 30: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures Qualified Products List[20]	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

[19] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this RNC 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.

[20] https://www.designlights.org/

Food Service Equipment

Table 31: 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 32: 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 Fryer	Electric	$200 per vat
	Gas	$749 per vat
Commercial Large Vat Fryer	Electric	$200 per vat
	Gas	$500 per vat
Commercial Griddle	Electric	$300 per griddle
	Gas	$125 per griddle
Commercial Steam Cooker	Electric	$1,250 per steamer
	Gas	$2,000 per steamer

Table 33: C&I Insulated Holding Cabinet Incentives

- Must meet CEE Tier II or current ENERGY STAR specification.
- Does not include cook and hold equipment.
- All measures must be electric hot food holding cabinets that are fully insulated and have solid doors.

Equipment Type	Size	Incentive
Insulated Holding Cabinets	Full Size	$300 per unit
	¾ Size	$250 per unit
	½ Size	$200 per unit

Table 34: 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 35: 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 36: 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 on 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 Fryer	Electric	Must have a tested heavy load cooking energy efficiency of 83 percent or greater and an idle energy rate of 800 W or less, utilizing ASTM F1361.
	Gas	Must meet a tested heavy load cooking energy efficiency of 50 percent or greater and an idle energy rate of 9,000 Btu/h or less, utilizing ASTM F1361.
Commercial Large Vat Fryer	Electric	Must have a tested heavy load (French fry) cooking energy efficiency of 80 percent or greater and an idle energy rate of 1,100 W or less, utilizing ASTM F2144.
	Gas	Must have a tested heavy load (French fry) cooking energy efficiency of 50 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F2144.
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.
Commercial Steam Cooker	Electric	Must have a tested heavy load (potato) cooking energy efficiency of 50 percent or greater, utilizing ASTM F1484.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 38 percent or greater, utilizing ASTM F1484.

Note: The incentives identified above in this Appendix B may be reduced with the approval of the Division of Clean Energy.

Appendix C: Distributed Energy Resources Incentives and General Rules

Extension Policies

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 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 the Compliance Filings and in the Guidelines established for each program. The PA, with the approval of Board Staff, may approve up to two extensions, each of a length set by the PA with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

Combined Heat and Power – Fuel Cell (CHP-FC) Incentives

C&I / DER Entity Incentive Caps

See Appendix B, Commercial and Industrial Incentives and General Rules.

Total Cost Incentive Cap

See Appendix B, Commercial and Industrial Incentives and General Rules.

CHP-FC Incentive Levels & Schedule

Table 37: CHP-FC Technology and Incentive Levels

Eligible Technology	Size (Installed Rated Capacity)	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 ≥ 60% 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		
≥ 40% FCs	All of the above[1]	Applicable amount above	30%	$1 million
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, but still subject to the project Cap in that table). 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 located at Critical Facility and incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above, but still subject to the project Cap in that table). For this Program, a Critical Facility is any:
    a. Public facility, including, without limitation, any federal, state, county, or municipal facility, or
    b. Non-profit and/or private for-profit facility, including, without limitation, any hospital, water/wastewater treatment facility, school, multifamily building, or similar facility that:
        i. Is determined to be either Tier 1 or critical infrastructure by the New Jersey State Office of Emergency Management or Office of Homeland Security and Preparedness, or
        ii. Could serve as a Shelter during a power outage. For this Program, a Shelter is a facility able to provide food, sleeping arrangements, and other amenities to its residents and the community.

    For the avoidance of doubt, any public facility is a Critical Facility.

Table 38: CHP-FC Incentive Payment Schedule

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

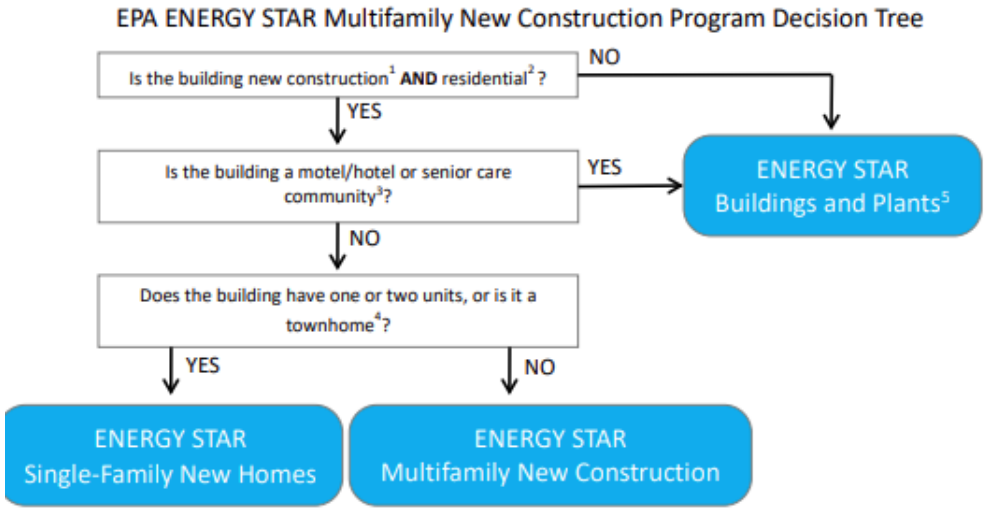
1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on twelve (12) months of continuous operating data submitted within eighteen (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.
    a. If, due to impacts of COVID-19, the applicant is unable to provide the requisite twelve (12) months of representative data to demonstrate the project is achieving

the required performance thresholds, the Program Manager is authorized to work with the applicant to develop and accept other reasonable methods for estimating or demonstrating whether or not the performance thresholds have been met.

2. Regarding the third incentive, if all other required performance thresholds are achieved:
    a. And the total annual net kWh generated is ≥80% of that specified in the Program-approved application, the full third incentive is earned.
    b. But the total annual net kWh generated is ≥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.

Appendix D: Multifamily Decision Tree

Figure *1 ENERGY STAR Multifamily Guidelines Version 2.1*



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 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.
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.

January 2021

Appendix E: Program Budgets

TRC FY22		*FY22 Cost Category Budgets*					
Program/Budget Line	*Total Budget*	*Administration*	*Sales, Marketing, Website*	*Training*	*Rebates, Grants and Other Direct Incentives*	*Rebate Processing and QA*	*Evaluation*
Total TRC	**$206,785,664**	**$13,225,133**	**$4,354,596**	**$101,000**	**$183,370,799**	**$5,734,136**	**$0**
EE Programs	**$179,721,111**	**$11,517,120**	**$507,582**	**$63,500**	**$163,550,321**	**$4,082,588**	**$0**
Res EE Programs	***$26,386,739***	***$3,959,690***	***$159,526***	***$13,500***	***$20,242,878***	***$2,011,145***	***$0***
Existing Homes	$12,498,503	$1,715,086	$87,014	$0	$9,535,636	$1,160,767	$0
RNC	$12,726,165	$1,566,606	$43,507	$13,500	$10,336,907	$765,645	$0
EE Products	$1,162,071	$677,998	$29,005	$0	$370,335	$84,733	$0
C&I EE Programs	***$153,334,372***	***$7,557,430***	***$348,056***	***$50,000***	***$143,307,443***	***$2,071,443***	***$0***
C&I Buildings	$135,634,969	$5,671,722	$261,042	$37,500	$127,984,436	$1,680,269	$0
LGEA	$5,075,411	$903,128	$43,507	$12,500	$3,831,336	$284,940	$0
DI	$12,623,992	$982,580	$43,507	$0	$11,491,671	$106,234	$0
Distributed Energy Resources	**$20,635,545**	**$651,437**	**$43,507**	**$0**	**$19,820,478**	**$120,123**	**$0**
CHP - Fuel Cell	$20,635,545	$651,437	$43,507	$0	$19,820,478	$120,123	$0
RE Programs	**$2,669,008**	**$1,056,576**	**$43,507**	**$37,500**	**$0**	**$1,531,425**	**$0**
Solar Registration	$2,669,008	$1,056,576	$43,507	$37,500	$0	$1,531,425	$0
Planning and Administration	**$3,760,000**	**$0**	**$3,760,000**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$3,760,000***	***$0***	***$3,760,000***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$3,760,000	$0	$3,760,000	$0	$0	$0	$0

Appendix F: Program Goals and Performance Metrics

NJCEP FY22 Energy Savings Goals: Portfolio Summary					
Program/Budget Line	***Annual MWH Savings***	***Lifetime MWH Savings***	***MW Savings***	***Annual MMBTU Savings***	***Lifetime MMBTU Savings***
Total TRC	317,223	5,080,603	69.8	541,549	10,248,703
EE Programs	294,912	4,690,228	66.8	445,919	8,575,217
Res EE Programs	8,824	162,890	3.6	206,449	4,108,577
Residential Existing Homes	2,766	43,729	1.7	138,537	2,755,924
HPwES	754	13,610	0.4	31,836	693,394
HVAC	2,012	30,119	1.3	106,701	2,062,531
RNC	5,688	113,748	1.9	67,144	1,342,868
EE Products	371	5,414	0.0	768	9,785
C&I EE Programs	286,088	4,527,338	63.2	239,470	4,466,640
C&I Buildings	251,417	4,008,316	55.9	157,770	3,066,307
C&I Retrofit	200,014	3,146,215	45.5	25,387	469,220
C&I NC	1,655	33,058	0.5	3,905	74,602
P4P EB	12,366	195,126	4.2	57,630	1,262,091
P4P NC	2,858	45,671	1.1	6,152	102,305
LEUP	26,895	468,256	3.1	52,648	947,609
Customer Tailored	7,629	119,992	1.4	12,049	210,480
LGEA	0	0	0.0	0	0
DI	34,671	519,021	7.2	81,700	1,400,332
Distributed Energy Resources	22,311	390,375	3.0	95,629	1,673,486

Appendix G: Cost-Benefit Analysis

Cost-effectiveness analysis compares the costs and benefits of energy efficiency 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") of FY19 for residential, commercial, and industrial NJCEP EEP.

