



July 29th 2022

Carmen D. Diaz, Secretary of the Board
Board of Public Utilities
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Thank you for this opportunity to provide comments on the Proposed FY23 Revisions to the NJCEP New Construction Programs. We attended the July 22nd webinar on this topic, and have reviewed the revisions draft document that was released to accompany that presentation.

EAM Associates is a multi-discipline construction consultancy, 3rd-party inspection provider, and MEP design firm. We specialize in assisting our partners in the construction and rehab of energy-efficient green projects all across the Northeast region. Everything from custom single families to high-lot communities, light commercial, and multi-family/mixed-use apartment developments of all sizes.

For over 25 years, EAM Associates has provided builders, developers, utilities, architects, and efficiency program managers with a variety of services including program design, quality assurance inspections, program management, training and marketing/outreach. We have established ourselves as a leading high performance construction consultant, with an established team reputation for success, and technical excellence that fundamentally improves the homeowner's comfort, health and enjoyment of their homes.

Our team includes a diverse group of building science professionals with hands on experience in the fields of construction, HVAC design/installation and testing, home performance, Home Energy Rating (HERS), and energy code compliance. EAM is a RESNET Accredited HERS Provider, Energy Star Homes Provider, and a LEED for Homes Provider. We help our builder partners improve their projects by engineering high performance MEP systems, and guiding them through more advanced building certification programs such as; DOE Zero Energy Ready Homes, Indoor airPLUS, and Passive House. To date, we have certified over 25,000 single and multi-family homes to these standards, and have worked within the NJCEP Residential New Construction Program since its inception in 2001.

We would in general like to offer a statement of support for the proposal. We really value the efforts that we know have been undertaken by TRC, the BPU, and Board Staff in order to formulate this comprehensive redesign of the new construction program suite to drive forward NJCEP's efficiency and sustainability agenda to meet the needs and goals of the diverse group of stakeholders in our great state.

Because of our long history with these programs, and high level of activity today, we would like to offer the following comments that we feel should be considered as this New Construction Program design is finalized:



- The proposed “ASHRAE Model” pathway proposed be a pathway within the High Performance tier should retain all the requirements of the existing P4P New Construction Program. However the opportunity should be taken at this time to correct the existing incentive imbalance, and this option should not be incentivized at the same rate as the proxy programs. All the proxy programs, starting with Energy Star Homes/MFNC which forms the foundation of essentially all the other programs (DOE ZERH, LEED for Homes, Passive House) have comprehensive energy modeling requirements, sometimes the same ASHRAE 90.1 model, but which then layer on top a robust suite of prescriptive measures and inspection/testing performance metrics which ensure a high level of not just energy efficiency, but also a complete package of the best building science in regards to important issues like indoor air quality and building resilience.
- We are firm proponents of the LEED rating systems, and work with both the residential and commercial versions of their programs. However in the case of NJCEP New Construction we believe that the proxy should only include reference to the residential specific programs. Currently those are LEED for Homes BD+C & MF Mid-Rise in Version 4, which will change to be known as LEED for Residential BD+C under Version 4.1. Residential projects will no longer be allowed to use LEED NC (commercial new construction) once that changeover is complete. This NJCEP transition will go more smoothly in this regard if it does not start out allowing reference to a program pathway that will be short lived. Further the LEED residential pathway is the only version of the rating system that requires the stringent levels of 3rd party verification and testing that should be the standard when paying incentives with ratepayer funds.
- We understand the thought to move to a \$/sqft incentive structure, and believe it can be made to work with the correct settings. We suggest that some critical thinking will be needed in order to create a structure using this metric that is fair to all housing types. For instance while multifamily units save less energy on an absolute scale when modeled against a multifamily baseline unit, we should make sure that we incentivize this type of housing on an equal scale as it uses inherently less resources by providing New Jerseyans with great homes using lesser amounts of space per person. Further as regards the incentive structure, while we understand the structure that was presented on the call was only a representation of the current thinking, we would strongly disagree that the current multiples shown of 1x for the bundled pathway, 1.5x streamlined pathway, and 2x for High Performance pathway are anywhere near close to where they need to be to properly incentivize participants. The High Performance pathway needs to be incentivized at a much higher rate relative to the other tiers. We have seen for years for example that various QAPs get little to no participation for higher level certification programs when they offer points at parity with each other. Meeting the requirements of these proxy program will inherently require a builder to incorporate all these same bundled prescriptive measures with so much more value layered on top.
- We are actually engaged in helping builders construct projects to all the different proxy programs referenced for the High Performance pathway. They are not all created equal, indeed some include and build upon others. The incentive rate structure should not be the same for all program. It should begin with Energy Star as always a base requirement for all project because the EPA does a great job of evolving this program over time to stay ahead of building code not just in energy efficiency but



in applying the best building science practices of the day. From there the incentives should increase on up through LEED, Zero Energy Ready Homes, and then Net-Zero & Passive House projects.

- While we believe the bundled measures pathway could be useful to engage previous non-participants in the NJCEP programs, we feel the streamlined pathway would actually end up being a step backwards for the program. It is a pathway which sound just complicated enough to certainly need the support of building science professionals, but which that same group is unlikely to want to support in comparison to work in the High Performance pathway. We feel it will more likely pull participation down High Performance in areas like market rate multifamily that the program and Raters are actively trying to grow, rather than lift up participation. In fairness this pathway is probably the least well understood currently by all us stakeholders given the lack of details provided about the software platform, possible prescriptive requirements, QA/QC, etc. We would like to see more information on exactly what this tier will look like before providing final comments on it.
- If funding for this suite of programs is to be allocated from a single pool then we feel the entire program suite should be rolled out at the same time, and not phased in pieces as was mentioned in the presentation. We have a current RNC program which is certainly functioning well, and will continue to do so as the design of this new program is well thought out and finalized. We do not need to rush into rolling out new programs until the interconnectivity and incentive structure relationship between all of them is complete understood by all stakeholders.

Please feel free to contact me if you have any questions. We look forward to continue working with the NJCEP in developing programs that help push the levels of efficiency and sustainability in New Jersey's built environment.

Sincerely,

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