Agenda Date: 6/30/25
Agenda Item: 8B

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2026	)	ORDER
	)	DOCKET NO. QO25040206

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Neil Hlawatsch, Esq., Atlantic City Electric Company
Sheree Kelly, Esq., Elizabethtown Gas Company and South Jersey Gas Company
Tori Giesler, Esq., Jersey Central Power & Light Company
Andrew K. Dembia, Esq., New Jersey Natural Gas Company
Matthew M. Weissman, Esq., Public Service Electric and Gas Company
Margaret Comes, Esq., Rockland Electric Company
Michael Ambrosio, TRC Energy Services

BY THE BOARD:

By this Order the New Jersey Board of Public Utilities ("Board" or "BPU") considers and approves the Fiscal Year ("FY") 2026 ("FY26") Compliance Filings and Budgets for the New Jersey Clean Energy Program. This Order also releases $125,000,000, plus accrued interest, in settlement funds to support the Garden State Energy Storage Program ("GSESP").

BACKGROUND & PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act ("EDECA" or "Act"), N.J.S.A. 48:3-49 et seq., was signed into law, creating the Societal Benefits Charge ("SBC") to, among other things, fund programs for the advancement of energy efficiency ("EE") and renewable energy ("RE") in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a Comprehensive Resource Analysis ("CRA") of EE and RE programs in New Jersey every four (4) years. The CRA would then be used to determine the appropriate level of funding over the next four (4) years for the EE and Class I RE programs, which are part of what is now known as the NJCEP. Accordingly, in 1999, the Board initiated its first CRA proceeding, and in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for those programs, for the years 2001 through 2003. Since then, the Board has

issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – Fiscal Year 2025 ("FY25").[1]

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act ("CEA").[2] The law called for a significant overhaul and amplification of New Jersey's clean energy systems through increasing the commitment to both EE and RE, as well as building sustainable infrastructure to fight climate change and reduce carbon emissions. These efforts also continue to create well-paying local jobs, grow the State's economy, and improve public health while ensuring a cleaner environment for current and future residents.

Process Regarding Development of the Proposed FY26 Programs and Budget Filings

Coordination with Program Administrator

On December 1, 2015, the Department of Treasury awarded a Program Administrator contract ("Program Administrator Contract") to Applied Energy Group, Inc. ("AEG"). On January 13, 2017, TRC Energy Solutions ("TRC") acquired the NJCEP Program Administrator Contract from and assumed AEG's rights and duties thereunder.[3] The Program Administrator Contract requires TRC to participate in the annual CRA process, participate in the annual budget process, prepare draft annual Compliance Filings (as defined below) for the NJCEP, design and implement improvements to the NJCEP's programs, obtain and consider stakeholder feedback, coordinate annual NJCEP evaluations, and implement the agreed-upon recommendations flowing from those evaluations. TRC has been fulfilling these requirements as applicable and as they come due.

Stakeholder and Public Process

On May 7, 2025 via the BPU listserv and NJCEP website, the Board provided notice of a May 28, 2025 public hearing. On May 22, 2025, the Board released the following documents, posted to the NJCEP website, related to the proposed FY26 programs and budget: the CRA Straw Proposal, the Division of Clean Energy's ("DCE") Compliance Filing, TRC Program Descriptions and Budgets ("TRC Compliance Filing"), Comfort Partners Compliance Filing, Charge Up New Jersey Compliance Filing, the Division of Property Management and Construction Designated Project List ("DPMC DPL"), and the proposed FY26 Budget ("FY26 Budget").[4] The covering emails and website postings requested comments by June 6, 2025 on these documents. At the May 28, 2025 public hearing, Staff presented the Proposed FY26 Budget, and oral comments were heard on the CRA Straw Proposal and the Proposed FY26 Compliance Filings and Budget. By email dated May 29, 2025, the New Jersey Department of Environmental Protection ("NJDEP")

---

[1] In the early years, the budgets and programs were based on calendar years, but in 2012, the Board determined to begin basing the budgets and programs on fiscal years to align with the overall State budget cycle. In 2012, the Board ceased issuing the CRA on a four-year cycle and began to issue a CRA annually.

[2] L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_.PDF, codified at N.J.S.A. 48:3-87.8 et al.

[3] For ease of presentation, the Program Administrator is referred to throughout this Order as "TRC" or "the Program Administrator." TRC, together with its subcontractors, is referred to as the "TRC Team."

[4] In some cases, program budgets include funding from sources other than the SBC. In this Order, "FY26 Budget" refers only to the portion of the budgets for NJCEP programs that will be funded through new and carryforward SBC funds as well as new FY26 SBC funds going towards State Energy Initiatives but which are outside the NJCEP programs administered by the Board.

confirmed that: (a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY26 Funding Level set forth therein (as defined below); and (b) the NJDEP agreed with the Proposed FY26 Funding Level.[5]

Approval of CRA Straw Proposal

On June 26, 2025, prior to acting on the present Order, the Board reviewed and approved a Comprehensive Energy Efficiency & Renewable Energy Resource Analysis Straw Proposal, which set the FY26 SBC funding levels for NJCEP programs and detailed related budgets ("CRA Order"). The proposed budgets set out below utilize and are consistent with the budgets as specified in the CRA Order.

PROPOSED FY26 PROGRAMS AND BUDGET

Based on the goals set forth in the CRA Straw Proposal, the policy objectives of the NJCEP, and historic spend rates, and in close coordination with the TRC Team, Staff developed proposed programs and budget as described below.

Proposed FY26 Budgets for the NJCEP

To determine the proposed FY26 Budget for the entire NJCEP, Staff did the following:

- Calculated the total funding per the CRA Order, comprised of the amount of new FY26 SBC funding;

- Estimated the amount of commitments made prior to FY26 that are in the pipeline of Board Approved projects/allocations and expected to carryforward into FY26. This includes amounts expected to be paid in or to remain committed through FY26. Many projects, including those funded through the EE and Electric Vehicle ("EV") budget lines, can take two or more years from commitment to final incentive payment. This results in a large amount of estimated Board Approved carryforward and committed carryforward; and

- Added the commitment backlog to new FY26 SBC funding to arrive at a total proposed FY26 Budget of $869,030,671.

[5] "Proposed FY26 Funding Level" and "FY26 Funding Level" refer to new SBC funding for fiscal year 2026, inclusive of State Energy Initiatives funding.

New Jersey Clean Energy Program – Fiscal Year 2026 Budget[6]

FY26 Program/Budget Line[7]	*Allocations Pending Board Approval*		*Pipeline of Board Approved Projects/Allocations*		*FY26 Budget*
	FY26 New Funding	*FY25 Estimated Carryforward – Pending Board Approval*	*FY25 Estimated Carryforward – Board Approved*	*FY25 Estimated Committed Carryforward*	
Total NJCEP + State Initiatives	**344,665,000**	**192,515,423**	**38,540,411**	**293,309,837**	**869,030,671**
State Energy Initiatives	**97,200,000**	**118,989,000**	**0**	**0**	**216,189,000**
Total NJCEP	**253,465,000**	**73,526,423**	**38,540,411**	**293,309,837**	**652,841,671**
Energy Efficiency Programs	**61,790,034**	**0**	**0**	**129,616,262**	**191,406,296**
C&I EE Programs	**28,399,755**	**0**	**0**	**39,064,035**	**67,463,790**
C&I Buildings	24,448,371	0	0	35,941,700	60,390,071
LGEA	3,951,384	0	0	3,122,335	7,073,719
New Construction Programs	**33,390,279**	**0**	**0**	**35,814,400**	**69,204,679**
New Construction	33,390,279	0	0	35,814,400	69,204,679
State Facilities Initiative	**0**	**0**	**0**	**54,675,202**	**54,675,202**
Acoustical Testing Pilot	**0**	**0**	**0**	**62,626**	**62,626**
Distributed Energy Resources	**10,205,741**	**5,867,478**	**0**	**9,849,825**	**25,923,043**
CHP – FC	**10,205,741**	**0**	**0**	**9,118,087**	**19,323,828**
Microgrids	**0**	**0**	**0**	**731,738**	**731,738**
Energy Storage*	**0**	**5,867,478**	**0**	**0**	**5,867,478**
Transmission-Scale	**0**	**0**	**0**	**0**	**0**
Distributed	**0**	**5,867,478**	**0**	**0**	**5,867,478**
RE Programs	**3,025,441**	**1,360,000**	**353,015**	**2,633,660**	**7,372,116**
Resource Adequacy	**0**	**1,360,000**	**353,015**	**2,633,660**	**4,346,675**
Solar Registration	**3,025,441**	**0**	**0**	**0**	**3,025,441**
Planning and Administration	**18,749,429**	**23,798,945**	**11,677,210**	**16,182,216**	**70,407,798**
BPU Program Administration	**0**	**0**	**10,400,000**	**0**	**10,400,000**
Marketing	**4,867,352**	**1,632,648**	**0**	**500,000**	**7,000,000**

[6] Numbers presented in the above table may not add up precisely to totals provided due to rounding.

[7] The FY26 NJCEP Budget relies on annual SBC funding ($344.665m in FY26), carryforward that is Board approved and has been formally committed in contracts, grants, and other purchase orders (approximately $293.310m), carryforward funding that is not yet formally committed but that is for programs that are Board-approved ($38.540m), and carryforward funding that is needed for programs that are pending Board approval ($192.515m).

CEP Website	**0**	**0**	**0**	**1,423,000**	**1,423,000**
Program Evaluation/Analysis	**7,816,552**	**22,166,297**	**1,233,350**	**13,445,732**	**44,661,932**
Outreach and Education	**5,994,383**	**0**	**0**	**785,578**	**6,779,961**
Sustainable Jersey	956,266	0	0	473,714	1,429,980
NJIT Learning Center	745,000	0	0	311,864	1,056,864
Outreach, System Maintenance, Other (Program Administrator)	4,293,117	0	0	0	4,293,117
Memberships	**71,141**	0	**43,859**	**27,906**	**142,906**
BPU Initiatives	**153,694,355**	**42,500,000**	**26,510,186**	**135,027,875**	**357,732,416**
Clean Energy Affordability	**54,766,461**	**18,000,000**	**883,268**	**60,152,487**	**133,802,216**
Community Energy Grants	0	10,000,000	883,268	2,125,000	13,008,268
Urban Heat Island Mitigation Grants	0	5,000,000	0	0	5,000,000
Residential Low Income Improvements	53,646,461	3,000,000	0	9,284,562	65,931,023
Comfort Partners	53,646,461	0	0	9,284,562	62,931,023
Whole House	0	3,000,000	0	0	3,000,000
Residential Energy Assistance Payment	0	0	0	48,742,925	48,742,925
Clean Local Energy Advisory and Resource Fellows	1,120,000	0	0	0	1,120,000
Grid Modernization Efforts	**0**	**15,000,000**	**0**	**0**	**15,000,000**
Electric Vehicle Programs	**98,927,894**	**9,500,000**	**24,626,918**	**74,875,388**	**207,930,200**
Plug In EV Incentive Fund**	50,000,000	0	0	30,873,200	80,873,200
CUNJ Administrative Fund	4,754,812	0	0	3,345,188	8,100,000
CUNJ Residential Charger Incentive**	1,424,971	0	1,375,029	2,950,000	5,750,000
EV Studies, Pilots, and Administrative Support	0	1,500,000	0	0	1,500,000
Clean Fleet	3,742,711	0	11,257,289	14,157,000	29,157,000
Multi-Unit Dwellings (Chargers)	6,032,899	0	7,967,101	17,750,000	31,750,000
EV Tourism	9,972,500	0	4,027,500	5,800,000	19,800,000
Electric School Buses**	15,000,000	0	0	0	15,000,000
School Bus V2G	2,000,000	2,000,000	0	0	4,000,000
MHD Depot**	6,000,000	6,000,000	0	0	12,000,000
Workforce Development	**0**	**0**	**1,000,000**	**0**	**1,000,000**

*Additional details on how the Energy Storage line will be funded can be found in the FY26 Division of Clean Energy Compliance Filing. As detailed below, Transmission-Scale and Distributed Energy Storage will be funded using Ørsted Settlement funds.
**Programs with statutory minimum funding requirements.[8]

Proposed FY26 Budget for State Energy Initiatives

The State Energy Initiatives amount is set through the State budget, outside of the Board's control. In FY26, in accordance with the FY26 Appropriations Bill[9], the State Energy Initiatives budget is $216.189 million.