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.[21]

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.

[21] 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.

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

NJCEP FY22 Prospective Benefit Cost Analysis						
Program/Budget Line	***PCT***	***PACT***	***RIM***	***TRC***	***SCT***	***Modified NJCT***
Total TRC	2.6	1.8	0.3	0.8	1.1	1.9
EE Programs	2.6	1.8	0.3	0.9	1.2	1.9
Res EE Programs	1.8	0.7	0.3	0.4	0.5	0.9
Residential Existing Homes	1.7	0.6	0.3	0.4	0.4	0.7
HPwES	0.9	0.3	0.2	0.2	0.2	0.3
HVAC	3.2	1.0	0.3	0.8	0.9	1.5
RNC	2.1	0.9	0.3	0.6	0.7	1.2
EE Products	1.6	0.2	0.1	0.1	0.2	0.3
C&I EE Programs	2.8	2.1	0.3	0.9	1.3	2.1
C&I Buildings	2.7	2.4	0.4	0.9	1.3	2.1
C&I Retrofit	2.6	2.8	0.4	1.0	1.3	2.1
C&I NC	5.3	1.3	0.4	1.1	1.4	2.3
P4P EB	2.9	2.2	0.4	1.1	1.4	2.3
P4P NC	3.4	0.9	0.4	0.9	1.2	1.9
LEUP	2.7	1.4	0.3	0.7	1.0	1.7
Customer Tailored	5.2	3.6	0.3	1.7	2.4	3.8
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
DI	3.6	1.1	0.3	1.0	1.4	2.3
Distributed Energy Resources	2.3	4.2	0.3	0.7	1.0	1.6

New Jersey's Clean Energy Program
FY 2022 Program Descriptions and Budgets

Utility Residential Low Income

Comfort Partners Program

Proposed Program Description and Budget

June 24, 2021

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 ("ACE"), Jersey Central Power & Light ("JCP&L"), New Jersey Natural Gas ("NJNG"), Elizabethtown Gas ("Elizabethtown"), Rockland Electric Company ("RECO"), Public Service Electric & Gas ("PSE&G"), and South Jersey Gas ("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. To achieve this objective, 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; and (4) split incentives between renters and landlords. 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 is targeted at participants in the Universal Service Fund ("USF") who have high energy usage. This target population is characterized by high-energy burdens based on their income. Program participation will be prioritized by energy use with the highest energy users being served first.

The Program is available to households with income at or below 250% of the federal poverty guidelines. Customers who receive Federal Supplemental Security Income, Home Energy Assistance, USF, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families, Section 8 Housing, Medicaid, Supplemental Nutrition Assistance Program, or General Assistance also may be eligible. Customers who could take advantage of Comfort Partners or engage with another State-sponsored energy saving implementation program, will not only directly benefit from the weatherization and health and safety measures, but will also help to reduce costs to all of our ratepayers.

A participant must be a customer of record with a separately metered electric or natural gas account and live in a single-family or multi-family residential building with 1-14 units; the residence must be their primary home. Customers who heat with fuel oil 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, will 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 who receive electric service from a municipal electric company will also be eligible for all Comfort Partners electric and natural gas saving services. Ineligible customers will be referred to WAP or Home Performance with Energy Star ("HPwES") for services. Referrals will be made between Comfort Partners and WAP for measures not performed by either entity (i.e. WAP may refer customers to Comfort Partners for evaluation of central air conditioning and freezer replacements.).

Location Based Eligibility – Pilot

In an effort to reduce enrollment barriers into the Program, the Comfort Partners Working Group ("Working Group") will administer a location-based eligibility pilot ("Pilot"). The Pilot will attempt to remove the burden of income verification and create more trust with interested, yet hesitant, potential customers in the communities we serve. The Pilot will also attempt to discover whether this new approach can create marketing/outreach efficiencies, achieve savings in less time, reduce administrative costs, and improve cost effectiveness. The Working Group and program implementation vendors will document lessons learned at the completion of this Pilot to report on the results and the viability for future statewide permanent implementation.

Using census tract data, the Working Group will select ten (10) low-income neighborhoods, equitably distributed geographically throughout the state, to pilot the initiative. Customers residing within the geographical boundaries of those specific low-income neighborhoods will be eligible to participate in Comfort Partners without providing income verification documentation. Customers will be required to 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 will follow the current CP Procedures Manual suspected fraud guidelines.

Should it become necessary to increase the number of pilot locations to achieve the objectives of the Pilot, the Comfort Partners Working Group will seek approval from the Board of Public Utilities Clean Energy Program staff ("BPU Staff") to make any further changes to the number of pilot locations.

Future utility-administered moderate-income weatherization programs are proposing a similar approach to eligibility verification in moderate-income neighborhoods. A collaborative and equitable relationship between the two programs with regards to outreach and enrollment will be critical, and this Pilot should help to develop best practices in advance.

Offerings and Customer Incentives

Among the measures to be considered for each home are 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 up-grades (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 may be 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 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 Comfort Partners customers' homes require more treatment than the Program is designed to deliver, the Utility Working Group will attempt to maximize and leverage available resources by entering into discussions with WAP. The goal of such discussions will be to determine their interest in accepting Program referrals to install heating systems and perform other needed work for energy efficiency and/or health and safety reasons.

Measure Selection

Energy efficiency measures and other reasonable repairs required to install those measures may be installed in each home. The Program will review, on a case-by-case basis, the repair and installation of items that, in and of themselves, may not be considered energy saving technologies, but would be required in order to effectively install energy conservation measures, such as the repair of a roof prior to the installation of attic insulation. Cost-effectiveness will be assessed on a measure- and site-specific basis. All installed measures and energy education services will be provided free of charge. The selection of measures designed to reduce heating and cooling will be guided by a spending calculation based on past energy consumption, and 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 will confer with the appropriate utility after documenting reasons for requesting to exceed the spending guideline. The utility will decide to what extent additional work can be performed.

Refrigerator or freezer replacement will be based upon on-site monitoring of the energy use of the existing unit. Consumption thresholds for cost-effective replacement vary according to size. Any refrigerator or freezer with measured consumption above the threshold values is eligible for free replacement with a new energy-efficient model. These values and procedures will be updated periodically to reflect changes in refrigerator costs and/or efficiency.

The cost-effective installation of energy-efficient lighting products will be based upon the wattage and the estimated average daily burn time for the existing lamp.

Domestic hot water and other custom measures will be installed according to program guidelines.

The costs associated with home repairs, such as the repair of a roof, will be excluded from the cost effectiveness test used to determine measure eligibility.

Delivery Methods

Electric and natural gas utilities with overlapping service territories will 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 is shared between the participating natural gas and electric utilities. Currently, there are a total of six (6) installation contractors and one (1) quality assurance contractor that are under contract with the Utilities to perform the work in customer homes.

The Program will continue its efforts to address mold/moisture remediation, roof repairs, electrical repairs, and asbestos. Remediation will be considered on a case-by-case basis with the implementation contractors who will contract directly with the appropriate organizations, or approved subcontractors, following utility approval.

This fiscal year, the Utilities will continue to use the JCP&L web-based LEEN System as the statewide platform to track all program participants, measures and energy savings. The system is used by all Utilities, BPU Staff, multiple program installation vendors, an inspection vendor, a program evaluation vendor, and State WAP agencies. Maintenance and enhancements to the system will be paid for by JCP&L and are incorporated in the administrative budget in Appendix A.

Quality Assurance Provisions

A minimum of 15% of randomly selected, treated homes will be subject to verification and inspection by an independent contractor(s) hired by the Utilities. Quality assurance processes will be continually reviewed and enhanced as required.

