



STATE OF NEW JERSEY
Board of Public Utilities
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www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CONTRACT FOR) ORDER APPROVING
CONSULTING SERVICES FOR NEW JERSEY'S) CONSULTANT
WHOLE HOUSE PILOT PROGRAM)
) DOCKET NO. QO20090624

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Ruth Ann Norton, President and Chief Executive Officer, Green and Healthy Homes Initiative

BY THE BOARD:

By this Order, the Board considers award of a contract for a consultant to design a Whole House Pilot Program that will take a "whole house" approach to addressing health and safety hazards and implementing energy efficiency ("EE") measures in single- and multi-family residences occupied by low- to moderate-income residents through an integrated, statewide approach that streamlines and leverages existing resources, programs, and funding streams from multiple sources, including federal, State, and local governments, non-government organizations, and non-profit organizations.

BACKGROUND

On January 13, 2008, L. 2007, c. 340 ("RGGI Act") was signed into law based on the New Jersey Legislature's findings that EE and conservation measures must be essential elements of the State's energy future and that greater reliance on EE and conservation will provide significant benefits to the citizens of New Jersey.

In May 2018, Governor Murphy signed into law the Clean Energy Act, L. 2018, c. 17 ("CEA"), which set forth ambitious goals to advance EE in the state. The CEA calls for a significant overhaul of New Jersey's energy systems while growing the economy, building sustainable infrastructure, creating well-paying local jobs, reducing carbon emissions, and improving public health to ensure a cleaner environment for current and future residents. The CEA also plays a key role in achieving the State's goal of 100% clean energy by 2050 by establishing aggressive energy reduction requirements, among other clean energy strategies. In particular, the CEA calls

for the Board to adopt programs that ensure universal access to energy efficiency measures and serve the needs of low-income communities.

Also in May 2018, Governor Murphy ordered the Board and several executive branch agencies to work on an Energy Master Plan (“EMP”) that would chart a path for New Jersey to convert its energy production profile to 100% clean energy sources by January 1, 2050.¹ Released in January 2020, the EMP establishes that the State’s priorities in developing its statewide EE structure are affordability, equity, environmental justice, economic development, decarbonization, and public health.

EE programs in New Jersey can reduce the inequity currently experienced by groups and individuals across the state who disproportionately lack access to energy-efficient housing, appliances, and technologies. The lack of access is often reflected in a household’s energy burden. Research has shown that the average low-income household devotes more than three times more of their income to energy bills than the average higher income household. Families who face higher energy burdens experience many negative long-term effects, a reality that has been exacerbated by the recent pandemic.

EE is both an immediate and long term component of reducing energy costs and improving health and safety for all households. Health and safety issues, however, often present obstacles to full EE implementation in homes, thereby reducing participation in EE programs that could otherwise achieve significant energy savings.

The EMP called for the establishment of a clearinghouse for home energy and health and safety programs targeted to low-income households. State-funded programs that serve low-income customers should be consolidated to ensure that health and safety, comfort, and EE offerings can be better marketed and provided and that structural, health, and safety issues are addressed at the same time as energy upgrades.

In the two years following passage of the CEA, the Board, Board Staff (“Staff”), the New Jersey Division of Rate Counsel, electric and natural gas public utility companies, and a broad range of stakeholders worked collaboratively to review and consider options and best practices on a

myriad of topics related to EE.² Many stakeholders participating in that public outreach process also expressed support for an approach that would integrate health and safety measures with EE upgrades.

Following a whole house approach, EE can be integrated seamlessly with other government efforts to promote public health, safety, and comfort, including, but not limited to, weatherization, lead removal, improving household determinants of residents’ health, and other programs. A holistic program that coordinates or combines the delivery of multiple services to New Jersey residents with lower barriers to entry can begin to address systemic inequities.

¹ Exec. Order No. 28 (May 23, 2018), 50 N.J.R. 1394(b) (June 18, 2018), ¶ 3.

² The subject matter included details of program design and administration, application of utility targets, filing requirements, cost recovery mechanisms, performance incentives and penalties, evaluation, measurement, and verification, tracking and reporting requirements, a triennial review process, and ongoing stakeholder working groups.