Proposed FY26 Budgets for EE Programs

As part of the statewide overhaul of New Jersey's clean energy systems, the CEA required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, in June 2020 the BPU approved a comprehensive suite of EE programs designed to transition the State to some of the highest energy savings in the country.

These "next generation" EE programs feature new ways of managing and delivering programs historically administered by the NJCEP. Some of the programs continue to be administered by NJCEP, but the remaining programs are now administered by the utilities.

Generally, there are two main categories of EE programs that are funded through the NJCEP Budget:

1. Programs that remain administered by and through the NJCEP program administrator.
    a. New Construction Programs ("NC");
    b. Commercial and Industrial Buildings ("C&I"): Large Energy Users Program ("LEUP");
    c. Local Government Energy Audit ("LGEA"); and

2. Programs that have transitioned to the utilities but will remain open in the NJCEP for the limited purpose of processing applications submitted or funds committed, as applicable, on or before June 30, 2021.
    a. C&I Buildings – Pay for Performance ("P4P") – Existing Buildings ("P4P EB")

[8] These programs come with independent statutory requirements mandating minimum annual funding levels which can funded from SBC funds or certain other sources identified in the statutes. See, e.g. N.J.S.A. 48:25-1, N.J.S.A. 26:2C-8.58.
[9] S.2026/A.5800 (2025).

Throughout the year, Staff will further evaluate the other EE programs that remain with the NJCEP and will seek stakeholder engagement about possible improvements and enhancements aimed at increasing energy savings.

The proposed FY26 budgets for EE programs that are funded through the NJCEP are shown in the table above titled New Jersey Clean Energy Program – Fiscal Year 2026 Budget; a brief description of each of the EE programs is set forth below:

- *New Construction Programs*: Provides financial incentives to builders who construct new homes meeting the New Jersey Energy Star Homes standards, which exceed the requirements of existing energy codes. The NC Program ("NCP") opened on May 1, 2025, consolidating and streamlining the legacy new construction programs and allowing for a greater depth of scope.
- *C&I Buildings*: The LEUP includes a new Decarbonization Pilot to incentivize a scope of work broader than traditional EE, such as beneficial electrification, EV chargers, storage, and CHP, among others. Unlike traditional energy efficiency programs, the Decarbonization Pilot explicitly targets greenhouse gas ("GHG") emissions reductions. In addition to LEUP, C&I Buildings includes C&I - New Construction and P4P - New Construction. These two programs provide incentives to C&I customers who incorporate high efficiency equipment into new construction and will continue to run unchanged through October 31, 2025.
- *LGEA*: Provides subsidized energy efficiency audits to municipalities, school districts, and non-profits.
- *State Facilities Initiatives:* Through an Energy Capital Committee, identifies and implements energy efficiency projects in State-owned facilities with the objective of producing energy savings.
- *Acoustical Testing Pilot*: Encourages the exploration of new energy-saving opportunities in the water sector.

Proposed FY26 Budgets for Distributed Energy Resource Programs

The proposed FY26 budgets for distributed energy resources ("DER") programs are shown in the preceding table; a brief description of each DER program is set forth below:

- *CHP / Fuel Cell*: Provides incentives for the installation of Combined Heat and Power ("CHP"), including, without limit, those utilizing bio-power and fuel cells with heat recovery and without heat recovery. Staff are re-evaluating the Combined Heat and Power – Fuel Cells ("CHP-FC") Program for potential changes in criteria.
- *Microgrids*: Provides incentives to fund feasibility studies and engineering design for potential DER microgrids in the state
- *Energy Storage:* Provides funding to support the GSESP, which seeks to provide incentives for storage projects for achieving the State's energy storage and resiliency goals. In addition to the $5,867,478 in carryforward funding, the GSESP will receive funding from the Ørsted Settlement, as detailed later in this Order.

Proposed FY26 Budgets for RE Programs

The proposed FY26 budgets for RE programs are shown in the preceding table; a brief description of each of the RE programs is set forth below:

- *Resource Adequacy*: Provides funding for research, evaluations, and consulting services that address resource adequacy by exploring mature and emerging clean generation resources that can be scaled and deployed in New Jersey; implementing demand flexibility services; and improving customer engagement through clear communication and programs that empower them to actively participate in energy management.
- *Solar Registration:* Provides funding to support the registration of projects that are eligible to generate and trade Solar Renewable Energy Credits ("SRECs"); Transition Renewable Energy Certificates ("TRECs"); and SREC-IIs under the Solar Programs, as well as the general administration of the Solar Programs.

Proposed FY26 Budgets for Planning & Administration

The FY26 budgets for planning and administration are shown in the preceding table; a brief description of each of the planning and administration functions is set forth below.

- *BPU Program Administration:* Includes primarily Staff salaries and fringe benefits.
- *Marketing:* Includes funding for marketing initiatives.
- *CEP Website:* Includes funding for redesigning the Clean Energy Program website.
- *Program Evaluation/Analysis:* Includes funding for program evaluation, the results of which are used, among other things, to set incentive levels and design programs.
- *Outreach and Education:* Includes funding for the implementation of outreach prepared by the TRC Team, and projects with NJIT and Sustainable Jersey.
- *Memberships:* Includes funding for membership in organizations coordinating advancement of clean energy initiatives.

Proposed FY26 Budgets for BPU Initiatives

The Proposed FY26 budgets for BPU Initiatives are shown in the preceding table; a brief description of each of these initiatives is set forth below.

- *Community Energy Grants:* Supports municipalities by providing funding to create community energy plans that will guide future actions to address the specific clean energy needs of their respective communities, and funding to implement clean energy projects that will encourage energy saving behavior modifications and energy reductions.
- *Urban Heat Island ("UHI") Mitigation Grants*: Aims to address the heat island effect in communities across New Jersey that have experienced historic redlining and ongoing disinvestment by funding community-driven strategies that improve the energy efficiency of community facilities and expand public cooling infrastructure, thereby reducing both extreme heat exposure and energy costs.
- *Comfort Partners*: Provides for the installation of energy conservation measures at no cost to income-qualified customers.
- *Whole House*: Provides funding to open a potential permanent program that expands EE offerings, including building electrification, and addresses long-term health impacts for

low-income residents through development of a collaborative, interagency approach to addressing a broader array of residential health and safety concerns.

- *Residential Energy Assistance Payment ("REAP")*: Provides funding for electricity bill credits for residential customers most in need of financial assistance.
- *Clean Local Energy Advisory and Resource ("CLEAR") Fellows*: Provides funding for experts in energy and/or stakeholder engagement to collaborate with and provide technical assistance to local entities throughout the state to enhance energy efficiency.
- *Grid Modernization Efforts:* Provides funding to expand the Grid Modernization Forum with additional workgroups to continue to oversee the development of the grid modernization proceedings; engage a Phase 2 Grid Modernization Forum program consultant; initiate several Grid Mod Innovation Pilots; and take the next steps towards introducing new and amended rules based on the workgroup report's recommendations.
- *Electric Vehicles*: Encourages adoption of EVs by funding incentive payments for the purchase of light duty EVs and the development of EV charging infrastructure.
- *Workforce Development:* Advances workforce development with a focus on community-based approaches that will build a more inclusive and representative clean energy workforce.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

Written and oral comments regarding the Proposed FY26 Compliance Filings and Proposed FY26 Budget were submitted by Alejandro Meseguer, American Council for an Energy-Efficient Economy ("ACEEE"), American Lung Association ("Lung Association"), Cherry Hill Township, Bloom Energy ("Bloom"), Capital Access, ChargeScape, ChargEVC-NJ, DCO Energy, Energy Efficiency Alliance of New Jersey ("EEA-NJ"), Energy Efficiency Alliance Coalition ("EEA Coalition"), Environment New Jersey ("Environment NJ"), Installations 3 Construction Training Center, Isles Inc ("Isles"), Jersey Renews, Jersey Renews Coalition, MaGrann Associates ("MaGrann"), New Jersey Coalition of Automotive Retailers ("NJCAR"), New Jersey Division of Rate Counsel ("Rate Counsel"), New Jersey Energy Coalition ("NJEC"), New Jersey League of Conservation Voters ("NJLCV"), New Jersey Offshore Wind Alliance ("NJOWA"), New Jersey Utilities Association ("NJUA"), NJ Work Environment Council, Northeast Chapter of the Combined Heat and Power Alliance ("The NE Chapter"), Public Service Electric and Gas Company ("PSE&G"), Renew Home, Robert Erickson, Sangeeta Doshi, Susan Dorward, Tri-County Sustainability, United States Hydrogen Alliance ("USHA"), and Volt Industrial Equipment ("Voltie").

Below is a summary of the testimony and comments, as well as Staff's responses to them. Staff reiterate that they are conducting an ongoing series of meetings and other outreach for soliciting input on broad features of the programs that will enable the State to meet the clean energy goals set forth in the CEA and the 2019 Energy Master Plan ("EMP").[10] In other words, although Staff are ready, willing, and able to further consider input on such broad features, in many cases the current proceeding is not an appropriate vehicle for doing so.

[10] New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan: Pathway to 2050, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

Staff note that the process and schedule for commenting on the FY26 Budget, compliance filings and CRA Straw Proposal were very similar and that both proposals are being presented to the Board on the same Agenda. Because some comments do not readily lend themselves to being classified as being about one (1) proposal versus the other, Staff strongly encourage readers interested in either proceeding to read the comments and responses regarding both proposals.

General

Comment: NJLCV expressed support for the FY26 budget but are concerned that 30% of the budget is being carried forward (carry forward of nearly $40 million for CEP and over $300 million in total). Despite the urgent need, they state that funds are not being spent in a timely manner. NJLCV believe that unspent funds could support programs like microtransit, EV charging infrastructure, and scaling up of whole-home EE programs. NJLCV asked that BPU clarify the source and reason that funds are being carried over, accelerate investment where it will benefit residents, and clarify where funds have been allocated but not drawn down.

Response: Staff thank NJLCV for their support of the FY26 Budget. Staff are continuously looking for ways to spend down the carryforward amounts as efficiently as possible. In the FY26 Budget table, Staff identified carryforward that is already committed to programs in the estimated committed carryforward column. In some circumstances the Board has already approved programs and budgets, but a formal commitment has not been made yet. The nearly $40 million cited by NJLCV falls into this category: money that has been obligated by the Board and is awaiting a formal commitment such as a contract, grant, or other purchase order. A commitment is considered formal when a contract, grant, or purchase order is created. These funds cannot be reallocated. Staff also identified carryforward that is pending Board action, but not yet committed. These columns were added to provide for more transparency and clarity in the FY26 Budget.

Comment: Robert Erickson recommended that the BPU establish a clear plan with schedules by utility and generation source by year to get to 100% clean electric by 2035.

Response: Staff acknowledge the importance of having a clear plan to meet the Clean Energy goals. There are documents and proceedings, such as the EMP, that are meant to best determine how the State can meet these Clean Energy goals while maximizing the benefit to ratepayers.

Comments: The Lung Association strongly recommended including a side-by-side comparison with FY25 budget figures, either as an additional column or a separate table to enhance transparency and allow the public to more easily assess year-over-year changes in program funding. They stated that this change would allow for a more efficient review of budget trends and improve accountability in tracking how program funds are spent over time.

Robert Erickson recommended the FY26 budget have a clear, simple table for each item and all sub-items in the FY26 budget as to the cost, benefit, and the amount of GHG, including pollution levels, year by year. He stated that the focus on eliminating carbon dioxide and GHG emissions is largely missing from the FY26 budget plan, similar to prior years' budgets. He highlighted that a technical explanation should detail how GHG reductions will be achieved and illustrate New Jersey's planned versus actual progress in reducing emissions according to Executive Orders and EMP documentation.

Response: Staff thank the Lung Association for their comment. Staff are continuously looking for ways to improve transparency in the budget process and will take the recommendation into

consideration in the FY27 budget cycle.

Staff thank Mr. Erickson for the recommendation. Staff continue to internally evaluate the effectiveness of the programs that receive funding by utilizing a carbon abatement cost. Staff will look for future opportunities to incorporate this work into future budget analysis. Staff point the commenter to the quarterly reports that can be found on the NJCEP website. Metrics can be found in the report that show how NJCEP budgets reduce various pollutants, lower carbon emissions, and achieve energy efficiency savings.