Budgets

A detailed budget for the Program is attached in Appendix A. Allocation of costs in different cost categories may appear to be inconsistent among Utilities. As an example, PSE&G covers the cost of statewide printing of Comfort Partners materials, and JCP&L covers the cost of maintaining the LEEN System and administering program evaluation.

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").[1] 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 of time; 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 of time. The Program budget shall not be reduced by more than 25% within any 180-day period of time.

Goals and Energy Savings

Goals

Under the proposed budget, the goal for the number of electric service customers to be served and committed is 5,985 on a twelve-month basis from July 1, 2021 through June 30, 2022. The goal for the number of natural gas service customers to be served and committed is 5,700 on a twelve-month basis from July 1, 2021 through June 30, 2022. Production targets were projected considering the anticipated impacts of returning to finish work on jobs that were only partially complete in the previous fiscal year due to State/Program mandated COVID-19 restrictions.

The Utility Working Group adopted the 2006 APPRISE Inc. ("APPRISE") recommendation from the evaluation of the USF and the December 2014 Comfort Partners evaluation that the Working Group will engage stakeholders to develop an initiative to encourage a greater number of USF customers to participate in a Program audit. APPRISE further recommended that "the BPU should work with the utilities to standardize their system for referring USF clients to the Comfort Partners Program and establish official guidelines for coordinating these two benefits" (Executive Summary, page xxii). Due to a finite pool of applicants and the high cost of marketing, the Utility Working Group

[1] 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.

continues to fully support this initiative and would like to move forward with the support of the BPU. As per the December 2014 APPRISE evaluation recommendations, the Program is transitioning from serving as many homes as the budget would allow to striving to install deeper cost-effective energy saving measures per project.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest protocols approved by the BPU on December 2, 2020, in Docket No. QO20090584.[2] Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 5,026 MWH of electric and 33,830 MMBTU of natural gas during Fiscal Year 2022, with a lifetime savings of approximately 52,916 MWH of electric and 541,015 MMBTU of natural gas.

Appendix A

Fiscal Year 2022 Comfort Partners Budget

July 1st, 2021 - June 30th, 2022 - Comfort Partners 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	**$2,142,357**	$256,671	$36,949	$34,999	$1,713,665	$100,073	$0	$0
JCP&L	**$5,049,929**	$573,738	$122,354	$84,354	$4,061,286	$195,197	$13,000	$0
PSE&G- Elec	**$9,065,255**	$496,255	$250,538	$225,517	$7,749,798	$343,147	$0	$0
RECO	**$430,000**	$71,000	$16,000	$16,000	$300,000	$27,000	$0	$0
NJNG	**$5,741,406**	$344,308	$115,609	$108,942	$4,980,438	$192,109	$0	$0
Elizabethtown	**$3,372,793**	$243,576	$68,557	$64,789	$2,854,776	$141,095	$0	$0
PSE&G-Gas	**$16,795,335**	$802,178	$440,140	$387,608	$14,591,355	$574,054	$0	$0
SJG	**$3,332,925**	$339,251	$62,970	$60,233	$2,762,587	$107,884	$0	$0
TOTAL	**$45,930,000**	$3,126,977	$1,113,117	$982,442	$39,013,905	$1,680,559	$13,000	$0
PSE&G - Combined	$25,860,590	$1,298,433	$690,678	$613,125	$22,341,153	$917,201	$0	$0

[2] In re New Jersey's Clean Energy Program – Fiscal Year 2021 Protocols to Measure Resource Savings, BPU Docket No. QO20090584, Order dated December 2, 2020.

Charge Up New Jersey

Fiscal Year 2022 Compliance Filing

June 24, 2021

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Table of Contents

I. Introduction

This Fiscal Year 2022 ("FY22") 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 to serve the public 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. This FY22 Compliance Filing covers Phases Two and Three of the Program. Following Board approval and contingent upon Legislative appropriation of funding, Phase Two will take effect in the Summer of 2021. Phase II will provide applicants with the opportunity to access the incentive at the point-of-sale when executing an EV purchase or lease. 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, the Electric Vehicle Charger Incentive, is anticipated to launch in FY22 as well.

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 post-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. All eligible applicants who applied by March 15, 2021 and were approved will be paid an incentive based on the Terms and Conditions of Year One of the program. Some applicants, due to the availability of funding, may be paid at the start of FY22, pending Board approval of the NJCEP budget. As of the writing of this Compliance Filing, that amount equates to approximately $7 million of electric vehicle incentives.

Phase Two - The Point-of-Sale Vehicle Incentive: In the Summer of 2021, Phase Two will be launched, contingent on Board approval and Legislative appropriations. Phase Two has been 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 will be applied in full directly at the time of the point-of-sale ("POS") or transaction, and all documentation will be facilitated by the salesperson or representative at the dealership or showroom. The incentives will be 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 this portion of the FY22 Charge up New Jersey Program, pending Board approval of the budget and Legislative appropriation of the funds, is approximately $23 million.

Phase Three - The Electric Vehicle Charger Incentive: L. 2019, c. 362 granted the BPU the authorization 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 will cover 50% of the cost of the charger, up to $250. The FY22 budget allocates $3 million for this program.

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 EVs in the State and assist car buyers with making the switch to driving electric, consistent with N.J.S.A. 48:25-4(a). The goal is to provide an incentive that brings EVs into price parity with their internal combustion engine counterparts and helps prospective car buyers consider an EV as a feasible option when making an informed purchasing decision. Phase Two of the Program addresses the key market barriers of vehicle cost by offering a financial incentive directly at the POS. This directly impacts the transition to electrifying passenger vehicles in the State by incentivizing residents, but also indirectly signals the EV industry as a whole that New Jersey is an ever-growing market. As such, the Charge Up New Jersey Program has the ability to help jumpstart and support the State's forward momentum to reach the goals signed into law by Governor Murphy.

The EV Act sets 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. 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 an aim of fulfilling these State goals and propelling the State forward toward transportation electrification, while 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, 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.

3. Acknowledge that the entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of Phase Two, the 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 Phase Two, Point-of-Sale Program will not be eligible for an incentive.
    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.
    c. A purchase or lease is deemed completed when the purchaser or lessee of the vehicle has executed and signed a purchase or lease contract or security agreement.
4. 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 36 consecutive months immediately after the vehicle purchase or lease date. Leased vehicles must reflect a minimum of 36 months on the original lease agreement.
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.

Vehicle Eligibility

Pursuant to L. 2019, c. 362, 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;
- 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.

* 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 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. The updated structure is a result of reviewing best practices in other states and the stakeholder process. The resulting incentive tiers retain the spirit of the EV Act and allow the $25 per all-electric mile calculation to remain for most incentives.

As such, eligible electric vehicles, up to an MSRP of $45,000, will have an incentive which equals $25 per all-electric mile, up to a maximum of $5,000. In order to increase the longevity of the funding and prevent vehicles with a higher MSRP from garnering a larger than necessary incentive, a second incentive tier will be available for eligible electric vehicles with an MSRP between $45,000 and $55,000. These vehicles will have an incentive calculation which equals $25 per all-electric mile, up to a maximum of $2,000.

Incentive Calculation	**Determining Factor**
$25 per all-electric mile, maximum of $5,000	Eligible Electric Vehicle, MSRP up to $45,000
$25 per all-electric mile, maximum of $2,000	Eligible Electric Vehicle, MSRP between $45,000 and $55,000

Ineligible vehicles under the Program include:

- Aftermarket plug-in hybrid 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;
- Pre-owned plug-in EVs;
- Any vehicles purchased or leased outside the State of New Jersey;
- Any vehicles purchased, ordered, or leased prior to the launch of Year Two; and
- Any vehicle purchased, ordered, or leased after the FY22 funds have been exhausted.

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. Any eligible applicants who timely submitted their applications and who met the qualifications of the Post-Purchase Program, but did not receive their incentive due to the availability of funds, will receive their incentive as part of the FY22 budget under the Terms and for Conditions for Phase One of the program.

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. The CSE will provide 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.*

*At the time a representative applies for an incentive through the Program portal, the most current version of the Implementation Manual and 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 will have 14 calendar days from the transaction date to apply for a reimbursement of the incentive from the Program. Applications started more than 14 calendar days after the vehicle transaction is completed will be blocked from submitting an application. Once an application is started, representatives will have 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 monthly for ACH payment issued directly to the dealerships or showrooms.

Applicant Responsibilities

For Phase One, applicants were required to submit their own applications. For Phase Two, applicants must obtain the incentive directly from the dealership or showroom via a deduction of the full incentive amount on their purchase or lease contract. Incentives will not be issued post-purchase or lease. 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.

