May 1, 2025

Sherri L. Golden
Secretary of the Board
Board of Public Utilities
44 South Clinton Ave., 1st Floor
Trenton, NJ 08625-0350

RE: Docket No. QO24020126 – Building Performance Association Comments on New Jersey Energy Master Plan

Dear Ms. Golden:

Thank you for the opportunity to provide comments regarding New Jersey's Energy Master Plan (EMP); the plan provides a critical framework for achieving the state's energy and climate policy targets, and the Building Performance Association (BPA) encourages New Jersey to incorporate energy efficiency – and the energy efficiency workforce – as core components of the strategy.

The Building Performance Association (BPA) is a 501(c)(6) membership-driven industry association dedicated to advancing the home and building performance industry. Contractors represent the primary source of information and advice for most homeowners performing energy efficiency improvements, and the energy efficiency contractor workforce will therefore play a pivotal role in implementing the policies and programs identified in the EMP, including the Home Energy Rebate programs, utility energy efficiency programs approved by the Board of Public Utilities (BPU), and other important energy savings efforts.

New Jersey should consider the following priorities in finalizing the 2024 EMP:

- **Maximize Energy Efficiency** as a core component of the EMP strategies for meeting emissions reduction targets;
- **Support Equity** in all program, funding, coordination, outreach, and resource allocation decision-making;
- **Leverage the Home Energy Rebates for Market Transformation** by deploying best practices in program design which can benefit utility energy efficiency programs and broader industry-wide projects after Rebate funding is exhausted; and
- **Grow and Strengthen the Energy Efficiency Workforce,** as contractors are critical to meeting the state's energy policy and climate goals.

BPA's full comments are enclosed with this letter. Thank you again for the opportunity to provide these comments, and we look forward to working with you on successful implementation of these crucially important programs for our industry to draw down emissions and decarbonize the residential sector.

Kara Saul Rinaldi
Chief Policy Officer
Building Performance Association

BPA Priorities for the 2024 New Jersey Energy Master Plan

- **Maximize Energy Efficiency** – To meet its emission reduction targets, New Jersey will need to significantly expand the scale of energy efficiency work in buildings across the state. Modeling for the 2024 EMP estimates that as many as 60% of New Jersey residential and commercial buildings may need to receive envelope upgrades under some scenarios[1] – a dramatic increase over the current scale of energy efficiency programs. The significant increases in the Triennium 2 energy efficiency programs, as recently approved by the BPU and launched by the utilities, provide a strong start, but New Jersey will need to sustain and accelerate these programs to achieve the necessary energy savings.

- **Support Equity** - Low-income households face both high energy burdens and challenges accessing funding for energy-efficiency upgrades. New Jersey should ensure that the EMP continues to prioritize funding to reduce barriers to energy efficiency improvements for low-income households.

  Efficiency programs, including the Home Energy Rebates and the utility decarbonization programs, should be mindful not to leave homeowners with higher energy bills post retrofit. Underserved communities bear the brunt of poor home performance and higher utility bills. According to a report published by ACEEE, low-income households spend 8.3% of their income on energy costs, on average, in comparison to 2.9% for non-low-income households.[2] This high energy burden correlates closely with race, as well. Nationally, Black households spend 43% more of their income on energy costs than their white, non-Latinx counterparts; Latinx households spend 20% more; and Native American households spend 45% more.[3]

  Though low-income households face the largest energy burdens, substantial upfront costs make home performance and electrification upgrades extremely challenging. When facing equipment failure during a heat wave or a cold snap, low-income homeowners are often forced to use high-interest credit cards or payday loans for a unit replacement to cover upfront costs for replacements, making high-efficiency, higher-end equipment unattainable. These vast energy burden gaps will be critical to address if the state is to achieve the level of energy efficiency needed to meet its goals.