Comment: Rate Counsel repeatedly raised issues with the DCE's single-year CRA and Budget plans, and the level of detail in its compliance filings. Rate Counsel alleged that the single-year plans violate the law and lead to higher carryforward funding since Staff do not consider future obligations and revenue in the current year Budget. They recommended that the Board provide a multi-year plan that analyzes program funding, performance, and spending. Further, they charged that the compliance filings do not provide evidence or justification for a wide range of Budget requests, nor do they provide sufficient detail about programs, plans, incentives, savings, and emissions. Finally, they stated that the use of the same text in Compliance Filings year over year indicates that there was no updated Budgetary analysis for several programs.

Response: Although Staff have considered a longer-term Budget, Staff disagree with the commenter regarding the advantages of a multi-year Budget or CRA. The Board determined that the CRA and Budget should be adjusted in 2012 to better align with the State's annual Budget. Also, this annual approach to developing the CRA and Budget allows for greater stakeholder input and enables Staff to better assess changes that impact program needs. Further, Staff consider a range of issues when crafting the Budget, including future obligations and revenue. Staff disagree with Rate Counsel and assert that there are sufficient details to justify the proposed funding levels. Program details can be found in the most recent compliance filings, including the EE programs, which are available on the NJCEP website. Additionally, financial and energy savings reports, which show expenditures and associated metrics for each program, are posted on the NJCEP website quarterly. Finally, Staff analyze programs each year. The use of the same language in compliance filings year over year is intended to provide consistency for stakeholders, not to indicate that Staff did not review programs. Nevertheless, Staff will take these recommendations into consideration in its ongoing efforts to improve the budget process.

Comment: Rate Counsel recommended providing more time between the filing and the stakeholder meeting and more time between the meeting and the comment deadline. They argued the time provided currently is too short to get through the documents. Further, they recommended introducing an evidentiary proceeding whereby Staff provide data necessary for Rate Counsel and other stakeholders to evaluate the Budget. They recommended that Staff at least answer questions at the public hearing.

Response: Staff have provided additional time for comment review in recent fiscal years based on previous feedback from stakeholders. Staff will continue to look for ways to provide as much time as possible for stakeholders to review. However, the FY26 Budget must be approved by the Board before the new fiscal year begins on July 1st, so providing as much time as Rate Counsel would like is rarely possible. Further, the Budget relies on estimates and actual current year spending. If the Budget is completed earlier, Staff will have a less accurate picture of current year activity and of expected carryforward funds. Also, Staff assert that there are sufficient details to justify the proposed budgets. Program details can be found in the most recent compliance filings, including the EE programs, which are available on the NJCEP website. Additionally, financial and energy savings reports, which show expenditures and associated metrics for each program, are

posted on the NJCEP website quarterly. Staff will continue to look for ways to improve transparency in the Budget process.

Budget

Comment: Rate Counsel submitted their own FY26 Budget proposal, which recommends reducing new SBC funding in FY26 to $53.6 million, which would fund Comfort Partners. Additionally, they recommended cutting FY25 Estimated Carryforward that is pending Board approval, which would lead to a total FY26 Budget of $385.5 million, down from Staff's recommendation of $869 million.

Response: Staff disagree with Rate Counsel's recommended FY26 budget. Staff have addressed the need for specific programs in other comments. Here, it is important to highlight that Rate Counsel is recommending that the Board not provide funding for statutorily mandated programs such as the Plug in EV Incentive Fund, Charge Up New Jersey ("CUNJ") Residential Charger Incentive, Electric School Buses, and Medium Heavy Duty Depot. Moreover, they recommend that the Board does not provide money for State Energy Initiatives, which the Board does not actually have control over. As stated previously, the State Energy Initiatives funding is determined by the State Budget. Further, cutting funding for Solar Registration would effectively close several solar programs, as new applications could not be accepted.

Comment: Rate Counsel criticized the State Energy Initiatives FY26 Budget proposal of $91.2 million, which it said represents funds diverted to the State General Fund without clarification in the Compliance Filings. They stated that these initiatives are unrelated to the State's clean energy goals and should not be funded by ratepayers, many of whom are struggling with bills. They stated there is no legal justification provided for the use of SBC funds in this context, nor is there data supporting the request of $91.2 million.

Response: Staff appreciate the comments submitted by Rate Counsel regarding the State Energy Initiatives budget line. However, this amount is set through the State Budget, outside of the Board's control. In FY26, in accordance with the FY26 Appropriations Bill[11], the State Energy Initiatives budget is $216.189 million.

Comment: Rate Counsel raised issue with prior year carryforward in the Budget of $524.3 million, which they believe indicates that Staff will not be able to spend funds collected through the SBC. Without an evidentiary process supporting decisions, they stated that funds should not be collected to support most areas of the Budget. For example, they stated that rather than collect the regular $344 million SBC in FY26, the SBC should be reduced by $173.7 million, the amount that is being used to provide assistance via the REAP and Energy Bill Assistance lines. They emphasized that this is especially true given the 20% increase in electric rates expected this month.

Response: Staff disagree that the amount of carryforward shows that the SBC is too high. Staff regularly work to improve the allocation of funding and minimize the amount of carryforward commitments, but commitments are a precursor to spending. In this way, Rate Counsel misses the distinctions in the FY26 Budget when it cites the $524.3 million in carryforward: $293.3 million of this has been formally committed through agreements and $38.5 million has been obligated by the Board and is awaiting a formal commitment such as a contract, grant, or other purchase order. Accordingly, there needs to be money in the Budget to make these commitments, which often

[11] S.2026/A.5800 (2025).

means carrying forward funding.

Staff disagree with Rate Counsel regarding support for budget decisions, noting that Board-approved NJCEP programs are subject to a process involving extensive research and stakeholder engagement, which Rate Counsel participates in. The NJCEP is a dynamic program, with changes made to existing programs and new components introduced from year to year. In addition, due to the current rate environment, Staff have found ways to reallocate funding to provide utility bill relief to ensure that long-term and short-term needs of ratepayers are addressed.

With respect to energy bill assistance, Staff notes that this initiative will now be fully supported by RGGI[12] and the Solar Alternative Compliance Payment[13] ("SACP"), outside of the NJCEP budget. To align with the FY26 Appropriations Bill[14], slightly less than $119 million was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole House.

Comment: Rate Counsel recommended the Board not approve collection of new SBC funds and instead create an evidentiary process over the next several months so that stakeholders can request additional materials from Staff and its consultants; submit interrogatories that Staff and its consultants must answer; the opportunity to cross examine Staff and consultants; and submit comments.

Response: Staff disagree that the Board should not approve new SBC funds for FY26. Doing so would inhibit the Board from planning and carrying out clean energy objectives as specified in the EMP. Further, it would damage the State's credibility in the industry at a time when clean energy projects are already facing obstacles. As stated, Staff are always looking to improve transparency and the Budget process. However, providing as much time as Rate Counsel would like is rarely possible. Even so, Staff provide opportunities throughout the year and specifically during the Budget process and true-up Budget process for stakeholders to review detailed Budget and programmatic information and provide comment. Through these processes, Staff do respond to stakeholders.

Comment: Rate Counsel argued that the Acoustical Testing Pilot program should be ended as soon as practical and that no funding should be committed or budgeted in FY27.

Response: Staff will be closing out the remaining grants in FY26. No additional funding for this program will be committed in FY27.

State Facilities Initiative

Comment: Rate Counsel pointed out that all FY26 Budget for the State Facilities Initiative ("SFI") is from the FY25 estimated committed carryforward of $54,675,202. They stated that the DCE FY26 Compliance Filing does not provide data on State Facilities Initiative, but stated that current

[12] New Jersey receives a portion of funds collected from the RGGI CO_2 quarterly auctions. The Board receives 20% of the proceeds from the New Jersey auctions.

[13] Electricity suppliers are required to pay an SACP if they do not meet the requirements of New Jersey's solar Renewable Portfolio Standards (RPS) with Solar Renewable Energy Certificate (SREC) retired. These payments are put into a separate account and are required to be returned to ratepayers.

[14] S.2026/A.5800 (2025).

funds were carried over from FY25 based on updated project timelines. Rate Counsel argued that DCE has not provided data on energy savings and cost-effectiveness data for SFI.

Response: Staff agree that SFI will be funded by Committed Carryforward in FY26. Staff post updates on the SFI Projects on the Board's website www.nj.gov/bpu, through the Division of State Energy Services. Additionally, projects managed by Treasury Division of Property Management and Construction have Request for Proposals posted to NJSTART. Projects report energy savings as part of final construction requirements by contractors. The State Facilities Energy Consumption Report is not funded by SFI. This report was included on the BPU and DPMC Designated Project List, but was removed in FY25. No SBC funds were used for this effort.

Energy Efficiency

Comment: Robert Erickson commented that NJ needs to replace the Energy Star program immediately if the program is cut. He stated that the FY26 NJCEP filings reference the federal Energy Star program, with many programs, equipment, and incentives dependent on Energy Star qualifications, including the NJ EV charger incentive program and NJ utility incentives. He emphasized that with the federal Energy Star program potentially ending, NJ needs to establish a multi-million dollar replacement program in 2025 to prevent disruptions or collapse of clean energy programs reliant on Energy Star. He recommended that a replacement program collaborate with other States to reduce costs, provide standards, equipment testing, and publish qualifications, like the federal program. It would also use consortium results where appropriate.

Response: Staff thank Mr. Erickson for comments regarding the uncertain future of the Energy Star program. Stakeholders at the May EE stakeholder meeting expressed similar concerns and offered comments on the topic. Staff are in discussions about options that would allow New Jersey to continue to offer Energy Star-related clean energy programs without disruption if the federal government ends the Energy Star program.

Comment: Robert Erickson suggested that the BPU should include specific goals and public annual tracking statistics for the installation of cold climate heat pumps in this year's Budget and future year Budgets, given the New Jersey EO 316 which calls for 400,000 additional buildings to be electrified by 2030 and 2019 EMP Strategy 4.1. He stated that only "cold climate" heat pumps should be approved for new residential construction incentives in New Jersey programs funded by taxpayers or ratepayers. For the Comfort Partners program, replacements should be cold climate heat pumps, avoiding natural gas or oil systems. He critiqued language in the CRA that has been repeated four years in a row that the BPU is "assessing" heat pumps. He noted excellent "cold climate" heat pumps are readily available in the market to install. Some of these have been successfully installed in NJ and are widely being installed in both Maine and Massachusetts. He emphasized the importance of heat pump installations for New Jersey to meet Executive Order 316 and the 2019 EMP goals, which call for incentives to transition to electric heat pumps and other electric appliances, crucial for achieving 100% clean energy targets.

Response: Regarding public goals and statistics, Staff are working with EE program administrators to add to publicly available quarterly program reports statistics that track to EO 316 objectives, including dwelling units and commercial spaces and/or public facilities with electric space heating and cooling and electric water heating systems, as well as residential units serving households earning less than 80% of area median income that are made ready for electrification through the completion of necessary electrical system repairs and upgrades. These statistics

could include information about conversions from oil, gas, propane, or resistance heating to electric heat pumps; new homes adopting heat pumps; and other valuable data. Staff thank Mr. Erickson for the comments and suggestions.

Comment: Robert Erickson recommended that the BPU establish an aggressive Building Electrification roadmap by the end of 2025 as part of the FY26 Budget. He stated that a roadmap is needed for clean energy investments and suggested that the BPU add a newly funded program for the development of a Building Electrification Roadmap as a standalone Budget item.

Response: BPU has been working with the Governor's Office of Climate Action and the Green Economy and other State agencies to develop a New Jersey strategic roadmap for building decarbonization following convening of the Clean Buildings Working Group. This roadmap will be released soon, and we welcome continued discussion on the topic.

Comment: Robert Erickson argued that BPU needs to eliminate all natural gas equipment incentives in the FY26 Budget. These incentives should be eliminated to prevent further GHG pollution and worsening global warming. Funds saved from cutting these incentives should be redirected towards cold climate electric heat pumps and other electrification priorities. He recommended that additional funds be allocated to fossil fuel equipment or infrastructure. He argued that natural gas companies should be prohibited from covering the costs of installing gas pipelines and meters at customer premises, requiring customers to bear these costs.

Response: BPU's revised new construction program includes incentives for two (2) or more individual improvements through the Bundled Pathway, with eligible measures comprising electric efficiency equipment and efficient envelope and insulation measures. Program applicants may also participate in the Streamlined and High Performance Pathways, which offer tiered incentives for overall building performance that exceeds certain thresholds above minimum standards, as well as a GHG emission reduction bonus.