Failure to Adhere to Program Terms and Conditions

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 Section IV(5) or the minimum post-purchase or lease residential period in Section IV(2), the purchaser or lessee may be required to reimburse the Program. Exemption from the 36-month period in Section IV(5) or the 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 CSE and include official documentation demonstrating proof of one of the above noted circumstances. The CSE will review all submitted exemption requests and respond back with either an approval, denial, or request for additional documentation within 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 CSE will review the appeal request with BPU to determine if the requirements for an exemption have been met.

VI. Electric Vehicle Charger Incentive

Phase Three of the program, the residential charger incentive, is anticipated to launch in the second half of FY22.

Applicant Eligibility

Applicants must meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive offered by the Program. The eligibility requirements will be checked by the CSE.

Equipment Eligibility

Under Phase Three of the Charge Up New Jersey Program, only a Level-Two EV charger capable of capturing data (also known as a "smart" or "networked" charger) intended for residential use is eligible for an incentive.

Incentives for Eligible Equipment

The Phase Three 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 would cover 50% of the cost of the charger, up to $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. To be eligible for the incentive, applicants would need to upload scanned copies of all required documents.

Required Documentation

- Proof of purchase of a Level-Two smart charger, either a digital or scanned hard copy;
- Scanned photo of the serial number on the charging equipment itself;
- New Jersey Driver's License as proof of residence and a unique identifier; and
- Valid NJ EV Registration, registered to 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).

VII. Call Center Coordination

The CSE maintains a call center for the Program, which employs 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. All applications reviewed by the staff at the CSE will verify and ensure adherence to eligibility requirements and technical information contained within this FY22 compliance filing. Applicant and representative supplied information, 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 2022
PROGRAM DESCRIPTIONS AND BUDGETS

DIVISION OF CLEAN ENERGY

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

June 24, 2021

Table of Contents

Introduction

The Fiscal Year 2022 ("FY22") Compliance Filing provides program descriptions and budgets for the *New Jersey Clean Energy Program*™ ("NJCEP") administered by the New Jersey Board of Public Utilities ("BPU" or the "Board") and its Division of Clean Energy ("DCE").

NJCEP is a signature initiative of the BPU that promotes increased energy efficiency ("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. NJCEP offers financial incentives, programs, and services for residential, commercial, and governmental customers.

Additionally, in fiscal year 21 ("FY21"), the Office of Clean Energy Equity ("OCEE") was added to the DCE. The OCEE is charged with overseeing the development and implementation of clean energy policies, technologies, and programs, including EE programs, to better serve New Jersey's overburdened communities ("OBC") and to ensure equitable participation in clean energy programs and distribution of related benefits. Working with other BPU teams, the OCEE will develop and implement programs through an equity lens, while leveraging the many existing DCE programs that aim to serve OBC.

Energy Efficiency Programs

Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act ("CEA").[1] The law 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 Clean Energy Act required New Jersey's investor-owned 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 approved a comprehensive suite of efficiency programs that would transition the State to some of the highest energy savings in the country.

These "next generation" EE programs feature new ways of managing and delivering programs historically administered by NJCEP. While NJCEP will continue to offer

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

some EE programs, all of the investor-owned gas and electric utility companies will now also offer complementary EE programs directly to their customers.

In January 2019, the BPU contracted with Optimal Energy to conduct an EE market potential study. Staff worked with the New Jersey Division of Rate Counsel, utilities, and other stakeholders and held four stakeholder meetings to advance the study.

On February 1, 2019, the BPU held a public meeting to solicit responses to twelve questions that would help guide the process and advance the design of the EE programs under the requirements of the CEA.

At the May 28, 2019 Board agenda meeting, the Board approved the following items to advance the goals of the CEA:

- The acceptance of the final "Energy Efficiency Potential in New Jersey" study;
- The adoption of the preliminary quantitative performance indicators related to electric and natural gas usage reduction targets; and
- The establishment of the Energy Efficiency Advisory Group ("Advisory Group"), whose members would provide insight on key elements of program implementation and evaluation for Staff's use in the development of recommendations to the Board.

An extensive public stakeholder process continued in the late summer, fall, and winter, with ten additional stakeholder and technical working group meetings, as well as regular meetings with the Advisory Group. Significant stakeholder comment was received, reviewed, and incorporated, and stakeholder input helped to refine three straw proposals (Program Administration, Cost Recovery, and Utility Targets), as well as a full straw proposal which resulted in Staff recommendations to the Board for the next generation of EE programs. 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 continues to work with New Jersey's investor-owned utilities, the New Jersey Division of Rate Counsel, and other stakeholders to ensure that the new framework is put into place fully, properly, and with the least possible ratepayer impact. Utilities are preparing their filings for programs to start on July 1, 2021.

In FY22, Staff will continue to transition the EE programs, as well as advance the evaluation, measurement, and verification needed to ensure energy savings. Staff will continue to facilitate working groups to assist in the implementation of State and utility EE programs. Lastly, Staff will work to procure appropriate studies and evaluations to assist in the determination of energy savings, cost effectiveness, code compliance, EE baselines, and other relevant assessments.
The FY22 NJCEP proposal provides continuation of funding for programs for

residential, governmental, commercial, and industrial markets, including special incentives for OBCs, with a particular focus on outreach and education to ensure equity in access to EE and development of a diverse EE workforce.

The OCEE will play a key role in the EE transition by leading the Equity Working Group and Workforce Development Working Groups and other key EE initiatives focusing on equitable access and participation in EE programs. It will seek to ensure expansion of diversity in workforce development and help establish appropriate targets as necessary for clean energy programs to ensure equity.

State Facilities Initiative

The State Facilities Initiative identifies and implements EE projects in State-owned facilities or State-sponsored projects with the objective of producing energy and cost savings. The Energy Capital Committee ("ECC"), consisting of members from the Department of Treasury ("Treasury") and the BPU's Division of State Energy Services ("SES"), coordinates these projects based on evaluation of capital costs and anticipated energy savings. SES works with agencies, the Office of Management and Budget, and the Division of Property Management and Construction ("DPMC") to help identify the projects that are viable to move forward and impact energy consumption. The FY22 budget includes additional funding for State-sponsored projects to be identified and prioritized to achieve EE savings and equipment upgrades.

The BPU and Treasury first partnered through an MOU in February 2017 to upgrade the Hughes Justice Complex and the Department of Environmental Protection ("DEP").[2] In November 2019, the Board entered into a Memorandum of Understanding ("MOU") with DPMC to establish criteria for selecting and allocating funds on the designated priority list ("2019 MOU").[3] 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 ECC 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. Projects will be considered by the Board under separate Board Order.

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[2] In re the Matter of 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. QO17010075, Order Dated February 22, 2017.

[3] In re the Matter of 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. QO19101423, Order Dated November 13, 2019.

Included as an appendix is a chart that summarizes the FY22 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.

Acoustical Testing Pilot

The New Jersey Acoustical Testing Pilot Program is proposed in response to the Energy Master Plan ("EMP") 3.1.3 goal which encourages the exploration of "new energy-saving opportunities in complementary sectors, such as the water sector." Annual water and energy losses due to aging water infrastructure in New Jersey are significant, amounting to billions of gallons of water and multiple gigawatts of energy lost. This pilot incentive program allocates resources to facilitate the purchase or rental by water utilities of acoustic monitoring systems that employ permanent leak monitoring technology to enable them to more efficiently and effectively locate water leaks. This pilot program welcomes proposals from all New Jersey water utilities, but primarily seeks to address water and energy losses in urban and older inner suburban communities that have older infrastructure and address whose infrastructure issues would also result in benefits to OBC. The Board approved the release of the application in March 2021. Staff expects to award first round funding in early FY22 and recommends that a second Pilot year commence in FY22.

Distributed Energy Resources

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 the New Jersey Institute of Technology ("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 fiscal year 2018, the BPU initiated Phase I of the microgrid program, through which interested applicants could submit requests to fund TCDER microgrid feasibility studies. The universe of program applicants was limited to local government entities or State agencies that own or manage critical facilities. The BPU awarded a total of

approximately $2 million to 13 public entities consisting of municipalities, counties, and authorities to conduct the feasibility studies. The BPU reviewed the studies in fiscal year 2019 ("FY19") and found 12 participants to be eligible for the next round of funding.[4]

In fiscal year 2020 ("FY20"), the BPU initiated Phase II of the program, which was open to all Phase I participants and which will provide incentives for detailed designs of TCDER microgrids. Of the 12 approved feasibility study participants eligible for Phase II incentives, 11 submitted applications in May 2020. In March 2021, the BPU awarded a total of $4 million to eight (8) applicants. After the design and engineering phase is completed, TCDER applicants will decide whether to move forward with Phase III, which encompasses the construction and implementation of the TCDER microgrid projects. To investigate opportunities for financing, the BPU applied for and received a grant of approximately $300,000 from the U.S. Department of Energy ("USDOE") to conduct a study regarding financing microgrids. The study has 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.