- **Leverage the Home Energy Rebates for Market Transformation** – New Jersey should maximize the value of the Home Energy Rebates by ensuring that the programs are a catalyst for market transformation. Analysis for the 2024 EMP shows the Home Energy Rebates will play a critical role in reducing the up-front costs and making home heating electrification affordable.[4] Unfortunately, the funding for the Home Energy Rebates is

[1] 2024 NJ Energy Master Plan Key Findings, New Jersey Board of Public Utilities and Energy+Environmental Economics. https://www.nj.gov/emp/docs/pdf/20240315_2024_NJEMPFindings.pdf. p. 13
[2] American Council for an Energy Efficient Economy, "How High are Household Energy Burdens?" September 2024 Update. https://www.aceee.org/sites/default/files/pdfs/data_update_-_city_energy_burdens_0.pdf.
[3] American Council for an Energy Efficient Economy, "How High are Household Energy Burdens?" September 2020. https://www.aceee.org/sites/default/files/pdfs/u2006.pdf
[4] 2024 NJ Energy Master Plan Key Findings, p. 27

anticipated to provide rebates to only 1% of households,[5] leaving the remaining households facing a significant cost gap. The true impact of the rebate programs therefore will be in the long-term changes they can drive in the energy efficiency industry. To achieve these market transformation outcomes, the BPU should prioritize market-transforming elements of the rebate programs, including strong contractor certifications and training, pay-for-performance energy savings incentives, and meaningful home certifications that are valued by contractors, homeowners, and realtors.[6] These decisions can unlock positive change and growth across the energy efficiency industry, which will flow down to improve outcomes across the Triennium 2 utility programs and broader market-rate projects.

- **Grow and Strengthen the Energy Efficiency Workforce** - The home performance industry faces widespread workforce shortages. According to the 2024 U.S. Energy and Employment Report (USEER), 86% of respondents working in construction-related energy efficiency jobs indicated it was "very difficult" or "somewhat difficult" to find employees.[7]

  The 2019 EMP included various strategies to support the clean energy workforce, including recommendations to "establish workforce training programs to ensure New Jersey has the local expertise necessary to support a growing clean energy economy,"[8] and to "explore establishing a Clean Buildings Hub to develop workforce training, awareness, and education for builders, architects, contractors, engineers, real estate agents."[9] However, due to the impacts of the COVID-19 pandemic and inflation on the industry, the overall number of energy efficiency workers in the state is only slightly above where it was in 2019. New Jersey will need to significantly increase the pace of workforce development in the sector to meet the energy efficiency goals laid out in the 2024 EMP analysis.[10]

  The 2024 New Jersey Priority Climate Action Plan (PCAP) developed by the Department of Environmental Protection (DEP) identified growing the energy efficiency workforce as key strategy, recommending that the state "support and strengthen workforce development infrastructure for electrifying residential and commercial buildings"[11] and stating that "the NJBPU has dedicated funding towards offering training grants for residential energy contractors to help transition buildings toward energy efficiency and electrification…[but] the State can expand this program to further prepare the workforce for the building decarbonization path ahead."[12]

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[5] U.S. Department of Energy Home Efficiency Rebates and Home Electrification and Appliance Rebates (IRA Sections 50121 and 50122): Market Transformation Plan Guidance. https://www.energy.gov/sites/default/files/2025-01/market-transformation-guidance_010725.pdf. p.3

[6] See BPA's full recommendations for the Home Energy Rebate programs in comments submitted under Docket No. QO23100733, dated January 12, 2024, and May 17, 2024

[7] U.S. Department of Energy, 2024 U.S. Energy and Employment Report. https://www.energy.gov/sites/default/files/2024-10/USEER%202024_COMPLETE_1002.pdf. p. 172

[8] New Jersey 2020 Energy Master Plan, Strategy 7.2. https://www.nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf

[9] Ibid., Strategy 7.6

[10] 38,267 energy efficiency jobs in 2023, compared to 37,982 jobs in 2019, an increase of only 285 jobs. See 31_New-Jersey_EE-Statesheet.pdf

[11] New Jersey's 2024 Priority Climate Action Plan. https://dep.nj.gov/wp-content/uploads/climatechange/nj_pcap_final-1.pdf. p. 94

[12] Ibid. p.34

New Jersey should ensure that the 2024 EMP prioritizes workforce development, particularly within overburdened and disadvantaged communities, and establish strong goals to grow the energy efficiency workforce to meet the necessary pace of upgrades across the state.