BPU does continue to offer a natural gas energy efficiency incentive through the Large Energy Users Program at $3.75/therms saved annually, which can come from multiple sources and types of equipment under the program. Staff will continue to evaluate natural gas equipment incentives.

Regarding the costs of gas pipelines and meters, the Board appreciates this comment and will consider it in the appropriate context. Currently these costs are regulated pursuant to N.J.A.C. 14:3-8 et seq.

Comment: Robert Erickson suggested NJCEP prohibit utilities from offering incentives for central air conditioning systems that only provide cooling. Incentives should focus solely on "cold climate" heat pumps, which offer both heating and cooling. Funds for central air conditioning and dehumidifier incentives should be redirected to support heat pumps, as investing in central air conditioning locks in less efficient equipment for the long term, burdening taxpayers and ratepayers. He suggested that prohibiting support for central air conditioning might encourage multi-family housing and HOAs to accept heat pumps, citing instances where owners faced challenges installing heat pumps due to HOA restrictions. He argued that incentives should not be given to hybrid systems that facilitate automated fuel switching, as these perpetuate fossil fuel dependence. However, homeowners should be supported in partially transitioning by installing heat pump minisplits alongside existing equipment as an interim solution.

Response: As part of the Triennium 2 Efficient Products programs, the utilities offer modest incentives for residential central air conditioning systems (up to $200 per unit, compared to $500

per unit in Triennium 1). As part of the new Triennium 2 building decarbonization start-up programs, by comparison, the electric utilities offer robust incentives for residential cold climate air source heat pumps that fully displace fossil fuel heating. For example, a customer adopting a full displacement cold climate air source heat pump is eligible for the lesser of $10,000 or 50% of the installation cost per house (i.e., cost of installation and dehumidifier). Moderate income customers are eligible for the lesser of $12,000 or 60% of the installation cost. In addition, the utilities offer $2000 for re-ducting if applicable and $2000 for decommissioning a fossil fuel system. These incentives are designed to encourage adoption of cold climate heat pumps that fully displace fossil fueled heating equipment while transitioning away from central air conditioning units.

Among the gas utilities, as part of its building decarbonization start-up program, New Jersey Natural Gas Company offers up to $2000 or 30% of the project cost per house (and $3000 or 50% of the project cost per house for moderate-income customers) for an air source heat pump, including integrated controls, that partially displaces the usage of natural gas fired equipment by being sized for at least cooling load plus electrical panel capacity if appropriate, up to heating load. Staff suggest that these incentives support residents to partially transition by installing one or more heat pumps alongside existing equipment as an interim solution.

Staff invite Mr. Erickson and other interested stakeholders to participate in opportunities for discussion and feedback about implementation of Triennium 2 programs, and in particular, the vision for Triennium 3 programs, whether through public stakeholder meetings or requests for comments on proposed approaches in 2025 and beyond.

Comment: Robert Erickson commented that the Board has consistently stated over four years that it is "assessing cost-effectiveness of heat pump adoption," particularly for oil- and propane-fueled buildings. However, there appears to be no reported progress, suggesting the text is simply copied annually without updates. He emphasized that heat pump replacement for oil and propane systems has been cost-effective for years and addressing natural gas consumption—responsible for over 80% of residential space heating emissions—is crucial. He cited Maine's significant progress, with heat pump heating becoming more common than oil heating in new homes. He highlighted that NJ lacks annual public goals or statistics on conversions from oil, gas, propane, or resistance heating to electric heat pumps, or on new homes adopting heat pumps. Despite its reputation as a technologically advanced state, Erickson stated that New Jersey lags behind Maine in promoting and adopting electric heat pumps on a population-adjusted basis.

Response: While Staff agree that it is cost-effective to transition from electric resistance to an air source heat pump for heating, with increasing electricity prices, assessment of the cost-effectiveness of heat pump adoption continues to be relevant based on the relative prices of electricity, natural gas, and delivered fuels.

CHP-FC

Comments: The NE Chapter expressed its disagreement with the BPU's proposal to stop accepting new applications at the end of the calendar year for the NJCEP CHP-FC program.

USHA urged the Board to maintain the current CHP-FC Program and extend its availability to new applicants beyond the current deadline of December 31, 2025. They stated that preserving access to the program during the transition to a future framework centered on renewable energy will help ensure continuity for stakeholders and prevent delays in deploying efficient, low-carbon energy technologies. They stated that closing the program without a successor could disrupt

progress. To strengthen and maintain its effectiveness, they suggested that the Board review and update incentive structures to reflect inflation and market needs, improving accessibility and investment incentives. They welcomed opportunities to participate in stakeholder engagement efforts to help shape the future framework.

DCO Energy opposed the proposed elimination of financial incentives for CHP systems not fueled by Class I renewable energy resources. They stated that the current incentives have been crucial in developing projects that enhance energy efficiency, reduce emissions, lower operating costs, and contribute critical distributed generation capacity to the grid. They explained that New Jersey lacks significant Class I thermal energy resources beyond landfill gas, and its biofuels market is underdeveloped, lacking necessary infrastructure and commercial maturity for project deployment. Additionally, no transitional solutions are provided to sustain CHP viability while these renewable options are developed. Therefore, DCO Energy argued the change would dismantle the CHP program, halt microgrid development, increase grid pressure, and reduce energy efficiency gains. The change is seen as premature and misaligned with market realities and clean energy goals. They urged the Board to maintain a fuel- and technology-neutral incentive structure and pursue a phased transition only when Class I renewable fuel markets are viable.

NJEC urged the Board to maintain the current CHP-FC Program, and allow it to remain open to new applications beyond December 31, 2025, ensuring continued support for CHP-FC projects during the transition to a new program focused on renewable energy sources. They suggested the Board issue a generic procedure order for the program to address increasing the incentives in line with inflation. They stated that a premature closure of the existing program before the replacement initiative is fully developed could create a gap in clean energy investment, causing uncertainty among stakeholders and potentially delaying critical projects that contribute to the state's clean energy goals. They strongly recommended that the existing program remain open and accessible to ensure stability.

Bloom suggested that the Board reconsider its decision to stop accepting new applications for the NJCEP CHP-FC incentive program at the end of 2025. They argued that onsite generation with CHP and Fuel Cells, even when using natural gas, offers significant benefits such as reducing grid load, improving energy efficiency, and providing emissions reductions. Bloom emphasized that renewable fuels are not yet affordable or available at scale in New Jersey, potentially making CHP-FC projects economically unfeasible or requiring increased incentives. Without support for cleaner onsite generation, reliance on dirtier grid power could increase emissions. They stated that fuel cells can replace diesel generators, reducing CO2 emissions and pollution, especially in vulnerable communities. They noted that the New Jersey Fuel Cell Task Force report supports these claims, highlighting fuel cell's role in enhancing grid reliability and reducing reliance on high-emission peaking units. Bloom urged continued support for onsite generation to maintain environmental benefits and address grid challenges effectively.

Response: Staff thank the commenters for their concerns regarding the proposed change to the CHP-FC Program and suggestions for how to transition to a renewable energy fuels pathway. After considering stakeholder feedback, Staff are recommending that this Program remain open to new applications and unchanged until further policy development can be completed to transition to a renewable energy fuel pathway. Specifically, Staff need additional information on the availability of renewable resources for these projects and the challenges around ensuring the necessary infrastructure exists. Staff anticipate further stakeholder engagement around the issues of the availability of renewable energy fuel and the challenges around ensuring the

necessary infrastructure exists. Once this process is completed, Staff anticipate making final recommendations to the Board at a future time.

Comment: The NE Chapter commented that it disagrees with the recommendation to set the FY26 budget for DER at $12,588,216, which it claims is a significant decrease from its FY25 budget of $93,188,194. The FY25 budget included CHP–FC funding of $31,500,69, which is completely absent from the FY26 Budget. They further claimed the NJCEP partially recognized this error in its May 28th Public Hearing on its Proposed Fiscal Year 2026 CRA, Budget and Program Plans, where it suggested CHP-FC funding of $10,205,741 under a modified program. The FY26 Budget fails to recognize that DERs, and CHP specifically, reduce the cost of energy for all ratepayers while providing additional benefits.

Response: Staff submit that its FY26 DER budget is sufficient to maintain the existing level of CHP-FC activity and that the NE Chapter might have become confused as to the proposed funding for CHP-FC. Staff did not make any error regarding this item.

Contrary to the commenter's statement above, the actual FY26 budget for CHP-FC is $19,323,828, not $12,588,216. Staff note that the proposed Division of Clean Energy Compliance Filing proposes a $12,588,216 budget for DER, but that budget is only for the DCE-managed programs and does not include CHP-FC, which is managed by TRC. Based on recent trends, Staff believe the proposed FY26 CHP-FC budget will be sufficient to maintain those trends. For example, during FY25, NJCEP is on pace to commit and spend approximately $20,000,000 for CHP-FC projects, leaving approximately $5,000,000 unused and suggesting that $15,000,000 could be adequate for FY26.

Staff also note that $60,000,000 of the FY25 DER budget was allocated to Energy Storage. During FY26, Staff proposed funding Energy Storage through another source, i.e., the Ørsted settlement, thereby reducing the FY26 DER Budget by approximately $60,000,000.

Comment: Bloom commented, as it has in the past, that the manufacturer diversity cap should be "lifted" because it disfavors non-combustion fuel cell technology without a rational basis for doing so.

Response: This comment has been made, considered, rejected, and fully responded to regarding one or more previous Staff proposals. The reader is respectfully referred to those materials. For example, in connection with the proposed FY21 TRC Compliance Filing, Staff explained that "the fuel cell program is the only NJCEP program that historically has been dominated by a single manufacturer; all the others, including CHP, have consistently had a healthy mix of manufacturers, contractors, consultants, and applicants." Indeed, for the last several FYs, the only fuel cell applications NJCEP has received have been for Bloom equipment, thereby providing continuing evidence of the need for a cap to prevent Bloom from monopolizing the market. Staff continue to believe that limiting any manufacturer to $5,000,000 incentives is more appropriate than allowing Bloom to monopolize the market. Staff also note that in recent FYs this cap has not been reached, i.e., that applicants have not submitted approvable applications using Bloom technology and totaling $5,000,000 or more. Indeed, with only a few weeks left in FY25, NJCEP has not received even a single approvable fuel cell project. In other words, Bloom has not offered, and there otherwise is not any real evidence to support its claim that the manufacturer cap drives customers towards non-fuel cell CHP projects and away from

fuel cell projects.

Comment: Bloom commented that the proposed CHP-FC incentive structure is contrary to Recommendation 2.13 of the Fuel Cell Task Force, to wit: "[T]he BPU Clean Energy Program budget should increase the incentive for non-combustion generation, like fuel cell systems, that emit no air pollutants. The program currently allocates an incentive that could be three times greater for the installation of a combustion CHP system that increases air pollutants."

Rate Counsel commented, as it has in the past, that NJCEP should not provide incentives for fuel cells that are <60% efficient.

Response: Staff disagree with Bloom and point out that fuel cells with the same ≥60% efficiency as CHPs are subject to the same $3,000,000 cap as CHPs. Although Staff continue to evaluate the potential benefits of non-combustion generation and possible ways to further incentivize its use, it continues to believe it appropriate to provide a greater incentive to a technology that is ≥60% efficient than to a technology, like Bloom's, that is only ≥40% efficient. Staff also note that it has considered, rejected, and fully responded to similar comments regarding one or more previous Staff proposals. In addition, Staff continue to believe, despite Rate Counsel's contrary comment, that the environmental and grid resiliency benefits of ≥40% fuel cells continue to justify and support the existing incentives for that equipment.

Comment: Rate Counsel commented as it has in the past, including regarding the proposal for FY25 CHP-FC, that the Board should re-evaluate the justification for continuing to use limited ratepayer funds to incentivize mature technologies that use fossil fuel, such as CHP-FC. Rate Counsel again emphasized that CHP-FC projects can have adverse impacts on Overburdened Communities ("OBCs") and therefore, if the Board continues the CHP-FC Program, it should establish siting requirements to minimize the impact on OBCs.

Response: Similar to Staff's response to similar comments in the past, Staff appreciate Rate Counsel's reservations about incentivizing a fossil fuel technology, but note that, in general, projects in the CHP-FC program demonstrate overall efficiencies greater than those from current overall electric utility generation. The projects result in energy and GHG reductions at a customer's site and provide resiliency benefits. Staff continue to reevaluate this program and will take Rate Counsel's recommendations into consideration as part of that reevaluation.