No funding is requested for Microgrids for FY22.

Renewable Energy Programs

Offshore Wind Program

Executive Order 8[5] called upon all State agencies with responsibility under the Offshore Wind Economic Development Act ("OWEDA") (statute amending L. 2007, c. 340 and L. 1999, c. 23) to work collaboratively towards achieving the goal of 3,500 MW of offshore wind ("OSW") by 2030 and to establish a vibrant offshore wind market in New Jersey and in the region. Executive Order 92, maintaining the goal of establishing a vibrant offshore wind market, increased the goal to 7,500 MW by 2035.

[4] One (1) participant withdrew from further consideration.

[5] Executive Order No. 8.

In September 2018, the Board announced the opening of a competitive solicitation for 1,100 MW, at the time the largest single state solicitation in the nation and a framework for future solicitations. A Request for Quotation ("RFQ") was also issued in FY19, for an offshore wind economic consultant to assist in the review and evaluation of the applications received in response to the first solicitation, consistent with OWEDA. The consultant's scope was to evaluate the technical feasibility of proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and the public subsidy requested. The Board awarded a contract in FY19, with costs to be recovered through the OSW applicants' application fees, as allowed under OWEDA.

The first OSW competitive solicitation resulted in applications from three experienced offshore wind developers that represent multi-billion-dollar investments and hundreds of clean energy jobs for New Jersey. On June 21, 2019, the Board unanimously approved the 1,100 MW Ocean Wind Project to be developed 15 miles off the coast of Atlantic City before 2024 and projected to power an estimated 500,000 homes.

In FY19, the Board retained a consultant for the Offshore Wind Strategic Plan for a two-year term. The Offshore Wind Strategic Plan was started in August 2018 and includes establishing the framework for moving forward in consultation with stakeholders and strategic partners. The draft strategic plan was issued for public comment in the 5th Quarter ("Q5") of FY20[6] and was adopted by the Board and released to the public in September 2020.

On February 28, 2020, the Governor announced a planned solicitation schedule for the full 7,500 MW to provide transparency to the industry and to show commitment to the development of wind in New Jersey. The solicitation schedule also allows for flexibility to make adjustments to the schedule to capture the best benefits for citizens of the State on issues of cost, development of transmission, supply chain establishment, federal tax credits, and more.

An RFQ for an offshore wind economic consultant was issued in FY20 for the development of the second offshore wind solicitation and the review and evaluation of offshore wind project proposals consistent with OWEDA. The review and evaluation will again include evaluating the technical feasibility of proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and the public subsidy requested. The Board awarded a contract in FY20, with a significant portion of the costs to be recovered through the OSW applicants' application fees, as allowed under OWEDA.

[6] On April 14, 2020, New Jersey Governor Phil Murphy signed into law a bill that extended the State's FY20 to September 30, 2020. In order to align with the State's fiscal year, the Board extended the NJCEP FY20 budget.

In September 2020, a second solicitation was issued for 1,200 to 2,400 MW of OSW ("Solicitation Two"). Evaluation of applications received from two developers in December 2020 is ongoing, with an expected award by the Board in June 2021.

Also, in 2020, the Board requested 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 an 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 expected in August 2021.

In FY21, the Board and the South Jersey Port Corporation ("SJPC") entered into a MOU to support the development of critical, first-of-their-kind manufacturing facilities to support New Jersey's growing offshore wind industry ("SJPC MOU"). The SJPC MOU will enable the transfer of $1.8 million in Societal Benefits Charge ("SBC") funding to the SJPC, which will directly aid in the development of the Paulsboro Marine Terminal.

In FY22, funding would also support the Board's multi-year membership in the National Offshore Wind Research and Development Consortium, as well as establish a local consortium of New Jersey research institutions to support offshore wind research and scholarships for women, people of color, and low-income students pursuing degrees in offshore wind related disciplines.

Also in FY21, the Board entered into an MOU with the Economic Development Authority ("EDA") to support a portion of the development and related expenses of the New Jersey Wind Port ("Wind Port") ("EDA MOU"). The EDA MOU enabled the transfer of $13.2 million in SBC funding, which will directly support the development of the Wind Port. The Wind Port is intended to be the first purpose-built location for marshalling and manufacturing and is expected to play a critical role in advancing the offshore wind industry in New Jersey, as well as being an economic engine for the State.

On August 16, 2019, Governor Phil Murphy signed Executive Order No. 79 and established a Council for the Wind Innovation and New Development ("WIND") Institute, charged with developing and implementing a plan to create a regional hub for New Jersey's burgeoning offshore wind industry and with building upon the Murphy Administration's commitment to making New Jersey a national leader in offshore wind. The WIND Council includes representatives from the Office of the Secretary of Higher Education, the EDA, the BPU, the Department of Education, the DEP, and the Department of Labor and Workforce Development.

On April 22, 2020, the WIND Council released a report detailing plans for creating the WIND Institute, which will serve as a center for education, research, innovation, and workforce training related to the development of offshore wind in New Jersey and the Northeast and Mid-Atlantic region. The WIND Institute will coordinate and galvanize

cross-organizational workforce and innovation efforts to position New Jersey as a leader in offshore wind. A primary function of the WIND Institute will be to act as a centralized hub for offshore wind workforce development by coordinating across stakeholder groups and State agencies to support the development and delivery of programs and facilities that empower New Jersey students and workers to participate in the offshore wind industry. More specifically, a cross-governmental working group will collaborate with New Jersey's higher education institutions to identify opportunities for students to successfully enter the industry and execute initiatives that will cement these pathways into the industry (e.g., apprenticeships) and address potential barriers for New Jersey workers (e.g., expanding pool of qualified instructors).

While the process to establish the WIND Institute through legislation is ongoing, immediate action is needed to lay a cohesive groundwork for workforce development. In FY21, the BPU entered into an MOU with the EDA to provide funding that would support EDA initiatives, including execution of a competitive grant solicitation to develop a Global Wind Organization safety training program and facility in New Jersey; development of a best-in-class wind turbine technician training program; creation of a plan to establish pathways into the offshore wind industry for New Jersey students and workers, driven by a cross-governmental working group to be coordinated by EDA; and design and delivery of a workforce development seminar that will provide local stakeholder groups with insight into the industry's workforce development needs to empower these stakeholder groups to build relevant workforce solutions.

Together, these efforts will enable New Jersey to create a foundation for a targeted and coordinated offshore wind workforce development approach that creates job opportunities for a wide range of New Jersey students and workers.

The FY22 budget would provide continued funding support to EDA for the WIND Institute programs. The workforce and education programs that address key challenges will expand stakeholder engagement and understanding about workforce needs and opportunities. These programs would include overseeing grant challenges to New Jersey training providers in key skills gap areas such as offshore wind welding (specifically submerged arc welding), as well as one to two other areas such as marine transport, offshore wind marshalling, offshore wind power engineering, and/or environmental surveying and monitoring. Funding would also support the development of an offshore wind module to be included as part of STEM concentrations at New Jersey vocational schools, offshore wind seminars, and other engagement activities for businesses and other stakeholders interested in furthering offshore wind workforce development with a particular focus on driving diversity, equity, and inclusion and a workforce skills assessment to ascertain additional workforce development priority areas. In addition, funding would expand WIND Institute research and innovation programs that leverage New Jersey's higher education institutions' assets and expertise to spearhead research and innovation that unlocks market potential and/or specifically addresses challenges facing New

Jersey's offshore wind industry. Additional programming would support an industry-sponsored grant challenge with public matching funds to drive innovative research and development in the private sector. A portion of the funding would also be used for administrative and staffing costs to support the launch of the Wind Institute and to position the Wind Institute as a centralized information hub for offshore wind workforce development, education, research, and innovation and for other operational needs including a space assessment for a physical location for the Wind Institute.

We will also continue to work with our consultants on Solicitation Two and the SAA process.

FY22 funding will also allow the Rutgers Center for Ocean Observation Leadership to continue the work that it began for the Board in 2017 on oceanographic and atmospheric studies of the waters off of New Jersey's coast.

Solar

In FY22, following a full year of implementation of the transition incentive program and stakeholder engagement on the development of a successor incentive program, Staff anticipates fulfilling mandates of the Clean Energy Act ("CEA") (L. 2018, c. 17) by launching a new long-term solar incentive program. In particular, the CEA mandated the Board 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." On January 7, 2021, the Board fulfilled this requirement by delivering the New Jersey Solar Transition Final Capstone Report to the Governor and Legislature. The Capstone Report 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 a successor solar incentive program ("Successor Program"). The straw proposal recommends that the Board employ two programs to provide incentives to solar electric generation facilities; an administratively-determined incentive; and a competitive solicitation program. Since the release of the straw proposal, Staff have conducted four formal stakeholder workshops and held a number of informal discussions with interested stakeholders. Additionally, Staff have worked closely with the program administrator to streamline the administrative tasks associated with continuing to process existing solar registrations and to determine the changes that will need to occur to successfully implement any new requirements under the Successor Program in FY22. The final details of the Successor Program, including the administratively-determined incentive levels, will be recommended to the Board based upon the public input solicited in the straw proposal. Staff anticipates recommending the procurement of the services of a competitive solicitation program administrator and conducting additional stakeholder outreach before this element of the program

design is finalized and implemented.

