



SIERRA CLUB

NEW JERSEY CHAPTER

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Sherri L. Golden, Secretary of the Board
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Re: Docket No. QO23100733, Federal Inflation Reduction Act HOMES and HEEHR Rebates Request for Information

We agree broadly with the strategy NJ BPU has used to design this program. The two objectives BPU seems to be pursuing, targeting both low-income and multi-family housing and at the same time striving toward Gov. Murphy's target of 400,000 housing units weatherized and electrified, are goals with which we agree. Our thoughts on some of the six questions posed in the RFI are below.

1. How well does this approach align with the goals of HER, HEAR, and the IRA more broadly?

The program appears to meet the HER and HEAR requirements laid out by the DOE as per income verification and the targeting of low income housing, rather than Low and Medium Income (LMI), which was advocated in the DOE guidance. The guidance also specifies that multi-family buildings can qualify if 50% or more of the occupants are LMI; the NJ BPU program exceeds this with the requirement that the majority be low income. DOE also notes that multi-family buildings can pool funding and use it to upgrade central heating/cooling, which would be a useful strategy.

The NJ Sierra Club supports this approach, however we suggest the inclusion of single-family (SF) homes as part of both programs in order to not miss the opportunity for market transformation and we do not exclude segments of New Jersey's population with high need for efficiency and electrification. The inclusion of SF homes, additionally, brings the potential for a measured savings approach given the complexities of multifamily housing not being able to rely on a measured approach, but moreso a modeled approach. Additionally, we urge the integration of comprehensive, critical home repairs into all low-income energy efficiency programs so that benefits are fully accomplished.

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?



Complex multifamily buildings could be initially modeled. In addition, measurements of actual performance before and after energy efficiency improvements could be used to calibrate and enhance the modeling parameters.

3. What criteria and process could be used to select buildings for the M-RISE Program?

BPU might partner with one or more Environmental Justice organizations or possibly a corporate consultant familiar with areas or entities that would qualify and that would be willing to cooperate in finding potential buildings. We understand that municipalities can identify low income families (from previous applications for low income benefits?), who can easily be reached via postal mail using municipal letterhead that is very likely to be opened. Also, municipalities have building tax records and periodic permits/inspection reports.

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?

The approach of targeting multi-family buildings in low-income neighborhoods is likely to address a clientele that no other programs are. These buildings are likely to be owned by persons or corporations other than the occupants of the buildings, owners who otherwise would have little incentive to make any efficiency or electrification upgrades; none of the other state or federal incentive programs are really a good match for this situation. Likewise, there is little, if any, opportunity for stacking with any other funding sources. Also, this approach seems likely to have the highest potential to maximize the number of housing units electrified, in pursuit of Gov. Murphy's EO 316 goals.

We recommend that, as allowed by DOE guidance, the BPU take a stricter position on electrification and require that not only should incentivized products be ENERGY STAR certified, but also that they are all-electric (i.e., no rebates for fossil-fuel appliances).

5. Do you believe the proposed budget allocations for the M-RISE Program and the CP-HEAR Program are appropriate?

Specifying a range of allocation percentages, rather than a set percentage between the two program budgets might offer BPU a little more flexibility, in case suitable households of one type or the other are difficult to find. In general, the allocations appear to be appropriate.

6. Do you have any other concerns regarding this approach or additional ideas for consideration?

- a) After studying the utilities' Triennium 2 filings, we have serious doubts about the utilities' ability to administer the Comfort Partners program equitably. We recommend that



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the BPU continue to administer this program, in order to deliver its full benefit to LMI. Likewise, we recommend that BPU also administer the CP-HEAR program. If the programs are to be passed along to the utilities, we suggest that only the electric utilities be selected, not gas utilities, to maximize electrification.

b) Given the relatively small budget, \$183 million, to be spent over the remaining years of the IRA, one might wonder about the time schedule for distributing the funds. The more quickly we can advance energy conservation and electrification, the better off the world will be. This is especially true, given the uncertainty of the political climate. We would recommend using the funding as quickly as we can find suitable housing subjects and achieving our energy goals as soon as possible.

Thank you for your consideration of our input.

Sincerely,

Anjuli Ramos-Busot
Director
New Jersey Sierra Club

Steve Miller
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