As part of its overall reevaluation of CHP-FC, Staff will also consider whether CHP-FC has or is likely to have a significant adverse impact on OBCs and, if so, potential ways to mitigate that impact, including the potential efficacy and appropriateness of adding siting criteria to the program rules. In that regard, Staff note that CHP-FC projects are often substantially cleaner and more energy and cost-efficient than traditional power projects and that therefore they can also have a significant positive impact on an OBC.

New Construction Program

Comment: MaGrann commented that the Board should add "language into the compliance filing to provide flexibility in program design to accommodate potential impacts from changes in federal programs such as EPA ENERGY STAR." The Lung Association commented that given the "uncertainty" around ENERGY STAR, the Board should work with public utilities to provide guidance to customers about how they can continue to purchase and maintain efficient equipment.

Response: Staff in principle agree with these comments. The TRC Compliance Filing states: "News sources indicate that United States Environmental Protection Agency may be eliminating the ENERGY STAR program. The Board is closely monitoring this situation and will consider appropriate revisions to NJCEP if and as appropriate." Staff are in discussions about options that would allow New Jersey to continue to offer Energy Star-related clean energy programs without disruption if the federal government ends the Energy Star program.

Comment: MaGrann commented that its understanding is that although Table 1 in the TRC Compliance Filing indicates the Bundled Pathway is "n/a" for Multifamily buildings, TRC will continue to apply its guidance allowing the use of that Pathway for Multifamily common areas that are not covered by the Energy Rating Index path calculation."

Response: Staff do not expect the guidance to change in the near term, and it does expect TRC to continue to utilize it in the near term.

C&I Buildings / LEUP:

Comment: Rate Counsel commented, as it has in the past, that the TRC Compliance Filing should provide more detail regarding how much of the budget for this line item is allocated to the "base" LEUP program versus the LEUP Decarbonization Program.

Response: As it has in the past, including regarding its proposal for FY25, Staff submit that establishing a single budget covering both the LEUP and the Decarbonization Pilot contained within it is reasonable and consistent with Staff's and the Board's historic practice regarding pilots created within existing programs. Especially for pilots, it is useful and important for Staff and TRC to have the discretion to readily direct funds towards the pilot if it is attracting more than expected participation and to direct funds away from the pilot and towards the "base" program if the pilot is attracting less than anticipated participation.

Cost Benefit Analysis

Comment: Rate Counsel commented, as it has in the past, that TRC's Cost-Benefit Analysis ("CBA") fails to provide sufficient supporting details for its analysis, such as the methodology and assumptions it used.

Response: As previously and similarly stated in the response to similar comments regarding the FY24 and FY25 TRC CBAs, Staff disagree. The CBA includes a discussion and the results of the application of all six tests of cost-effectiveness generally recognized in New Jersey (including the Triennium 2 New Jersey Cost Test). The level of detail and support is consistent with N.J.S.A. 48:3-60, with the Board's Orders implementing that statute and identifying the requirements for Compliance Filings[15] and the level of detail and support historically contained in Board-approved Compliance Filings.

Distributed Energy Resources

Comment: Rate Counsel commented that no funding should be provided for Microgrids in the

[15] See In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040, QO23030150, & QO17091004, Order dated May 24, 2023.

Budget and have concerns about them being new sources of noise and air emissions in OBCs. They also stated that no evidence has been provided that funding microgrids provides any tangible benefits to ratepayers.

Response: The only funding currently in the FY26 Budget to support microgrids are the remaining grant agreements that have not yet been paid out as part of the Town Center Distributed Energy Resources Microgrids Incentive Program. Under Phase 1 and 2 of this Program, no funds have been provided for the construction of a microgrid, but were intended to evaluate the feasibility and design of various proposals. In order to best determine the viability and understand the technological and regulatory challenges, evaluating proposals at this stage of the process is key. The Board has not yet determined next steps on funding this program beyond the current phases.

Comment: Robert Erickson suggested that the BPU needs to specify a substantial program of electricity storage to complement the vast increase in renewable electricity expected by 2035. He referenced large storage programs in both California and Texas. He highlighted that the California program has helped address large swings in solar each day, without requiring increases in natural gas usage and Texas is set to surpass California in battery storage by 2026. He noted that the BPU has solicited 160 MW of solar-paired storage, with bids closing in July 2025 and references the NJCEP's ambitious storage goals. However, it lacks annual statistics on planned or active storage sites and projections which highlights the need for a detailed storage roadmap.

Response: Staff agree that energy storage will play a valuable role in helping New Jersey meet its clean energy goals. Staff note the June 18, 2025, launch of Phase 1 of the GSESP, which seeks to incentivize transmission-scale. A program administrator will play a vital role in tracking metrics for projects that are incentivized, including details on size, location, and other performance indicators.

Comment: Rate Counsel commented on BPU's efforts on energy storage, including incentivizing solar + storage under CSI and developing a standalone program.

Response: Staff acknowledge Rate Counsel's comments on the progress that has been made in regard to meeting the State's storage goals and note the successful launch of Phase 1 of the GSESP, which will focus on transmission-scale projects.

Nuclear

Comment: Rate Counsel commented that the DCE Compliance Filing did not provide details on the amount of funding that is anticipated to be utilized in FY26 to support the BPU's efforts around nuclear, specifically reviewing stakeholder input and why ratepayer fund should be used to support unregulated generations.

Robert Erickson commented that no taxpayer or ratepayer funding should be spent to develop and subsidize nuclear, as it needs to stand on its own financially. The commenter explained that industry customers, like data centers, seeking new electricity sources, including nuclear power, should cover all associated costs without burdening taxpayers or ratepayers. They should finance the entire lifecycle of new or expanded power plants, including risk management, evacuation plans, research and development, siting, waste management, insurance, and other expenses. Residents within 75 miles of new or expanded nuclear sites must be informed about plans, schedules, risks, and impacts. He stated that offshore wind (“OSW”) farms, solar, and storage are considered safer and potentially cheaper than nuclear options when factoring in

environmental costs across the lifecycle.

Response: Staff are still in the early phases of gathering stakeholder input to inform the State's next steps towards potentially advancing new nuclear and have recently released a Request for Information ("RFI") on May 5, 2024. Any use of funds to support future efforts will require additional Board action. Also, Staff expect additional extensive stakeholder engagement following review of the comments that are received from the RFI, including how to maximize ratepayer benefits from bringing any new generation online. Additionally, Staff are evaluating the benefits and needs for clean firm generation, which could include nuclear, to complement other renewable energy sources to ensure resource adequacy.

Offshore Wind

Comment: The Jersey Renews Coalition, along with 17 supporting organizations[16], urged the Board to reconsider its allocation of the $125 million Ørsted settlement funds, which are currently designated entirely for the new GSESP. While they acknowledged the importance of energy storage, the Jersey Renews Coalition argues that directing all funds to this initiative is short-sighted. They recommended reallocating a portion of the funds to support OSW-related programs, such as workforce training and public education through the Wind Institute, to maintain momentum and competitiveness in New Jersey's OSW development.

The Jersey Renews Coalition stressed that consistent investment is necessary to build a robust supply chain and workforce for OSW, which is crucial for meeting the state's clean energy goals. They highlighted that energy storage, while important, creates fewer permanent jobs compared to investments in supply chain manufacturing for clean energy production, which could generate hundreds of permanent jobs.

The Jersey Renews Coalition advocated for a balanced approach, using some funds for the GSESP and directing others towards supply chain development for OSW and solar projects. The coalition believes this strategy will maximize job benefits and economic growth, leveraging existing industry investments to ensure New Jersey remains a leader in the national OSW landscape. They urged the BPU to revise its decision to better allocate the Ørsted settlement funds to projects that will provide the most benefits for the State's clean energy economy.

NJOWA urged the Board to allocate a portion of the Ørsted settlement funds to OSW initiatives, including infrastructure initiatives related to the now canceled Transmission Siting and Economic Development Grant Program. NJOWA also highlighted the importance of continuing to fund NJ EDA's Wind Institute in order to maintain momentum in developing the workforce for the industry.

NJLCV urged the Board to reconsider the drop in OSW Workforce Development funding from $22 million in FY25 to $0 in FY26. They argued that the State needs to develop its OSW and RE workforce, so that NJ can get projects online quickly when the federal landscape changes. NJLCV urged the Board to engage labor unions, educational institutions, and community-based organizations to identify needs and opportunities in FY26.

[16] Action Together New Jersey, Anglers for Offshore Wind, Clean Water Action, Clinicians for Climate Action NJ, Elevate Network, Emerald Cities Collaborative, Environment New Jersey, Environmental and Climate, Justice Committee NAACP State Conference, GreenFaith, New Jersey Offshore Wind Alliance, New Jersey Policy Perspective, New Jersey Progressive Equitable Energy Coalition (NJPEEC), New Jersey Sustainable Business Council, NJ Work Environment Council, Salvation and Social Justice, Unitarian Universalist Faith Action NJ, and Wind of the Spirit.

Alejandro Meseguer expressed support for the State's clean energy targets and recommended the administration use the Ørsted settlement funds to contribute to OSW investments and storage. Meseguer noted that with a new Governor taking office next year, clean energy's future in the State is uncertain, so investments in OSW should be made now.

Response: Staff recognize the significant potential benefits associated with the deployment of OSW and the need for both OSW workforce development efforts that will ensure a workforce is in place to support the industry when needed and programs to help facilitate transmission siting and development. Staff note that funding from prior budget allocations remains available to EDA for OSW workforce development. The reduction in the FY26 OSW budget and use of Ørsted Settlement funds for GSESP reflect uncertainty in OSW deployment driven by federal policy, balanced against the critical need to fund projects, such as storage that will ease capacity market prices and help stabilize ratepayer bills. The use of the Ørsted settlement funds to support the GSESP are aligned with New Jersey's clean energy goals and the Board's mission of ensuring safe, adequate and proper utility service at reasonable rates. The state remains committed to advancing OSW and will reassess whether future funding should be obligated to support OSW, transmission, and workforce development initiatives as the industry progresses in future years.

Solar

Comment: Richard Harris III of Installations 3 Construction Training Center in Newark, NJ provided oral comments at the public hearing. The commenter stated that in 2023, the Commissioner requested that their organization submit a letter for the Solar for All ("SFA") program from the Governor's Office. The company submitted the letter and the Commissioner followed up with the training opportunity. The commenter emphasized that they are awaiting the rollout of the training and criticized the Board for the lack of clear communication about participation in training and education planning. The commenter requested a timeline on the training rollout from the GHG Emission Fund. The commenter highlighted the organization's accreditations and their eagerness to educate the community on Whole House program repairs and the community solar program.

Response: Staff appreciate the commenter's letter of support for the New Jersey SFA award. Staff acknowledge that the SFA's roll out has been taken longer than expected due to unforeseen changes in federal guidance. The Board has secured the federal award and will stakeholder the program proposal, including its workforce training and education plans, before the SFA federal planning period ends in December 2025. Staff are working vigorously to keep the program in compliance with its SFA terms and conditions and to share the benefits of solar energy with New Jersey stakeholders as soon as possible.

Comment: Robert Erickson expressed the need to greatly increase incentives for solar and storage to make up for the OSW deficit. He stated that the solar incentive increase may also need to compensate for the pending elimination of the federal solar tax credit in pending Congressional legislation.

Response: Staff are initiating a stakeholder proceeding to evaluate Administratively Determined Incentive Program incentive levels, as well as a consideration for the addition of storage. A Request for Information is expected to be released in June to gather stakeholder input on incentives, capacity changes, and program design. Staff encourage stakeholders to submit comments on incentives as part of this process.

Planning and Administration

Comment: Rate Counsel asked why an additional nearly $4.4 million is proposed to be transferred to Program Evaluation and Analysis. They stated Staff should demonstrate that their evaluation activities do not overlap with those done by the utilities.

Response: The additional increase to the Program Evaluation and Analysis Budget line supports ongoing or anticipated contractual obligations. NJCEP evaluation funding supports the Statewide Evaluator ("SWE"), which runs the Evaluation, Measurement, and Verification ("EM&V") Working Group, develops the EM&V Framework applicable for all EE program administrators, and oversees implementation of statewide evaluation studies. NJCEP evaluation funding also supports the Energy Efficiency Evaluation Study Team, which conducts statewide evaluation studies. These activities all complement and do not overlap with or duplicate those conducted by the utilities. The utilities, in turn, are responsible for hiring independent utility evaluators to conduct impact and process evaluations of utility programs, with oversight by SWE. The utilities' evaluation budgets are low compared to industry standards and are essential in the monitoring of performance for specific measures, service providers, and utility administrators.