Community Solar

The New Jersey Community Solar Energy Pilot Program was launched on February 19, 2019, pursuant to the CEA. The pilot program specifically aims 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. The BPU anticipates awarding at least 300 MW over the course of three years, at least 40% of which must be allocated to projects serving low- and moderate-income ("LMI") communities.

On December 20, 2019, the Board granted conditional approval to 45 projects as part of Program Year 1 of the program, representing almost 78 MW. All 45 projects have committed to allocating at least 51% of project capacity to LMI subscribers. Following a stakeholder proceeding on recommendations to improve the program rules and regulations, the Board approved and released the Program Year 2 Community Solar Energy Pilot Program application form on October 2, 2020. The Program Year 2 pilot program application period closed on February 5, 2021. The Board is currently in the process of reviewing the 410 applications received by the deadline, representing approximately 800 MW.

On April 7, 2021, Staff issued a Staff Straw Proposal that included options and questions to stakeholders for the design of a permanent Community Solar Program. Staff anticipates adoption of a permanent program by the Board by February 2022.

Economic Development Authority

Clean Energy Manufacturing Fund

The EDA will continue to manage the Edison Innovation Clean Energy Manufacturing Fund ("CEMF"), which provides assistance in the form of low-interest loans and non-recoverable grants to companies manufacturing renewable energy, clean energy, and energy-efficiency products in New Jersey. The CEMF will ultimately provide New Jersey consumers with greater access to these products by developing manufacturing facilities in the state.

No new applications will be accepted and no new grants or incentives will be awarded in FY22. Instead, EDA will manage the existing portfolio of loans and grants previously awarded through the programs. Ongoing work may include, but is not limited to, paying incentives previously awarded, monitoring compliance with the funding agreements, and collecting loan repayments.

Evaluation/Analysis

Program Evaluation / Analysis

Evaluation and related research provides 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 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 engaged Rutgers University's Center for Green Buildings ("RCGB") to manage program evaluation and the NJ Energy Data Center to perform cost-benefit analyses, and other related research activities, either directly or through subcontracts with third parties. The most recent Scope of Work ("SOW") has been revised from previous years to reflect the evolving role of RCGB given the Energy Efficiency Transition. Several of the tasks currently completed by RCGB will transition to other entities with the implementation of the Energy Efficiency Transition Order and establishment of the Evaluation, Measurement and Verification ("EM&V") Working Group. The current SOW has been modified to reflect this transition by dividing tasks in to Legacy, Transitional, Newly Convened, and Emergent Tasks.

Under Legacy and Transitional Tasks, RCGB will continue to (i) perform cost-benefit analyses for NJCEP Energy Efficiency Programs; (ii) support the development of the Protocols and other Avoided Cost Studies; (iii) manage the NJ Energy Data Center; and (iv) support evaluation and research studies planning and reporting. Under Newly Convened and Emergent Tasks, RCGB will (i) complete a cost-effectiveness analysis for amendments to the NJ Energy Code; (ii) co-facilitate the NJ Zero Energy Building Code Collaborative; (iii) support program planning; (iv) provide technical assistance to Staff as needed; and (v) complete other evaluation tasks as designated by the BPU. RCGB is also responsible for managing 3rd party evaluation research tasks, such as the ongoing Energy Code Compliance Study. Additionally, the current SOW includes a range of optional research tasks related to the Board's work in renewable energy, energy efficiency, and strategic electrification.

RCGB and other evaluation contractors will work with the DCE and its program administrator, as well as other relevant parties, to implement the contracted evaluations and support the overall clean energy evaluation activities of the BPU.

FY22 priorities for evaluation activities for the DCE include:

Fiscal Year	Evaluation Study Name[7]	To be Conducted by
FY22	1. Legacy and Transitional Tasks a. NJCEP Energy Efficiency Program Benefit- Cost Analysis i. Avoided Costs Inputs/Assumptions ii. Perform BCAs: Retrospective iii. Review BCAs: Prospective b. Protocols Development and Support i. Protocols for Estimating Program Impacts ii. Protocols for the Energy Efficiency Transition iii. Avoided Cost Studies c. Energy Master Plan and NJ Energy Data Center d. Evaluation and Research Studies Planning and Reporting i. Co-facilitate Evaluation Team Meetings ii. Provide Support to the EE WGs iii. Peer Benchmarking and Collaboration	RCGB
	2. Newly Convened and Emergent Tasks a. Energy Codes and Strategic Electrification i. Cost-Effectiveness Analysis for Amendments to the NJ Energy Code(s) b. Energy Codes Compliance Collaborative c. Program Planning d. Technical Assistance e. Other Evaluation Tasks as Designated by the BPU i. Development of 3rd Party Studies: Scope, RFP, and Vendor Selection ii. Other Evaluation or Assessment	RCGB
	3. Optional Evaluation Tasks	

[7] The timeline for completing the evaluations may vary. Evaluations started in FY22 may or may not be completed in the same fiscal year.

	a. Energy Use Profile Development and Behavioral Pilot Studies b. Strategic Electrification Technical Feasibility and Potential Studies i. District-level Electrification ii. NJ Electrification Potential Study c. Training and Continuing Education d. Rate Impact Analysis Phase 2	RCGB
	4. Contract Administration and Managerial Tasks a. Contract Administration b. Management of 3rd Party Studies	RCGB
	5. 3rd Party Evaluation Research Tasks a. Evaluation Research Tasks i. Energy Code Compliance Study ii. Research in Support of EM&V and/or Protocols Development iii. Energy Benchmarking iv. Solar Market Potential Study v. Residential and/or Commercial and Industrial Baseline Studies	

Energy Master Plan Rate Impact Study

The 2019 EMP established a set of goals and pathways for New Jersey to reach 100% clean energy by 2050, as directed by Governor Murphy in Executive Order No. 28. The Board developed an Integrated Energy Plan ("IEP"), a long-term forecasting model, to better inform the strategies set forth in the EMP, specifically modeling several scenarios to identify the most strategic and least-cost pathways to achieve New Jersey's 2050 clean energy and emissions targets. The IEP considered the costs and benefits of the full energy system under such scenarios but not the individual ratepayer impacts of a clean energy transition.

Staff will work with a consultant to supplement the 2019 EMP and IEP and analyze the ratepayer impacts of a series of possible scenarios, building off of preliminary analysis initiated by RCGB. The consultant will assist Staff with developing cost estimates for the various elements of implementing New Jersey's clean energy goals, such as the Renewable Portfolio Standard, solar incentives, energy efficiency, electric vehicles, offshore wind, energy storage ("ES") programs, and the Regional Greenhouse Gas Initiative.

Grid Modernization

New Jersey's interconnection rules and processes require updating in order to achieve 100% clean energy by 2050. The Board has approved an RFP to engage a

contractor to work with Staff to update New Jersey's interconnection rules so that they reflect national best practices and better enable the state to achieve its clean energy goals. Necessary updates to the State's interconnection rules include but are not limited to: updates to the interconnection 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.

Current Request for Request for Quotations ("RFQ")

Type	Description	Status
RFQ	Offshore wind transmission consulting services to assist Staff with the PJM State Agreement Approach Process.	Contract award approved by Board on 2/17/21
RFQ	Consulting services for the development, implementation, and evaluation of New Jersey's Whole House Pilot Program.	Contract award approved by the Board on 4/7/21
RFQ	Contract for analyzing the rate impact of the 2019 Energy Master Plan.	Contract award approved by the Board on 5/5/21
RFQ	Consulting services to update New Jersey's interconnection rules to reflect national best practices and better enable the state to achieve its clean energy goals.	Contract award approved by the Board on 5/19/21
RFQ	Contract to engage a Solar Successor Competitive Solicitation Administrator to assist in the design and administration of a competitive solicitation for the Solar Successor Program.	RFQ issued by the Board on 5/17/21

Outreach and Education

Sustainable Jersey

The BPU's Sustainable Jersey contract supports NJCEP's goals through a robust program that builds a base of local support for clean energy initiatives, implements targeted programs to increase EE and RE, and researches new programs and strategies to leverage local capacity to advance clean energy goals. These efforts assist in expanding the reach of NJCEP's programs and include expanding offerings

related to EVs, community solar outreach, community energy planning grants, as well as the development of additional EE toolkits.

