

Comments on NJ BPU HOMES/HEEHR 1/9/24
Docket QO23100733

Thank you for the opportunity to comment on the NJ BPU HOMES/HEEHR program.

The primary comment is that NJ needs to ensure that the entirety of the HOMES/HEEHR program funding is focused on **Building Electrification**, while driving down fossil fuel usage.

1. Building Electrification:

In accordance with Executive Order 316 and its NJ objectives, ensure these programs result in installation of electrified space heating and cooling systems, and water heating systems in an additional 400,000 homes and 20,000 commercial properties and make 10% of all low-to-moderate income (LMI) properties electrification-ready by 2030.

A. Ensure that NJ HOMES/HEEHR programs are oriented towards Justice40 (Federal Executive Order 14008, Section 223), so as to better ensure multi-family and LMI properties advance rapidly to full Building Electrification, including heat pumps, not just electrification-ready.

B. Ensure substantial electric air source are deployed to meet the 400,000 homes objective by 2030. The NJ heat pump program needs to be rapidly increased to match or exceed more advanced states, and if necessary, add NJ funding in addition to Federal funding. For example, Maine, with a population about 14% that of NJ, announced in July 2023 that it has already met its objective of 100,000 heat pumps deployed by 2025. For rough equivalence with Maine, New Jersey should have 700,000 modern heat pumps deployed by now.

C. Substantially ramp up the NJ contributed heat pump rebates (e.g. some NJ heat pump rebates are as low as \$400 per system, and thus might be less than 4 to 8% of installation sale prices. Some other states have much larger rebates.

D. Also provide substantial NJ (not just federal) incentives in addition to space heating heat pumps to ensure substantial deployment of heat pump water heaters, electric ranges, heat pump dryers, and electric lawn equipment, together with any necessary electric service and/or panel upgrades to support both Building and Transportation Electrification, e.g. Electric Vehicles and installation of Solar Panels where applicable.

2. Immediately eliminate subsidies and rebates for natural gas or other fossil fuel burning equipment, and ban free gas utility hookups. Unfortunately, natural gas rebates continue to be available from at least two major NJ gas utilities, for example, see https://savegreen.com/static/uploads/files/08.23-SG-Furnace_Flyer.pdf

Certain NJ rebates for gas furnaces are higher than that for electric heat pumps, which means that NJ is willing to have customers paid to pollute more. And new natural gas lines or fossil fuel equipment installed under fossil fuel rebate programs is likely going to be in place for 20 to 30 years, perpetrating the customer cycle of dependency on natural gas and other fossil fuels. Its remiss of NJ to have ratepayers pay for expansion of natural gas users (thus hurting the planet at the same time), while Federal or state taxpayer or rate payer funds are being used to phase in electricity instead of gas.

3. Quickly Define HOMES/HEEHR Programs Now

The Federal IRA law was signed in August 2022, about 18 months ago. Thus, the NJ BPU needs an aggressive program to catch-up, immediately define these programs, get public input, obtain Federal Approval, and put these programs into operation by 2Q24, rather than waiting for 2025.

Other:

NJ also needs to look at the entire picture, and ensure a comprehensive approach:

(a) Modernize and ensure the grid is reliable and can handle the forthcoming increased electrical demands from Building and Vehicle Electrification. For example, NJ needs to pass S3992 Grid

Modernization: “This bill would require each electric public utility in the State to develop and implement a plan to modernize the electric transmission and distribution system within its territory.” While HOMES/HEEHR electrification is good, the grid must be ready to support these electrification programs.

(b) Ensure 100% Clean Electric by 2035 (ref: Executive Order 315). Pass S2978 “[NJ Clean Energy Act of 2023](#)” which establishes 100% clean electricity standard and directs BPU to establish a clean electricity certificate program. Without clean electricity from the grid, HOMES/HEEHR initiatives will have diminished value, and carbon emissions will otherwise be higher.

(c) Update the NJ 2019 Energy Master Plan (soon to be 5 years old). It should be updated to reflect HOMES/HEEHR goals, schedules, anticipated carbon reduction, and the funding for these programs.

(d) Document a Greenhouse Gas Reduction Path. Produce a clear (and public on-line) documented path to get to New Jersey’s annual GHG reduction targets. Include specific actions, plans, schedules, costs, measurements, existing annual GHG by action, and planned reduced GHG by action for every year through 2050. Document how NJ HOMES/HEEHR will contribute to this.

(e) Produce a NJ residential and commercial (including small business) oriented Building Electrification marketing program including brochures and websites that cover all areas of Building Electrification. Example brochures and websites include:

A Pocket Guide to All Electric Retrofits of Single Family Homes (Redwood Energy):

<https://www.redwoodenergy.net/research/a-pocket-guide-to-all-electric-retrofits-of-single-family-homes>

Guidelines for Integrated Heat Pump Water Heaters in Multifamily Buildings (Eversource, Connecticut):

<https://energizect.com/sites/default/files/documents/RNC%20-%202022%20HPWH%20Guidelines.pdf>

Massachusetts Air Source Heat Pumps:

<https://goclean.masscec.com/clean-energy-solutions/air-source-heat-pumps>

(f) Provide clear coordination with other programs such as NJ Comfort Partners, but ensure the new HOMES/HEEHR programs focus on Building Electrification.

(g) Make sure there are sufficient HVAC training programs, e.g. to deploy electric air source heat pumps, including a strong focus on HVAC installation training for LMI communities.

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