Outreach and Education

Comment: Rate Counsel stated they cannot find evaluations or audits of Sustainable New Jersey ("TCNJ"), NJIT Center for Building Knowledge ("CBK"), Rutgers Center for Urban Policy Research ("CUPR"). Further, they stated that these programs have not been audited within the past three years and should be in order to determine effectiveness and ensure that ratepayer funds are being spent well.

Response: Sustainable Jersey at TCNJ, the CBK, and the CUPR are not programs. Rather, the BPU has contracts with these State colleges and universities to assist with and support the BPU Division of Clean Energy's programs and initiatives. The Memoranda of Understanding with TCNJ and NJIT, along with their work plans and more detailed budgets for work that commences in FY26, are before the Board for their consideration in parallel with the FY26 budgets and programs. The next MOU with CUPR would commence in FY28.

Comment: The Lung Association recommended that the Board ensure education and outreach allocations in FY26 include health-focused messaging on the air quality and associated health benefits of electrification and energy efficiency. By coordinating with community health partners who already conduct home assessments and engage with vulnerable populations, they emphasized that the State could improve program uptake, share outreach materials, and strengthen the connection between clean energy and public health goals.

Response: Staff thank the Lung Association for their comment and will consider their recommendation. Staff are committed to raising awareness of the benefits of clean energy and energy efficiency, and aim to continue engaging with new and existing stakeholders to encourage adoption of clean energy and energy efficiency where appropriate.

Grid Modernization

Comment: Isles supported the proposed $15 million for Grid Modernization efforts for FY26, but urged the BPU to add new funding for these efforts as well noting that grid modernization issues underly the greater energy crisis currently facing New Jersey. They emphasized that the current grid's infrastructure and management processes must be modernized to meet our increasing electricity demands and support the shift away from fossil fuels. They recommended that projects include community-based microgrids, especially in areas prone to outages and climate impact,

considering the impact of data centers on the grid, ensuring that funding supports storage co-location with distributed renewable energy, and planning processes include equity-centered stakeholder engagement with community-based organizations and municipalities.

Response: Staff appreciate Isles's support for the greater grid modernization effort and the critical importance of allocating funding towards these efforts. The Board is working on addressing issues such as grid management processes, supporting the shift away from fossil fuels, and meeting increasing energy demands in a cost-effective manner with minimal ratepayer effects through the Grid Modernization Forum. The allocated funding will go towards running the Forum, which is a collection of stakeholder workgroups, and the running of "Grid Innovation Demonstrations" or pilots to test newer technologies and processes. The Board appreciates the commenter's suggestion and intends to incorporate these projects, such as community-based microgrids and energy storage systems co-located with distributed generation sources, within the Grid Modernization Forum and the Innovation Demonstrations while ensuring appropriate stakeholder engagement and opportunities for further feedback.

Comment: Nick Dreher provided oral comments on behalf of Renew Home. Renew Home recommended additional focus be considered and placed on grid flexibility resources and initiatives, including virtual power plants ("VPP"), whether tied to smart thermostats, solar plus storage, storage, or heat pump water heaters. The commenter emphasized that VPP-tied grid flexibility will avoid utility system costs related to transmission and distribution, aid utilities and State planners in modernizing the grid effectively, and ultimately save money and reduce costs for all rate payers.

Response: Staff appreciate the commenter's feedback and emphasizes the importance of grid flexibility resources and initiatives. The compensation of "grid flexibility services" such as VPPs, demand response through smart thermostats, energy storage, and vehicle to grid capabilities are the subject of the next workgroup planned under the Grid Modernization Forum. The Board acknowledges the enormous potential for a new market compensation mechanism for such services and works toward investigating and evaluating such mechanisms already underway. It is the Board's intent to continue working toward establishing such market-driven, rather than subsidy-driven, mechanisms for the compensation of distributed DER ownership.

Clean Energy Affordability

Comment: NJLCV stated that affordability should be central in the clean energy transition and recommended: reevaluating income thresholds for assistance programs to ensure they reflect economic conditions and utility cost increases; scaling ratepayer assistance programs proportional to rising utility rates; expanding energy affordability strategies to include water, by doing automatic enrollment and utility data sharing mechanisms; maintain strong utility shutoff protections to protect vulnerable households.

Response: Staff appreciate the comments and note that they are working to identify ways to structure programs to prioritize affordability. These recommendations, if not already considered, will be kept in mind when programs are evaluated. Specifically, in regard to Comfort Partners, Staff will be reviewing and considering changes to the program income eligibility to be aligned with existing assistance programs such as the Universal Assistance Fund ("USF").

Comment: Rate Counsel suggested that the $1.1 million dollars for the Clean Local Energy Advisory and Resource ("CLEAR") Fellowship should not be approved. They advocated for these funds to be spent through the USF.

Response: Staff thank Rate Counsel for their comments but respectfully disagree that funds would be best spent through the USF. Although the program is still in development, Staff believe that the CLEAR Fellowship will be beneficial to municipalities for the purposes of strengthening their clean energy and energy efficiency portfolio while broadening access to cost savings. The CLEAR fellows will work with municipalities across the State that have some of the highest energy consumption per capita to help them significantly reduce energy consumption.

Comment: The commenter suggested that the FY26 Compliance Filing for Community Energy Planning Grants ("CEPG") is a "cut and paste version" from the FY25 Compliance filing.

Response: Staff appreciate the commenter's feedback and would like to note that updates have been made regarding Program Year 4 of the CEPG, with applications open this month, June 2025.

Comfort Partners

Comment: NJLCV stated that the Comfort Partners Program is vital to achieving the State's clean energy and equity goals. However, rising inflation and increased demand are putting pressure on the program's capacity. They noted that it is critical that funding levels are adjusted to meet these challenges and ensure existing and future projects are not delayed. Ensuring the program remains fully funded will also help advance energy efficiency in low-moderate income ("LMI") households and contribute to long-term affordability, as well as energy equity.

Response: Staff thank the commenter for their comments and acknowledge the need for continued support of the programs that serve the LMI population of New Jersey, particularly a program like Comfort Partners which provides necessary weatherization and equipment upgrades which will keep residents' costs low. Staff have been and continue to work to make appropriate budget recommendations to help the program meet capacity needs.

Comment: PSE&G noted that the recent increases to the Comfort Partners budget is not enough, and total funding for the program should increase by up to 30%. One recommendation for achieving this target is by reallocating budget funding from other clean energy programs. Additionally, PSE&G extended their support for reviewing the possibility of transitioning program eligibility requirements away from federal poverty level and to state median income in the current fiscal year.

Response: Staff thank PSE&G for their comments regarding increased funding to support Comfort Partners and for their efforts as partners in the program. Staff agree that continued support for the program is essential to serve low-income residents throughout the state. In addition to the increased funds allocated in the FY25 True-up and FY26 budget, Staff have considered other ways to support the overall operations of the Comfort Partners program, including leveraging federal funding for the purposes of home electrification. Staff will continue to look for ways to improve support to the program and in turn to continue providing these important services to New Jersey residents.

Additionally, Staff acknowledge the commenters' encouragement to transition the income eligibility criteria for Comfort Partners participants in order to align with USF. Staff understand the importance of keeping the enrollment process as simple as possible so that eligible customers can easily participate in both programs. No specific timeline details have been decided yet, but relevant details on this effort will be shared when available.

Comments: ACEEE commended New Jersey's Comfort Partners Program and recommended that the current Comfort Partners budget should significantly increase, if not double. ACEEE submitted a copy of the report they sent to PSE&G regarding their analysis of the Comfort Partners program.

NJUA expressed their support of transitioning the income eligibility criteria for the Comfort Partners program from federal poverty level to State median income to align with the USF, simplifying enrollment and improving access to weatherization services. NJUA highlighted that New Jersey's investment in low-income energy efficiency programs is low compared to other states. They recommended increasing funding for the Comfort Partners program by two to three times to match best practices, noting that other leading states allocate 20-30% of their energy efficiency budgets to low-income programs. NJUA urged the Board to approve a substantial funding increase for Comfort Partners in FY26 to address rising PJM electricity capacity market prices, which disproportionately affect vulnerable households. They acknowledged scaling such a program will take time and propose reallocating funds within the Clean Energy Program's FY26 budget to start supporting an expanded Comfort Partners program without increasing the overall BPU budget. NJUA emphasized the importance of advancing energy equity and affordability for New Jersey residents.

Response: Staff thank ACEEE and NJUA for their comments. Staff thank ACEEE for submitting a recently published research memo pertaining to the Comfort Partners program. Staff would like to note that the Comfort Partners budget increased in the FY25 true up Budget and the total remained the same as part of the FY26 Budget. In addition to the funds allocated in the true up and FY26 Budget, Staff have considered other ways to support the overall operations of the Comfort Partners program, including leveraging federal funding for the purposes of home electrification. Staff will continue to look for ways to ensure the program is working effectively to serve New Jersey's low-income population.

Additionally, Staff appreciate the support of NJUA to transition the income eligibility criteria for Comfort Partners participants to align with USF. Staff understand the importance of keeping the enrollment process as simple as possible in order to ensure that low-income residents have easy access to program services. Staff will keep these factors in mind when reviewing and considering changes to program eligibility requirements.

Comment: Isles applauded the proposed $250 million in Clean Energy Affordability programs, especially the $125 million for Energy Bill Assistance and $62.9 million for Comfort Partners. They expressed that these programs, along with the solar energy and battery storage projects that have been prioritized, will lead to local job creation and reliability for those who run the risk of facing unreliable power supply. They commented that this is a win for all constituents because affordability affects everyone.

Response: Staff thank the commenter for their support of the proposed budgets for Clean Energy Affordability and Comfort Partners. The intention is to provide more services and benefits to the residents of New Jersey who are most in need of assistance.

With respect to energy bill assistance, Staff notes that this initiative will now be fully supported by RGGI and the SACP. To align with the FY26 Appropriations Bill[17], slightly less than $119 million was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole

[17] S.2026/A.5800 (2025).

House.

Comments: Robert Erickson highlighted that approximately $41 million of the $63 million Comfort Partners Budget is allocated for gas incentives, overshadowing the $22 million set aside for electric incentives. He argued that the gas incentives should be eliminated, or at least the ratio be shifted so that electric incentives dominate.

Mr. Erickson also emphasized that the Comfort Partners program continues to saddle low-income customers with the possibility of converting from oil to gas, thus locking low-income customers into natural gas usage and high future costs for decades to come. He claimed the focus should be on "cold climate" heat pumps.

Responses: Staff appreciate the comments on the Comfort Partners program and will consider the recommendations when reviewing the program for potential improvements. Efforts have already been made to expand the electrification/electrification-readiness measures offered through the program. Additionally, due to recent historical trends, more funding has been dedicated to gas measures at the start of the fiscal year as an estimate of how the budget will be spent. If necessary, the budget will be adjusted at a later date, including moving funding from gas to electric, to account for actual program spending.

Comment: Rate Counsel concurred with the FY26 draft budget for the Comfort Partners program.

Response: Staff appreciate Rate Counsel's concurrence with the FY26 draft budget for Comfort Partners, as the FY26 budget is the same as the FY25 true up budget.

Whole House

Comments: NJLCV urged the Board to continue and expand support for the Whole House Pilot program ("WHPP"), rather than eliminate funding, especially given increases in rates this summer. NJLCV explained that Whole House helps low-income and overburdened households access EE services that save them money and improve health and safety. Further, there remains significant and unmet need. They argue that other sources of funding could be used to support Whole House if EE is recognized as a necessary health intervention.

EEA-NJ supported the continuation, expansion, and increased funding of the WHPP. They noted that the program addresses structural and weatherization barriers in homes, which are essential for creating safe and healthy living environments, especially for low-income families experiencing high energy burdens. They expressed that the WHPP has proven effective, saving participants money on energy costs and providing broader system benefits. EEA-NJ criticized the Board's decision to deprioritize the program in favor of EV incentives, which primarily benefit wealthier residents. They argued for expanding the program beyond Trenton to other New Jersey cities with better infrastructure to support its rollout. They pointed to funding sources like the Regional Greenhouse Gas Initiative ("RGGI") and Infrastructure Bank as potential avenues for supporting the program. EEA-NJ emphasized the WHPP's importance in addressing energy poverty and promoting energy efficiency, and urged the Board to continue and expand the program to benefit more New Jersey residents.