NJIT

The NJIT Center for Building Knowledge ("CBK") provides high-quality research, training, and technical assistance on EE in the state and on select aspects of NJCEP. In FY22, CBK will offer a series of activities designed to support and significantly expand the offerings of the Clean Energy Learning Center ("CELC"), which provides online education to the full range of stakeholders engaged with NJCEP.

Project activities for the CBK include but are not limited to: maintaining and expanding the CBK Advisory Group, updating and maintaining existing content and the CELC website, developing and adding new materials and content, and developing trainings and educational toolkits for various NJCEP program sectors, including commercial and industrial, residential, community solar, and workforce development.

Clean Energy Conference

The DCE is planning the Clean Energy Conference for FY22, since it was delayed due to health concerns related to COVID-19. The conference will improve the visibility and exposure of NJCEP and advance the State's clean energy goals by helping to educate the public about the benefits derived from NJCEP and the opportunities available through the program, thereby increasing program participation. The conference will deliver a platform that will inform industry stakeholders about upcoming changes and enhancements to New Jersey's clean energy initiatives, thereby increasing New Jersey's national recognition as a leader in clean energy.

Workforce Development

As the clean energy economy continues to grow in New Jersey, we recognize that workforce development and training are key components of realizing our efficiency, generation, and energy equity goals while providing clean, green jobs to workers in New Jersey. To that end, NJCEP will launch a workforce development program, with a focus on community-based approaches that will build a more inclusive and representative clean energy workforce. This may consist of: a Workforce Development Grant Program, which will provide funding to nonprofits, community-based organizations, colleges/universities, technical training facilities, and high schools/vocational-tech schools located in or that serve OBC; an incentive-based mentorship/apprenticeship program with contractors; enhanced incentives for customers that hire local contractors and that are based in and serve their communities; and establishment and development of prioritization/weighing processes to support OBC and contractors in implementing EE programs. The development and implementation of these initiatives will be supported by the Workforce Development and Equity Working Groups established through the energy

efficiency transition.

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.

Planning and Administration

BPU Program Administration

The DCE is charged by the Board with the responsibility for administering NJCEP. As the administrator of 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 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 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 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 awareness among businesses, local government, and residents of energy efficiency and other clean energy initiatives and programs. The branding campaign, launched in April 2020, continues to build awareness among New Jerseyans and businesses of the clean energy resources available through the State of New Jersey, including rebates, Pay for Performance, Clean Energy incentives, and other NJCEP offerings, thereby increasing participation in all of NJCEP's offerings and programs.

In FY22, the marketing plan will look to communicate the State's overarching goals and ongoing efforts to foster long-term, resilient, clean energy options and to reduce energy consumption and emissions to create a more sustainable environment for all of New Jersey in alignment with the EMP.

Clean Energy Program Website

NJCleanEnergy.com supports the NJCEP's goals by providing information to the public about all of the division's offerings. The redesigned website will increase

public awareness of the benefits of clean and efficient energy and of the incentives and financial assistance available to ratepayers. In addition, it will provide 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.

Community Energy Grants

Through the Community Energy Plan Grant 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.

Some municipalities are better able to, and are perhaps already engaged in, local energy master plan development and related activities. In order to further engage LMI and OBCs, Staff recommends redesigning the Community Energy Plan Grant Program to focus on removing barriers to participation, provide technical support, and engage the communities that are currently underserved. To that end, the Community Energy Plan Grant Program will prioritize OBCs through grants and technical assistance, while setting aside a smaller portion of the budget for non-OBCs, who could be eligible for smaller grants and a lower level of technical assistance.

Staff recommends that this program be housed under the OCEE to better ensure that those municipalities and communities most needing access and assistance are engaged. The next iteration of the program will prioritize municipalities that have significant percentage of their population identified as being in a qualifying census block group, as defined by the NJ Environmental Justice Law (L. 2020, c. 92). By focusing on the percentage of qualifying population within the identified OBCs, Staff aims to prioritize those municipalities that may be in most need of these grants and populations that could reap the most benefits from the grants.

Energy Storage

In FY19, the Board retained Rutgers University to conduct an analysis of ES in New Jersey, pursuant to the CEA (L. 2018, c. 17). The contract for the requested analysis commenced on November 1, 2018, and the Board accepted the final report at its June 12, 2019 agenda meeting.

In FY21, the first phase of an ES program intended to meet the CEA goals was issued as part of the Solar Successor Straw Proposal. If approved by the Board, this Phase will comprise storage coupled with solar photovoltaic.

In FY22, Staff will develop the second phase of the ES program, which will be aimed at reaching CEA-mandated 2030 goals. Staff recommends funds be used for incentives to help achieve New Jersey's ES goals, to provide cost-sharing in order to

leverage USDOE ES funding, and to retain a consultant to assist Staff in these activities.

Electric Vehicles

State Vehicle Fleet

The Electric Vehicle ("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 fleet to be plug-in electric vehicles by 2025 and 100 percent by 2035. To achieve these goals, the BPU will establish a program in FY22 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.

Clean Fleet Electric Vehicle Incentive Program

In FY20 and FY21, the BPU utilized USDOE funds to start 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"). 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. The original iteration of the program launched on December 1, 2019, and has, to date, assisted over twenty-five entities to purchase a battery vehicle and/or charging equipment.

As this program directly impacts the goals set forth in the EV Act (L. 2019, c. 362), specifically promoting EV adoption in State and local government fleets, the Clean Fleet Program will continue in FY22 under the NJCEP. Eligible entities for this incentive will be municipalities, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, and county authorities. Under the Clean Fleet Program, State Fleets will have a budget of $6 million and local entities will have a budget of $1 million.

Through a rolling application process, applicants may apply for a $4,000 incentive for up to two (2) light-duty battery electric vehicles as well an incentive for one EV charger in amount of $1,500. The maximum grant amount per year for the Clean Fleet Program (two battery electric vehicles and one EV charger) is $9,500. Grants will be reviewed by a committee, assessed, and awarded on a rolling basis contingent upon program funding, with priority given to applicants who would be adding their first EV to their fleet.

Awards shall be in the form of a reimbursement, based on proof of purchase of a new eligible battery electric vehicle and/or charging equipment. All applicants will be required to complete a Grant Reimbursement Form in order to receive their grant

award. The vehicle listed on the application is required to be the same year, make, and model listed on the Grant Reimbursement Form. Eligible vehicle(s) must be purchased and received in order to submit the Grant Reimbursement Form.

EV Grid Assessment

Staff proposes to recommend providing additional funding to expand an existing study by a consultant contracted through EDA to further develop information about EV grid impacts. By providing additional funds to an ongoing review, Staff believes we can gather critical additional information which will be important for the Board's efforts on grid modernization.

Fiscal Year 2022 Program Budgets

The following table set out a detailed FY22 budget for programs managed by the DCE:

		Cost Category Budgets					
Program/Budget Line	**Total Budget**	**Administration**	**Sales, Marketing, Website**	**Training**	**Rebates, Grants and Other Direct Incentives**	**Rebate Processing and QA**	**Evaluation**
Total NJCEP	**246,291,216**	**36,595,544**	**3,141,150**	**16,217,500**	**162,096,838**	**0**	**28,240,184**
Energy Efficiency Programs	**85,573,942**	**14,004,296**	**0**	**0**	**71,569,646**	**0**	**0**
Energy Efficiency Transition	**23,340,494**	**14,004,296**	**0**	**0**	**9,336,198**	**0**	**0**
State Facilities Initiatives	**57,733,448**	**0**	**0**	**0**	**57,733,448**	**0**	**0**
Acoustical Testing Pilot	**4,500,000**	**0**	**0**	**0**	**4,500,000**	**0**	**0**
Distributed Energy Resources	**4,000,000**	**0**	**0**	**0**	**4,000,000**	**0**	**0**
Microgrids	**4,000,000**	**0**	**0**	**0**	**4,000,000**		**0**
RE Programs	**26,715,262**	**1,000,000**	**0**	**0**	**20,000,000**	**0**	**5,715,262**
Offshore Wind	**26,715,262**	**1,000,000**	**0**	**0**	**20,000,000**	**0**	**5,715,262**
EDA Programs	**15,359,085**	**341,585**	**0**	**12,717,500**	**0**	**0**	**2,300,000**
Clean Energy Manufacturing Fund	**109,085**	**109,085**	**0**	**0**	**0**	**0**	**0**
NJ Wind	**11,500,000**	**45,000**	**0**	**9,155,000**	**0**	**0**	**2,300,000**
R&D Energy Tech Hub	**3,750,000**	**187,500**	**0**	**3,562,500**	**0**	**0**	**0**
Planning and Administration	**41,750,870**	**16,745,777**	**3,141,150**	**0**	**2,139,021**	**0**	**19,724,922**
BPU Program Administration	**5,185,000**	**5,185,000**	**0**	**0**	**0**	**0**	**0**
Marketing	**13,601,927**	**11,560,777**	**2,041,150**	**0**	**0**	**0**	**0**

