

Comments on New Jersey Clean Energy Program New Construction Program  
Docket **QO22050327** - 7/29/22

The commercial and residential building section is the second largest percentage of New Jersey's greenhouse gas emissions and furthermore, yet there is no mention of "cold climate heat pumps<sup>1 2</sup>" anywhere in the proposed NJCEP New Construction changes document indicated for this docket<sup>3</sup>. This gap is despite the fact that the 2019 EMP strategy 4.2 calls for incentives for the transition to electric heat pumps, hot water heaters and other electric appliances<sup>4</sup>. In addition, the 2019 Integrated Energy Plan cites EV and heat pumps as the key technologies to assist New Jersey in reaching its 100% clean energy goals. The recommendations below are seen as crucial steps in implementing the 2019 EMP strategy 4.2.

- 1. The BPU must set an initial goal of 100,000 new and retrofit residential building units electrified by 2025 and 800,000 by 2030 as steps toward the NJ EMP goal of 90% electrification by 2050 and 50% reduction in GHG emissions by 2030. And provide the requisite annual budget support to meet these goals.<sup>5</sup>**

Consistent with the 2019 EMP strategy 4.1 - Start the transition for new construction to be net zero carbon, we request that as part of TRC's Program Administration's compliance filing and budget, the BPU should include specific goals for the installation of cold climate heat pumps, **with a recommended required goal of 100% heat pumps for all new construction that needs HVAC equipment by 2025.**

We also ask that only cold climate heat pumps be approved for all new residential construction incentives within the Energy Star, Zero Energy Ready Homes (ZERH), ZERH plus Renewable, Energy Star Multifamily High Rise (MFHR) and the Energy Star Multifamily New Construction (MFNC) programs.

- 2. The BPU needs to establish an aggressive building electrification roadmap by the end of 2022 if NJ is to have any chance of meeting its 2030 GHG objectives. Any New Construction proposed changes must be tied to the building electrification roadmap. A roadmap is needed for any sensible clean energy investments.<sup>6</sup>**
- 3. The BPU must establish financial incentives sufficient to achieve the above goals, especially for cold climate heat pumps. The current incentives do not support meeting this goal.**

It is recommended to establish an additional incentive of at least \$1000 for each newly constructed residential unit for cold climate heat pump installation via either upfront rebates and/or clean energy credits with 10-year payback. This incentive is intended in addition to existing proposed incentives outlined in each of the approved electric utility EE programs<sup>7</sup>.

It is recommended to establish an incentive of \$5000 for each retrofit of an existing owned residential unit for cold climate heat pump installation via either

upfront rebates and/or clean energy credits with 10-year payback, with an equivalently appropriate amount for owner occupied or tenant occupied multi-family housing with collective HVAC. And add even more incentives if electric panel work is required. This incentive is intended in addition to existing proposed incentives outlined in each of the approved electric utility EE programs<sup>8</sup>.

Incentives should also be established to deal with a comprehensive Building Electrification picture, including specific budget line incentives for each of cold climate heat pump HVAC installer training, retrofit and new construction electric appliances such as water heating heat pumps, induction cooktops, heat pump dryers, and electric panel upgrades, while also considering the electric panel's ability to support Electric Vehicle growth and the added need for EV charging.

- 4. The BPU must eliminate all natural gas equipment incentives that still exist in the face of rapid global warming and NJ policies to dramatically reduce GHG emissions**
- 5. The BPU needs to set strong building electrification residential and commercial building codes for new construction, retrofitting and remodeling. At a minimum, adopt the ICC 2021, 2024 and 2027 building energy codes with no weakening amendments.<sup>9</sup>**
- 6. The BPU needs to develop and prototype a Green Jobs program to manufacture millions of cold climate heat pumps in New Jersey. Millions and millions of heat pumps are needed worldwide. Push New Jersey to be the world leader in cold climate heat pump deployment and manufacturing.**

**Ken Dolsky**

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1 <https://rmi.org/its-time-to-incentivize-residential-heat-pumps/>

2 <https://www.energy.gov/eere/buildings/articles/cold-climate-air-source-heat-pumps-innovative-technology-stay-warm-winter>

3 [https://nj.gov/bpu/pdf/publicnotice/FY23\\_NC\\_ProposedChanges\\_Final.pdf](https://nj.gov/bpu/pdf/publicnotice/FY23_NC_ProposedChanges_Final.pdf)

4 <https://www.nj.gov/governor/news/news/562020/approved/20200127a.shtml>

5 [5/2/2022 Letter to NJ Governor Murphy](#) from NJ 50 x 30 (50% GHG reduction by 2030) Building Electrification Team

6 [5/2/2022 Letter to NJ Governor Murphy](#) from NJ 50 x 30 (50% GHG reduction by 2030) Building Electrification Team

7 Table 6, Appendix A, page 72

[https://njcleanenergy.com/files/file/1/FY23%20Program%20Administrator%20\(TRC\)%20Filing%20RB%20\(MI\).pdf](https://njcleanenergy.com/files/file/1/FY23%20Program%20Administrator%20(TRC)%20Filing%20RB%20(MI).pdf)

8 Table 6, Appendix A, page 72

[https://njcleanenergy.com/files/file/1/FY23%20Program%20Administrator%20\(TRC\)%20Filing%20RB%20\(MI\).pdf](https://njcleanenergy.com/files/file/1/FY23%20Program%20Administrator%20(TRC)%20Filing%20RB%20(MI).pdf)

9 [5/2/2022 Letter to NJ Governor Murphy](#) from NJ 50 x 30 (50% GHG reduction by 2030) Building Electrification Team