The Lung Association expressed concern that the WHPP will be discontinued for FY26 and urged the Board to preserve funding for the WHPP or specifically address how the Comfort Partners program will use new funds to address health hazards. They noted how health hazards, such as

mold, lead, and structural deficiencies, are identified and addressed in weatherization and retrofit projects, particularly in low-income and OBCS. They also suggested improving cross-agency collaboration with health and community affairs departments that may have the resources and authority to address these hazards directly.

The EEA Coalition, a coalition of over 25 organizations[18], led by EEA-NJ, urged the Board to continue and expand the WHPP in FY26. They stated that the Trenton pilot has already improved 20 homes, showing substantial need and effectiveness, with an average cost of $9,698 per home and significant returns on investment. They emphasized the systemic benefits that flow from the program: reducing high energy burdens helps families move off of utility assistance programs, lowering costs for all ratepayers. Improving building efficiency also reduces the amount of electricity needed by individual utilities, contributing to lower capacity charges within PJM markets. Given the high demand for such initiatives, exemplified by Pennsylvania's successful Whole Home Repair Program, the coalition recommended expanding the program beyond Trenton and utilizing additional providers. They emphasized the program's multifaceted benefits as an energy, housing security, workforce, public health, and community safety initiative. The coalition highlighted alternative funding sources, such as RGGI and Infrastructure Bank, to support the program's expansion. They called on the Board to ensure all New Jerseyans have access to safe, efficient, and affordable homes.

Isles strongly urged the Board to formalize and fund a WHPP line item that integrates energy efficiency, weatherization, lead remediation, health and safety interventions, and electrification upgrades. They acknowledged that the current budget proposal does not include a specific line item for the WHPP, and urged the BPU to reconsider the allocation based on the success of similar programs throughout the country. They emphasized that these programs create jobs, meet community members where they are, and build relationships throughout the community. They recommended providing flexible funding through Comfort Partners or Community Energy Grants to allow for holistic interventions, and partnering with community-based implementers like Isles to develop a model for Statewide scaling to ensure equity in energy savings and deliver long-term value to residents in low-and-middle income communities.

Response: Staff thank the EEA-NJ, NJLCV, the Lung Association, the EEA Coalition, and Isles for their support of WHPP. Based on stakeholder feedback, Staff have allocated money towards the WHPP for FY26, despite the program being set to end June 30, 2025, to begin assessment of the program after its conclusion. Staff will use the evaluation to assess the program design moving forward. If a statewide program, upon further evaluation, is appropriate and approved, low-income residents across the state who are in need of health and safety improvements will be eligible to receive services from both Whole House and Comfort Partners. Staff would also like to note that as of June 3, 2025, the estimated average cost for Whole House work is $10,013 per client and estimated average cost for Comfort Partners work is $10,000 per client. Staff acknowledge that there could be considerable variation in costs per unit seeing as Health and Safety costs can vary from unit to unit, however, current energy savings of post comfort partners

[18] Action Together New Jersey, American Council for an Energy-Efficient Economy, Bright Power, Building Performance Association, Capital Access, Inc., Clean Water Action, Clinicians for Climate Action NJ, CMC Energy Services, Elevate Newark, Emerald Cities Collaborative, Environment New Jersey, Environmental Defense Fund, Green Energy Economics Group (GEEG), Housing and Community Development Network of New Jersey, Isles, Krem Energy, LLC, Natural Resources Defense Council, New Jersey Future, Newark Green Team MnM Consulting, New Jersey League of Conservation Voters, New Jersey Progressive Equitable Energy Coalition (NJPEEC), New Jersey Policy Perspective, New Jersey Sustainable Business Council, Salvation and Social Justice, Sealed, Sunowner, Inc., Vote Solar, Waterspirit.

improvements are typically $400 a year with a potential 50 year payback period for both Comfort Partners and Whole House.

Staff would like to note that Comfort Partners does already provide certain services to homes with existing health and safety issues, and that they would continue to be available for homes not eligible to participate in Whole House. Lastly, Staff acknowledge the comment regarding collaboration with other state departments in order to provide the best service to constituents, and will keep in mind as it works to improve the program in the future.

Staff appreciate the recommendations to provide flexible funding to Whole House through other programs, specifically Comfort Partners and Community Energy Grants. Staff will consider the recommendations presented by the commenter when proposing any changes to each of the mentioned programs.

Comment: Rate Counsel generally supported Whole Homes spending if it can be done in a cost effective manner. Rate Counsel stated that they plan to comment on Whole House's evaluation report.

Response: Staff look forward to reading Rate Counsel comments on the WHPP Evaluation report. Staff note that based on stakeholder feedback Staff have allocated funds to WHPP for FY26.

Comment: Jeremy Newberg of Capital Access commented during the May 28 stakeholder meeting. The commenter shared insights and experiences from Capital Access's home repair program in Philadelphia and Bucks County. The commenter emphasized the challenges of implementing a full Whole House program. Jeremy expressed Capital Access' support of the NJ WHPP. He suggested that WHPP is struggling to get to scale and impact because the work needed for the target low income population with the low dollar subsidy caps often at $10,000 a house or less are not aligned with the need. The commenter proposed 1) increasing funding caps to $75,000 per single family occupied home in combined subsidy and financing; 2) establishing a challenge where if a city and a county that administers Housing and Urban Development (“HUD”) funds, along with a county weatherization assistance provider and the State rebate administrator and local utilities invest subsidy funds in a coordinated manner, New Jersey BPU will provide a 100% match to fund up to $75,000 a house to address whole home performance basic system repair and energy retrofit needs; 3) providing accessible and affordable financing combined with grant subsidy based on ability to pay debt service; 4) opening the WHPP administration to more providers based on market and demographic needs in the State; 5) procuring GCs on a rolling request for proposal basis so a discrete number of publicly procured GCs can build more robust books of business in batches rather than the one-off contract awards; 6) providing technical assistance help GCs get approved to participate in all of these funding programs; and 7) investing in life cycle case management services to educate communicate and coordinate with low-income homeowners so they can be successful and satisfy clients. Capital Access expressed their willingness to help implement common sense solutions for LMI homeowners in NJ.

Response: Staff appreciate the commenters’ feedback on the WHPP. Staff will consider in future iterations of the program these financing options and best ways to engage with customers of the program.

Urban Heat Island

Comment: NJLCV commended the Board for doubling funding for the UHI Program to $5 million.

They noted that investments in energy-efficient public cooling infrastructure and green space are crucial for building climate resilience in overburdened and heat-vulnerable communities. These needs will only become more apparent due to the effects of climate change and encouraged the Board to have a robust, well-funded program to meet the need.

The Lung Association expressed support for the $5 million increase in UHI mitigation in FY26. They emphasized that urban areas experience more heat-related illnesses, which can exacerbate health symptoms for residents with chronic respiratory conditions, and strategic investment in these areas is critical to achieving health equity outcomes tied to energy resilience and climate adaptation. They urged the BPU to continue prioritizing long-term clean energy investments that address both environmental and public health needs through continued support for low-income energy assistance, promoting the adoption of high-efficiency appliances, and expanding access to weatherization and electrification incentives. Further, they encouraged continued transparency in how these funds are deployed.

Isles supported the funding and BPU's dedicated allocation to UHI Mitigation, noting it is critical for programs that aim to reduce extreme heat risk through strategic tree planting, green infrastructure, and other science-based solutions, especially in vulnerable urban areas with limited canopy and aging housing stock. They encouraged the Board to prioritize funding for community-based organizations with a history of environmental health work in OBCs, and ensure investments also support local workforce development and long-term tree maintenance capacity.

Response: Staff appreciate UHI program support from NJLCV, the Lung Association, and Isles. Funds will be deployed for the expansion of outdoor public cooling infrastructure (e.g., street trees, urban green spaces, and cool pavements) and resilience hub development (i.e., enhancing energy efficiency and energy resilience of critical community facilities). The objective of the UHI Program is for overburdened municipalities ("OBMs") and community-based organizations ("CBOs") to develop and implement projects that address UHIs and lower energy demand in communities disproportionately impacted by extreme heat. A co-benefit of these projects can be reduced emissions, which will result in improved public health outcomes. Grant proposals will be evaluated in part on the strength of stakeholder involvement through established inclusion of community members in the design and implementation of projects, which can also include workforce development.

Comment: Rate Counsel expressed concerns about funding the UHI Program and referenced their April 17, 2025, filing in response to the UHI Program Request for Comments ("RFC"). In the filing, Rate Counsel proposed eliminating some of the Program funding and in response to the FY26 Budget, Rate Counsel is proposing complete removal of funds for the UHI Program. Rate Counsel also indicated that the proposal is most likely not close to being finalized and requested that Staff provide a detailed response to each comment in Rate Counsel's April 17, 2025, filing.

Response: Staff thank Rate Counsel for their comments and acknowledge their concerns regarding the proposed funding allocation for the UHI Program.

As noted in Rate Counsel's April 17, 2025, filing in response to the UHI Program RFC, Rate Counsel expressed support for preserving funding for Category 2: Cooling the Built Environment—which focuses on energy efficiency and resilience upgrades for public buildings that serve as cooling centers and local resilience hubs. Rate Counsel also recommended reducing funding for Category 1: Comprehensive UHI Interventions—which supports large-scale revitalization projects that expand outdoor public cooling infrastructure—and eliminating Category 3: UHI Microclimate Interventions—which funds small-scale community initiatives including local

greening efforts. These recommendations were based on Rate Counsel's concern that Categories 1 and 3 have limited connections to energy use.[19]

Staff disagree with Rate Counsel's position to eliminate funding for the UHI Program entirely. The UHI effect and development density are closely linked to increased energy consumption, particularly in overburdened and low-income communities that often lack adequate tree canopy cover and cooling infrastructure. These communities experience higher temperatures, leading to increased demand for air conditioning and increased energy costs, thereby exacerbating energy burdens.[20]

To address these challenges, the UHI Program proposes investments in public cooling infrastructure and natural land cover expansion. Greening efforts, including tree planting and community green spaces, contribute to cooling through shading and evapotranspiration, both of which are proven to reduce surrounding air temperatures and building cooling loads.[21]

The BPU, in partnership with the NJDEP, previously implemented the Cool Cities Program to expand residential tree canopy and shading to promote energy conservation. In a similar initiative, the New York State Energy Research and Development Authority ("NYSERDA") launched a large-scale urban forestry initiative in the Bronx informed by the New York City Regional Heat Island Initiative report.[22] This study found that modeled urban forestry interventions could reduce summer peak electricity demand by approximately 2–3% (MW).[23]

The proposed UHI Mitigation Program builds on these precedents and reflects an evidence-based approach to both energy reduction and increased community resilience. Staff note that the

---

[19] In re the Establishment of an Urban Heat Island ("UHI") Mitigation Program, BPU Docket No. QO24100834, Rate Counsel Comments (April 17, 2025).

[20] See UHI exposure linked to redlining and limited investment in green spaces at Scientific American and Nature, Discrimination Has Trapped People of Color in Unhealthy Urban 'Heat Islands', https://www.nature.com/articles/d41586-023-02618-1; It's Getting Hot in Here: A Roadmap for Stakeholder Involvement in Urban Heat Island Mitigation, Midwest Energy Efficiency Alliance (2023), https://www.mwalliance.org/sites/default/files/meearesearch/its_getting_hot_in_here_a_roadmap_for_stakeholder_involvement_in_urban_heat_island_mitigation.pdf.

[21] See for drivers of the UHI effect in cities at Urban Climate Lab at the Georgia Institute of Technology and The Trust for Public Land, The benefits of green infrastructure for heat mitigation and emissions reductions in cities, https://www.tpl.org/wp-content/uploads/2023/05/Benefits-of-Green-Infrastructure.pdf; See natural land cover for UHI mitigation and energy conservation, Yekang Ko, Trees and vegetation for residential energy conservation: A critical review for evidence-based urban greening in North America, 34 Urban Forestry & Urban Greening 318–335 (Aug. 2018), https://doi.org/10.1016/j.ufug.2018.07.021; and See for energy savings and temperature reduction associated with community gardens at MOST Policy Initiative, Community Gardens in City Parks (2024), https://mostpolicyinitiative.org/community-science-no/community-gardens-in-city-parks/#:~:text=Urban%20green%20space%2C%20including%20parks,Okvat%20and%20Zautra%2C%202011.