CEP Website	**400,000**	**0**	**400,000**	**0**	**0**	**0**	**0**
Program Evaluation/Analysis	**19,724,922**	**0**	**0**	**0**	**0**	**0**	**19,724,922**
Program Evaluation	19,724,922	0	0	0	0	0	19,724,922
Outreach and Education	**2,450,000**	**0**	**700,000**	**0**	**1,750,000**	**0**	**0**
Sustainable Jersey	1,000,000	0	0	0	1,000,000	0	0
NJIT Learning Center	750,000	0	0	0	750,000	0	0
Conference	700,000	0	700,000	0	0	0	0
Memberships	**389,021**	**0**	**0**	**0**	**389,021**	**0**	**0**
BPU Initiatives	**72,892,057**	**4,503,886**	**0**	**3,500,000**	**64,388,171**	**0**	**500,000**
Community Energy Grants	**1,000,000**	**0**	**0**	**0**	**1,000,000**	**0**	**0**
Storage	**20,000,000**	**0**	**0**	**0**	**20,000,000**	**0**	**0**
Electric Vehicles	**47,392,057**	**3,503,886**	**0**	**0**	**43,388,171**	**0**	**500,000**
Plug In EV Incentive Fund	33,388,171	0	0	0	33,388,171	0	0
CUNJ	6,503,886	3,503,886	0	0	3,000,000	0	0
EV Grid Assessment (EDA)	500,000	0	0	0	0	0	500,000
State Vehicle Fleet	6,000,000	0	0	0	6,000,000	0	0
Municipal Clean Fleet	1,000,000	0	0	0	1,000,000	0	0
Workforce Development	**4,500,000**	**1,000,000**	**0**	**3,500,000**	**0**	**0**	**0**

BPU and DPMC Designated Project List
State Facilities Initiative Funds Revised FY 22[i]

Agency	Contract	FY22 Total Revised BPU Funds	Detail
Ag	Pabil Bug Lab	$4,200,000.00	HVAC
DCA	Ashby Bldg.	$4,250,000.00	HVAC
DHS	Ancora Psychiatric Hospital	$3,010,000.00	ESIP ECMs
DHS	Greenbrook Regional	$1,400,000.00	ESIP ECMs
DHS	Greystone Psychiatric Hospital	$1,540,000.00	ESIP ECMs
DHS	Trenton Psychiatric Hospital	$2,620,000.00	ESIP ECMs
DHS	Vineland Developmental	$1,190,000.00	ESIP ECMs
DHS	Woodbine Developmental	$1,100,000.00	ESIP ECMs
DHS	Kohn Training Center	$94,000.00	Lighting ECM
DMAVA	Menlo Park	$510,000.00	ESIP ECMs
DMAVA	Glen Gardner Vet Haven North	$1,500,000.00	HVAC
DMAVA	Vineland	$900,000.00	ESIP ECMs
DMAVA	Paramus	$530,000.00	ESIP ECMs
DOC	AC Wagner/ Garden State	$0	Deferred
DOC	Bayside-Southern State	$0	Deferred
DOC	East Jersey	$0	Deferred
DOC	Midstate	$0	Deferred
DOC	NJ State	$3,000,000.00	Feeder upgrades
DOC	Northern State	$0	Deferred

Agency	Contract	FY22 Total Revised BPU Funds	Detail
DOC	Southwoods	$2,565,000.00	ESIP ECMS
DOE	Jackson Regional School	$3,700,000.00	HVAC
DOL	Labor Bldg.	$1,300,000.00	HVAC
Homeland security	Horizon Center	$1,400,000.00	Various
JJC Law & Public Safety	JJC Johnstone Campus	$500,000.00	HVAC
Justice	Hughes Justice Complex	$6,200,000.00	Various
NJ Transit	MOU Electric Buses	$10,000,000.00	Hilton Garage Retrofit
NJDEP	DEP HQ	$3,400,000.00	Controls Upgrade
NJDOT	DOT HQ	$0	Project Closeout
OIT	OIT Hub	$700,000.00	Data center
Treasury	Treasury Distribution Center	$400,000.00	HVAC
Treasury	State Legislature Bldg.	$850,000.00	Various
Treasury	State Library	$1,190,000.00	ESIP ECMs
Treasury	Capital Complex CHP	$550,000.00	CHP
Treasury	225 West State Street	$900,000.00	Heat Exchangers
Treasury	TOC Lighting	$87,870.00	LED ECM
Treasury	War Memorial	$4,000,000.00	HVAC
	Project Total Funding	**$63,586,870.00**	

[1] Note: Table may not sum to line item due to timing differences such as funding carryforwards of project funds and project payments

New Jersey Clean Energy Program – Fiscal Year 2022 Budget

FY22 Program/Budget Line	*FY22 New Funding*	*Other New Funding (Uncommitted Carryforward Plus Interest)*	*FY21 Estimated Carryforward (Commitments)*	*FY22 Budget*
Total NJCEP + State Initiatives	**344,665,000**	**7,404,846**	**234,037,034**	**586,106,880**
State Energy Initiatives	**87,100,000**	**0**	**0**	**87,100,000**
Total NJCEP	**257,565,000**	**7,404,846**	**234,037,034**	**499,006,880**
Energy Efficiency Programs	**137,484,894**	**6,809,846**	**166,930,313**	**311,225,053**
Res EE Programs	**18,169,071**	**0**	**8,217,668**	**26,386,739**
Residential Retrofit	8,380,000	0	4,118,503	12,498,503
RNC	8,627,000	0	4,099,165	12,726,165
EE Products	1,162,071	0	0	1,162,071
Res Low Income	**45,930,000**	**0**	**0**	**45,930,000**
Comfort Partners	45,930,000	0	0	45,930,000
C&I EE Programs	**46,555,175**	**0**	**106,779,197**	**153,334,372**
C&I Buildings	40,975,328	0	94,659,641	135,634,969
LGEA	3,206,036	0	1,869,375	5,075,411
DI	2,373,811	0	10,250,181	12,623,992
Energy Efficiency Transition	**16,530,648**	**6,809,846**	**0**	**23,340,494**
State Facilities Initiative	**7,300,000**	**0**	**50,433,448**	**57,733,448**
Acoustical Testing Pilot	**3,000,000**	**0**	**1,500,000**	**4,500,000**
Distributed Energy Resources	**5,472,918**	**0**	**19,162,627**	**24,635,545**
CHP - FC	**5,472,918**	**0**	**15,162,627**	**20,635,545**
Microgrids	**0**	**0**	**4,000,000**	**4,000,000**
RE Programs	**11,661,449**	**0**	**17,722,821**	**29,384,270**
Offshore Wind	**8,992,441**	**0**	**17,722,821**	**26,715,262**
Solar Registration	**2,669,008**	**0**	**0**	**2,669,008**
EDA Programs	**9,587,000**	**0**	**5,772,085**	**15,359,085**
Clean Energy Manufacturing Fund	**87,000**	**0**	**22,085**	**109,085**
NJ Wind	**7,000,000**	**0**	**4,500,000**	**11,500,000**
R&D Energy Tech Hub	**2,500,000**	**0**	**1,250,000**	**3,750,000**
Planning and Administration	**30,920,000**	**595,000**	**13,995,870**	**45,510,870**
BPU Program Administration	**5,185,000**	**0**	**0**	**5,185,000**
Marketing	**8,000,000**	**0**	**5,601,927**	**13,601,927**
CEP Website	**0**	**0**	**400,000**	**400,000**
Program Evaluation/Analysis	**12,700,000**	**0**	**7,024,922**	**19,724,922**
Outreach and Education	**4,710,000**	**595,000**	**905,000**	**6,210,000**
Sustainable Jersey	500,000	0	500,000	1,000,000
NJIT Learning Center	450,000	0	300,000	750,000
Conference	0	595,000	105,000	700,000

Outreach, Website, Other	3,760,000	0	0	3,760,000
Memberships	**325,000**	**0**	**64,021**	**389,021**
BPU Initiatives	**62,438,739**	**0**	**10,453,318**	**72,892,057**
Community Energy Grants	**505,000**	**0**	**495,000**	**1,000,000**
Storage	**20,000,000**	**0**	**0**	**20,000,000**
Electric Vehicle Program	**41,933,739**	**0**	**5,458,318**	**47,392,057**
Plug In EV Incentive Fund	30,000,000	0	3,388,171	33,388,171
CUNJ	4,433,739	0	2,070,147	6,503,886
EV Grid Assessment (EDA)	500,000	0	0	500,000
State Vehicle Fleet	6,000,000	0	0	6,000,000
Municipal Clean Fleet	1,000,000	0	0	1,000,000
Workforce Development	**0**	**0**	**4,500,000**	**4,500,000**