

State of New Jersey  
Governor Philip D. Murphy  
Lt. Governor Tahesha L. Way



Christine Guhl-Sadovy  
President

Dr. Zenon Christodoulou  
Marian Abdou  
Michael Bange  
Commissioners

Board of Public Utilities



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## NOTICE

### IN THE MATTER OF THE IMPLEMENTATION OF FEDERAL INFLATION REDUCTION ACT HOMES (HOME EFFICIENCY REBATES) AND HEEHR (HOME ELECTRIFICATION AND APPLIANCE REBATES) PROGRAM

DOCKET NO. [QO23100733](#)

#### REQUEST FOR INFORMATION

Staff of the New Jersey Board of Public Utilities (NJBPUB or Board) invites all interested parties and members of the public to provide written responses to the Request for Information (RFI) contained in this Notice regarding the design of the program to implement the federal Inflation Reduction Act Home Efficiency Rebate (HOMES or HER) and Home Electrification and Appliance Rebates (HEEHR or HEAR) formula funding.<sup>1</sup>

#### **Background and Procedural History**

On February 15, 2023, Governor Phil Murphy signed Executive Order 316 directing the State to advance the electrification of 400,000 additional residential dwelling units and 20,000 additional commercial spaces, and an additional 10 percent of residential units in low income communities to be made electrification-ready by 2030.<sup>2</sup> Executive Order 316 further directs the Board to ensure that the federal HOMES program and the HEEHR program are implemented and coordinated to support buildings electrification, with a primary focus on the needs of low- and moderate-income (LMI) customers.

Pursuant to the above directives of Executive Order 316, the Board initiated the above docketed matter, enabling Board staff (Staff) to engage with stakeholders to investigate and recommend how to design and implement a program to distribute the HOMES program and HEEHR program funding allocated to New Jersey under the Inflation Reduction Act of 2022 (IRA).<sup>3</sup> Accordingly, Staff will consider the following with respect to program design and parameters:

1. Approaches to designing programs serving multi-family buildings in low-income communities;
2. Integration of the HOMES program and the HEEHR program with existing energy efficiency and low- and moderate-income programs;
3. Optimal pathway to calculating rebates delivered to the customer between modeled versus measured approaches recommended by the U.S. Department of Energy (DOE);

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<sup>1</sup> Under the Inflation Reduction Act of 2022 (136 Stat. 1818 (Aug. 16, 2022)), Sections 50121 and 50122 are the applicable programs. While there are no formal names for the programs, Section 50121, which discusses Home Energy Performance-Based Whole House Rebates, is generally referenced as “Home Efficiency Rebates,” and Section 50122, which discusses High-Efficiency Electric Home Rebate Program, is generally referenced as “Home Electrification and Appliance Rebates”).

<sup>2</sup> Exec. Order No. 316 (February 15, 2023), 55 N.J.R. 510(a) (March 20, 2023).

<sup>3</sup> Inflation Reduction Act, supra note 1.

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4. Developing a clean buildings workforce through the Training for Residential Energy Contractors (TREC) grant to deliver the HOMES program and HEEHR program, from the perspective of establishing long-term jobs; and
5. Ensuring efficient delivery of these programs with respect to income verification, outreach, and customer experience.

This RFI concerns the implementation of federal HOMES program and HEEHR program formula funding, which will help New Jersey households save money on energy bills, upgrade to clean energy equipment, improve energy efficiency, and reduce indoor and outdoor air pollution. As such, the purpose of this RFI is to gain input on how best to deliver federal HOMES program and HEEHR program formula funding alongside current efficiency and electrification incentives in New Jersey and gain feedback on specific program design elements integral to delivering innovative and effective energy efficiency programs that help save ratepayers money and drive the State's reduction of energy consumption and emissions economy-wide. With this RFI, Staff will build upon the formal stakeholder engagement via technical conference in the HOMES program and HEEHR program energy efficiency incentives program development.

