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VIA ELECTRONIC MAIL
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RE: Energy Master Plan Update - Docket Number: QO2402012

To Whom It May Concern:

The New Jersey Builders Association (NJBA) submits the following comments regarding the Energy Master Plan (EMP) update. NJBA is a professional trade organization representing individuals and businesses in the home building industry who strive for a more vibrant and affordable housing market in New Jersey. NJBA's members generate billions of dollars of economic activity each year; as such, NJBA has a direct and substantial interest in any modifications to the EMP, as it may impact building practices, economic development and the affordability of housing in New Jersey.

General Comments

NJBA supports the goals of the EMP, to make New Jersey more sustainable and to combat the global threats of climate change. The building industry has taken many steps towards cleaner and greener building practices over the past three decades, and it will continue to work with various state departments to ensure that it does its part to reduce greenhouse emissions. NJBA supports New Jersey's status as an "early adopter state" of updates to the International Construction Code (ICC) and the Department of Community Affairs' robust code review and update process.

The residential construction industry is no stranger to energy efficiency and green building techniques. The National Association of Home Builders (NAHB), NJBA's national affiliate, works collaboratively with the non-profit International Code Council (ICC) to establish the National Green Building Standard. This standard is the only residential green building rating system approved by the American National Standards Institute, which provides practices for the design and construction of all types of green residential buildings, renovations, and land developments.

Through NAHB, NJBA participates in the development of the model codes by the ICC, which are the model codes used in New Jersey and throughout most of the nation. These model codes have led to significant improvements in energy conservation, and over the last 30 years, the building industry has seen a 40% reduction in energy use in residential

Since 1948, the New Jersey Builders Association (NJBA) has been the State's leading trade association and voice of the homebuilding industry in Trenton. As a major influencer on the state's economic strength, its mission is to advocate for a sustainable and healthy economy and a more affordable and vibrant housing market. NJBA's diverse membership includes residential builders, developers, remodelers, subcontractors, suppliers, engineers, architects, lawyers, consultants and industry professionals that are involved in constructing entry-level to luxury units in for-sale, rental and mixed-use developments.

buildings built to the baseline code. It is important to note that this has been accomplished incrementally through updates produced every three years and it has been balanced with affordability. The process is on-going, robust, and open to all who want to participate, and accordingly results in a balanced and practical code.

EMP Goals 3 & 4

NJBA is very concerned by suggestions that New Jersey stray from the model code to enact its own. The main objective behind the State's Uniform Construction Code law was to provide requirements for construction and construction materials consistent with nationally recognized standards. This was intended to provide uniformity across all municipalities and to make sure that the code was in line with the rest of the nation. The adoption of an alternative energy code would saddle New Jersey with another competitive disadvantage, dissuade investments, suppress the creation of new units, and make it more difficult to produce affordable units. With the massive efficiency gains realized in new construction versus older units, New Jersey should focus on incentivizing the production of new homes and the on rehabilitation, retrofitting and replacement of older homes to effectively meet its EMP goals while eliminating barriers to the utilization of existing programs that encourage above code projects.

The biggest and most difficult barrier to achieving our green energy and energy efficiency goals is without question the retrofitting of the State's existing building sector. Much of New Jersey is already developed with over 3 million housing units, over 80% were built before 1990 and nearly 50% were built before 1960 before building codes even existed. Conversely, new construction offers massive efficiency gains versus older units. We should continue to follow the Uniform Construction Code mandate to review and adopt nationally recognized standards every 3 years and maintain our status as an early adopter state. Straying from this process will only saddle New Jersey with another competitive disadvantage, dissuade investments, suppress the creation of new units, and make it more difficult to produce affordable units. Additionally, any policy should identify cost-effective solutions and work with both developers and property owners on incentivizing a transition to a greener and more efficient building sector.

EMP Goal 5

New Jersey already relies heavily on the electrical grid during peak load and for emergencies, and major technological advances are needed to support additional demand. Home builders already face electrical supply issues, and the grid currently depends on natural gas to generate most of the state's electricity. Without a massive grid modernization, electric supply will continue to be limited and reliant on fossil fuels. NJBA believes that grid modernization should be the first priority of the EMP because, without it, the goals articulated in the plan are impossible to achieve and the construction of new efficient buildings will not be possible.

Conclusion

The EMP recognizes that New Jersey's electric grid is not capable of sustaining the complete electrification of buildings and rightfully points out that technology needs to improve, and economies of scale need to grow to drive down the costs. NJBA continues to be concerned that many of the goals in the EMP will increase the costs of housing, slow down the state's housing sector and economic growth, and will make it more difficult for residents to realize the dream of homeownership or find affordable housing. With the numerous efficiencies enjoyed by new construction built to modern codes, slowing down the replacement of older units should be a primary concern outlined in the EMP. NJBA encourages the state to employ policies that focus on grid modernization and that help incentivize retrofitting and reconstruction of our least efficient housing units.

Thank you for your consideration of these comments. If you should have any questions, please feel free to reach out to me directly.

Sincerely,

Jeff Kolakowski
Chief Executive Officer
New Jersey Builders Association