PROCEDURAL HISTORY

On October 28, 2020, the Board authorized Staff to release a Request for Quotation (“RFQ”) to solicit a consultant to provide professional technical services to do the following:

- Review and analyze case studies from other states and national best practices that take a whole house approach to performing EE improvements and addressing health and safety hazards in homes through an integrated, statewide approach;
- Identify and assess existing data, resources, and funding streams from federal, State, and local governments, non-government organizations, and non-profit organizations that currently promote, provide, and support efforts in New Jersey to take a whole house approach to implementing EE measures and addressing health and safety hazards;
- Design and implement a Whole House Pilot Program in a recommended municipality (with an alternate municipality) that streamlines and integrates existing programs that provide these services for single- and multi-family residences occupied by low- to moderate-income residents in order to improve energy savings and health and safety outcomes; and
- Develop an evaluation plan to assess pilot performance and serve as a basis to scale the pilot program to a statewide program.³

Staff released the RFQ to nine entities on November 16, 2020, and posted addenda to the RFQ on December 8 and December 30 that provided answers to questions by potential respondents.

The following firms submitted RFQ responses by the deadline of January 13, 2021:

- Capital Access, Inc. in association with:
 - Liz Robinson; and
 - May 8 Consulting;
- Green and Healthy Homes Initiative (“GHHI”);
- Isles Inc. in association with:
 - Tohn Environmental Strategies;
 - Three3 Inc.;
 - CLEAResult; and
 - CMC Energy; and
- VEIC in association with:
 - The Energy Coordinating Agency; and
 - APPRISE.

The evaluation committee, which comprised Staff from the Board’s Budget and Finance division, Division of Clean Energy, and General Counsel’s Office, utilized the Board’s standard internal review process for awarding outside contracts. The evaluation committee scored each RFQ

³ In re the Release of a Request for Quotation for Consulting Services for New Jersey’s Whole House Pilot Program, BPU Docket No. QO20090624, Agenda Item 8E.

response based on the bidder's or bidders' demonstrated understanding of the RFQ, execution plan for the scope of work, team members' and firm's or firms' depth of experience, perceived ability to complete the tasks on schedule, and previous work on similar matters.

The evaluation committee found that, while all bidders are capable of successfully performing the requirements of the RFQ, GHHI represents the best value to the State, price and other factors considered, and should be awarded the contract. GHHI's RFQ response demonstrated a thorough understanding of the scope of work; well-qualified staff to perform the work; direct and significant experience in relevant work for other states implementing whole house programs; a logical and methodical task approach; and a competitive pricing structure for the work to be performed. After a request to the RFQ respondents for a "best and final offer," GHHI proposed a contract amount of \$408,330.88 over 18 months, which would include implementation of the pilot in months 7 through 12, with a second phase of implementation in months 13 through 18. The actual value of the contract will be determined by the number of months the pilot is extended, which may be up to an additional six months for pilot activities.

DISCUSSION AND FINDINGS

In order to satisfy its statutory mandate, the Board's Office of the President may require the services of expert professional consultants. These expert professional consultants may prepare specialized reports, advise the Board on policy matters, and serve as witnesses in complex, unique, and highly specialized areas of utility law and policy, engineering, finance, and accounting in the fields of telecommunications and cable television, gas, electric, water, and sewer services as related to rate filing petitions and other matters.

Given that health and safety issues often present obstacles to full EE implementation in low- to moderate-income residents' homes, thereby reducing participation in EE programs that could otherwise achieve significant energy savings, the Board authorized Staff to solicit a consultant with specific expertise to design a Whole House Pilot Program. This program will be based on national best practices and an assessment of New Jersey data, resources, and funding streams and will take an integrated, statewide approach to streamlining and leveraging existing resources, programs, and funding streams from multiple sources in order to integrate the delivery of health and safety remediations and EE upgrades.

The consultant will consult and coordinate with a wide array of organizations – including, but limited to, federal, State, and local government agencies, non-government organizations, utility companies, educational institutions, and non-profit organizations – as part of its review of best practices and development of a compendium of resources and funding sources, as well as the design and implementation of the pilot program. The State departments and agencies will include, but may not be limited to, the following:

- Department of Community Affairs;
- Department of Environmental Protection;
- Department of Health;
- Department of Human Services;
- Housing and Mortgage Finance Agency;
- Redevelopment Authority; and
- Economic Development Authority.

After consideration of Staff's recommendation and review of the evaluation team's report, the Board **HEREBY APPROVES** the selection of the Green and Healthy Homes Initiative and **HEREBY DIRECTS** Staff to execute a contract for services as described in the RFQ and scope of work. The contract will have a term of 18 months, at an estimated contract amount of \$408,330.88, with the possibility of a six-month extension for additional pilot activities.

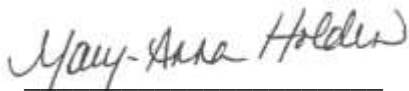
This Order shall be effective on April 17, 2021.

DATED:

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE AWARD OF A CONTRACT FOR CONSULTING SERVICES FOR
NEW JERSEY'S WHOLE HOUSE PILOT PROGRAM

BPU DOCKET NO. QO20090624

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