### **HOMES Program and HEEHR Program Proposal**

The DOE has issued comprehensive guidance on program requirements and application instructions for qualifying entities to apply for Home Efficiency Rebates funding.<sup>4</sup> The State has been allocated federal funds in the respective amounts of \$ 91,840,040 for HER and \$91,307,380 for HEAR, for the State to expend by 2031<sup>4</sup>. Staff intends to disburse this funding through the following two (2) programs:

#### **A. M-RISE: Elevating Income-Qualified Multifamily Communities**

Staff proposes to allocate 100% of the HER funding and 85% of the HEAR funding to transform multifamily buildings in low-income neighborhoods (below 80% area median income, as per DOE's definition<sup>4</sup>) by way of electrification and improved energy efficiency, through a program called the "M-RISE Program." The M-RISE Program is anticipated to employ a "whole building" approach to assess efficiency measures that would result in minimum overall energy savings between 15% (for measured pathway) to 20% (for modelled pathway). Based on the assessment, a combination of building envelope, common space, and in-suite measures could be used to secure comfort, affordability, and low-carbon appliance improvements. These measures could include wall insulation, duct repairs, mini-split/air source heat pumps, heat pump water heaters, lighting, etc. The M-RISE Program would target building types ranging from garden-style apartments to mid- and high rise buildings where at least 50% of the tenants are low-income. The HER funding would cover the lesser of 80% of the project costs or \$4,000 per dwelling unit, whereas the HEAR funding has a cap of \$14,000 per dwelling unit for all eligible measures<sup>4</sup>. Staff propose covering a range of building types and projects through the M-RISE Program that could be scaled to serve larger number of buildings across the state in the future.

#### **B. CP-HEAR: Comfort Partners Electrification Adder**

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<sup>4</sup> United State Department of Energy, Office of State and Community Energy Programs, [Home Energy Rebate Programs Requirements & Application Instructions](#)

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Staff propose to introduce targeted electrification measures in the existing Comfort Partners Program<sup>5</sup>. Staff proposes to allocate 15% of the HEAR funding to fund a program called the “CP-HEAR Program”, which will be an “adder” or an additional offering within the existing Comfort Partners program. The CP-HEAR electrification “adder” will make eligible homes that are being or have been served by the Comfort Partners Program electrification-ready by upgrading their electric panels and wiring. Additionally, the existing Comfort Partners Program would focus new outreach efforts to low-income delivered fuel and electric resistance customers and offer to convert their space and water heating to heat pumps.

## RFI QUESTIONS

In submitting responses to this RFI, stakeholders are encouraged to answer any questions they consider relevant and to the best of their ability. Stakeholders do not need to answer all questions for their response to be considered. Answers are understood to be preliminary and non-binding. Stakeholders are free to go beyond the scope of the questions and/or structure responses as necessary to increase clarity and efficiency of their responses. Stakeholders should also feel free to submit additional or alternate information as they deem necessary and appropriate.

1. How well does this approach align with the goals of HER, HEAR, and the IRA more broadly?
2. What would be the best analytical approach – measured or modeled – for calculating energy savings in multifamily buildings? Are there scenarios where one would work better than the other?
3. What criteria and process could be used to select buildings for the M-RISE Program?
4. Does this approach address the unique needs of our state in terms of:
  - a. the need for efficiency and electrification upgrades in multi-family buildings?
  - b. the need for efficiency and electrification upgrades in low- to moderate-income households?
5. Do you believe the proposed budget allocations for the M-RISE Program and the CP-HEAR Program are appropriate?
6. Do you have any other concerns regarding this approach or additional ideas for consideration?

## Comments

The Board is accepting written and/or electronic comments. All public comments should be filed under Docket No. [QO23100733](#), In the Matter of the Implementation of Federal Inflation Reduction Act HOMES (Home Efficiency Rebates) and HEEHR (Home Electrification and Appliance Rebates) Program.

**The deadline for comments on this matter is 5:00 p.m. Eastern Time on May 21, 2024.**

Please submit comments directly to the specific docket listed above, using the “Post Comments” button on the Board’s [Public Document Search tool](#). All comments are considered “public documents” for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s [Public Document Search tool](#). Commenters may identify any

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<sup>5</sup> The New Jersey Comfort Partners Program helps income-eligible customers reduce their utility bills through implementing cost effective measures which save energy and money while improving their home’s safety and comfort at no cost to them, [Comfort Partners | NJ OCE Web Site \(njcleanenergy.com\)](#)

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information that they seek to keep confidential by submitting them in accordance with the procedures set forth in N.J.A.C. 14:1-12.3.

In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage, <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

**Secretary of the Board**

44 South Clinton Ave., 1st Floor  
PO Box 350  
Trenton, NJ 08625-0350  
Phone: 609-292-1599  
Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Staff looks forward to receiving and reviewing stakeholder comments. Thank you for your interest in this matter.

*Sherri L. Golden*

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Sherri L. Golden  
Secretary of the Board

Dated: May 7, 2024