[22] See Heat Island Community Actions Database at EPA, https://www.epa.gov/heatislands/heat-island-community-actions-database. See Greening the Bronx: Urban Heat Island Mitigation Project (2018), https://portal.nyserda.ny.gov/servlet/servlet.FileDownload?file=00Pt0000005vuDZEAY.

[23] See tree planting impacts on energy demand at report prepared by Columbia University, NASA/Goddard Institute for Space Studies, and Hunter College CUNY, and SAIC for NYSERDA, MITIGATING NEW YORK CITY'S HEAT ISLAND WITH URBAN FORESTRY, LIVING ROOFS, AND LIGHT SURFACES-New York City Regional Heat Island Initiative (2006), https://www.coolrooftoolkit.org/wp-content/uploads/2012/04/Mitigating-New-York-Citys-Heat-Island-with-Urban-Forestry-Living-Roofs-and-Light-Surfaces.pdf.

proposed FY26 budget for the UHI Program has been reduced to $5 million. Staff anticipate finalizing the proposal before or by the end of the calendar year.

Residential Energy Assistance Payment & Energy Bill Assistance

Comment: NJLCV commended the Board for significantly increasing funding for the REAP program and for allocating $51 million for customer energy assistance. With rate increases anticipated this summer, they stated that these programs offer a lifeline to vulnerable households. However, they advocated for short-term relief to be accompanied by long-term solutions, noting that transitioning off volatile fossil fuels and investing in energy efficiency and electrification will reduce household energy burdens and increase overall resilience.

Response: Staff thank the commenter for their support of energy assistance to New Jersey customers. Staff acknowledge the need to develop both short- and long-term solutions to ensure that all residents of New Jersey are able to achieve lower energy usage and therefore lower overall energy costs. Long-term solutions, such as Comfort Partners and the Community Energy Planning Grants and the implementation grants, among others, can help reduce residents' energy bills, and the Board continues to consider ways to deploy more long-term solutions.

Comment: Rate Counsel suggested that the $125 million for energy bill assistance that is unspent from last fiscal year should result in a lowering of the FY26 SBC collection.

Response: Staff respectfully disagree with Rate Counsel's claim that the $125 million for energy bill assistance that is unspent from last fiscal year should result in a lowering of the FY26 SBC collection. The SBC funds received each fiscal year are dedicated to annual expenditures and ongoing commitments. The committed funds cannot be reallocated and due to the amount of time and complexity of certain projects, commitments that are made in one year are often carried forward into a future year.

Staff also notes that for FY26, the Energy Bill Assistance initiative will now be fully supported by RGGI and the SACP. To align with the FY26 Appropriations Bill[24], slightly less than $119 million was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole House.

Electric Vehicles

Comment: NJLCV supported the increase in funding for CUNJ EV Incentive program, which has a $60 million budget in FY26 but encouraged the Board to fund CUNJ at $65 million as industry estimates show this is what is needed to reach the State's EV goals. NJLCV is also concerned by the $5 million drop in Multi-Unit Dwelling ("MUD") program funding, which they stated will slow progress on the EV Act's requirement that 15% of MUDs have chargers by December 2025. They asked that the funding be equitably distributed and stressed the importance of EV charging in densely populated and renter-heavy communities.

Response: Staff thank NJLCV for their comment. Staff note that the proposed CUNJ budget for FY26 is $50 million rather than $60 million. This represents a $20 million increase over the $30 million floor required by the legislature. Staff are committed to making progress towards the State's EV goals and allocate funding accordingly. Each year Staff analyze each EV program

[24] S.2026/A.5800 (2025)

and optimizes the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs registered, impact to rate payers and benefits to New Jersey residents. The CUNJ, Clean Fleet, MUD and EV Tourism Corridor Programs are all operated on a rolling basis, so applications are approved on a first come, first service basis, each of these programs as a low-income or Overburdened Municipality bonus to ensure that funds are being equitably distributed. The reductions in new Clean Fleet and MUD funding reflect current application trends and take into account FY25 carryover. Staff believe that current budgets are sufficient to meet present demand.

Comment: NJLCV raised concerns over the 14.3% reduction in the E-Mobility Program and $3 million reduction in the Clean Fleet Program given these programs' importance towards meeting State goals and supporting underserved communities. They encouraged the Board to reassess these changes.

Response: Staff are committed towards making progress towards the State's EV goals and allocates funding accordingly. Each year Staff analyze each EV program and optimizes the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs registered, impact on ratepayers, and benefits to New Jersey residents. While SBC funding has been removed in the FY26 budget for e-mobility, the Board is still considering the program. Staff will recommend budget allocations as needed.

Comments: Channing Gardner is the CEO of Voltie, which manufactures and distributes compact battery-electric construction equipment. Gardner, in written and oral comments applauded the BPU's leadership in advancing clean energy through the Clean Energy Resource Analysis and battery electric incentive programs. He highlighted that this technology has been proven and adopted in Europe and China while the US continues to lag behind. He noted that the BPU's proposed actions are instrumental in accelerating the shift toward cleaner, safer, and more sustainable technologies, and is glad to see BPU becoming a national leader in the construction industry through the proposed changes to the Clean Fleet program.

Cherry Hill Township noted that electric equipment is a game changer for municipalities as it better meets resident's needs, is safer for employees, and saves municipalities money. However, upfront costs remain a barrier so the Township supports expanding Clean Fleet to include electric off-road and landscaping equipment.

Sangeeta Doshi supported the inclusion of electric off-road and landscaping equipment in the Clean Fleet program as it reduces localized air and noise pollution, promotes public health, and accelerates the transition to clean, zero-emission municipal operations. Doshi noted that gas powered equipment disproportionately impacts environmental justice communities and will help New Jersey meet its climate goals. Doshi urged the Board to fully fund and adopt this expansion. Doshi also expressed support for the Clean Fleet program as it is good for the environment and the people of New Jersey, noting it is supported by residents due to less noise and cleaner air.

Susan Dorward supported the inclusion of electric lawn equipment in Clean Fleet due to the environmental and noise reduction benefits.

Tri-County Sustainability requested that the Board include maximum incentives for the battery electric landscaping and charging equipment. Such equipment offers many benefits including reduced costs, improved performance and worker safety, and sustainability.

Response: Staff thank Voltie, Cherry Hill Township, Sangeeta Doshi, Susan Dorward and Tri-County Sustainability for their comments and support. The off-road program component has been removed from the FY26 budget but will continue to be reviewed.

Comment: The Lung Association supported the EV programs but is concerned about the reduction in new funding for the Clean Fleet program, which has $6 million less in new funds compared to FY25, and MUD, which has $1.9 million less in new funding compared to FY25. They stated that this decreased funding may harm the State's ability to meet its EV goals and urge the Board to maintain or increase funding compared to FY25.

Response: Staff are committed to making progress towards the State's EV goals and allocates funding accordingly. Each year Staff analyze each EV program and optimizes the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs registered, impact on ratepayers, and benefits to New Jersey residents. The reductions in new Clean Fleet and MUD funding reflect current application trends and take into account FY25 carryover. Staff believe that current budgets are sufficient to meet present demand.

Comment: Isles expressed their support of the over $3.7 million in new funding allocated to Clean Fleet. As a community-based organization with a long-standing commitment to environmental health, Isles urged the BPU to ensure dedicated outreach and technical support for community organizations, school districts, and municipalities in OBCs that may lack capacity for procurement, grant applications, and vehicle transition planning. They also suggest bundling Clean Fleet incentives with e-mobility and energy infrastructure programs to allow coordinated charging infrastructure.

Response: Staff thank Isles for their support for the Clean Fleet program. Staff note that nothing in the program precludes recipients from using the vehicles or chargers for e-mobility projects operated by an eligible entity.

Comment: Isles was encouraged by the proposed $1 million in e-mobility funds but requested the budget be raised to $5 million. They also advocated for the Board to prioritize funding for existing programs such as GOTrenton!

Response: Staff thank Isles for their support. In terms of funding, each year Staff analyze each EV program and optimize the budget of each program based on available funding and with the State's goals in mind. Staff are continuing to plan for this program, and believe the current budget is sufficient at this stage.

Comment: Isles expressed support for the $15 million in new funding for Electric School Bus programs in FY26 and encouraged additional investment in education and outreach for school districts and organizations transporting students with their fleet transition process. They commented that this program will have environmental and public health benefits.

Response: Staff thank Isles for their support and their comment.

Comment: Environment New Jersey, the NJ Work Environment Council, and Jersey Renews, a broad diverse coalition representing more than 70 faith, labor, community and environmental organizations, supported the CUNJ program and commended the Board on the impact of CUNJ on EV sales. They stated it is difficult to have measured dialogue about the program structure without access to the modeling the Board conducts to inform program changes and development.

They noted that important structural components include the amount of the EV rebate, income based adder, continuity of the program, and most importantly how to maximize sales. They also noted the importance of the customer and dealership experience.

Environment New Jersey stated that it is impossible to address these components without stakeholder input which is difficult given the time constraints. They requested a stakeholder session in Q1 of FY 2026 and for the Board to share the modeling information it uses to make programmatic decisions.

Response: Staff thank Environment New Jersey for their comment and support for the CUNJ program. Staff note that information about program metrics was shared with stakeholders. Also, Staff value transparency highly and notes that many of the program statistics and information are available on our website, which is updated regularly: https://chargeup.njcleanenergy.com/.

Comment: NJCAR, in written and oral comments, supported the CUNJ program and praised that it ran throughout FY25 without closing like it had in previous fiscal years, noting it creates stability and ease of use. They also appreciated the historically high funding level of $50 million.

However, NJCAR believed that reducing the proposed base incentive is inconsistent with New Jersey's EV goals. NJCAR stated that the average price for an EV is $58,000 so they believe that a $1,500 incentive is insufficient, especially given that taxes and registration fees are being phased back in. They asserted that BPU has not provided evidence that a $1,500 incentive is enough to incentivize car shoppers to make a purchase.

They noted that in prior years the program exhausted its funds before the end of the fiscal year, which made it difficult for dealers and consumers. While NJCAR acknowledged that the reduced base incentive will help the program last longer, mitigating this concern, they believe that the right course is to restore a $4,000 incentive for all consumers given the increased budget.

Response: Staff thank NJCAR for their comment. Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. BPU weighs a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs registered, impact on ratepayers, and program longevity. The current structure not only will increase the total number of EVs registered in NJ but will simultaneously help LMI people purchase a vehicle by maintaining the income qualified incentive at $4,000. In addition, this structure allows the program to run for the longest amount of time. Staff will continue to evaluate these factors and optimize program design to maximize public good and make meaningful progress towards reaching the State's electrification goals.

Staff note that the proposed FY26 program structure raises the income qualified incentive so that residents who are the most price sensitive, are still eligible for a $4,000 total incentive. Individual tax filing residents with an Adjusted Gross Income ("AGI") of less than $75,000 are eligible for the $4,000 incentive while married couples filing jointly with an AGI of less than $150,000 are eligible for the $4,000 incentive as well. Additionally, Staff agree that as we moved through most of the Early Adopter phase consumers need stability in the incentive in order to access the incentive when they are purchasing a vehicle, which is why the proposed structure was selected.

Comment: NJCAR stressed the need for transparency and states that the portal providing information about program expenditures should be updated more than once every 3 months.

Response: Staff believe transparency is important and are currently meeting or exceeding most

of NJCAR's requested benchmarks. For example, NJCAR requested that the funding tracker on the CUNJ Program website shows funding availability in real-time, and the statistics for program are updated monthly. This is the best place for Dealerships to check on available funds. The funding tracker and a wide variety of program statistics can be found at https://chargeup.njcleanenergy.com/. The process from Approved to Paid takes less than 30 days.

The dealer portal currently provides application details and status, and additional changes are planned for 2025.

A marketing campaign both for dealers and consumers is put into place at the start of the new fiscal year, those campaigns take into consideration the feedback we receive from dealers and customers in their survey responses.

Staff also note that the CUNJ administrator runs an EV Sales training program, ElectrifyIQ, which is available to dealerships at no cost.

Comment: NJCAR believed incentives for an EV subscription service will increase EV adoption by allowing consumers who are unwilling to make the investment in an EV to still go electric. So, NJCAR advocated for EV subscription incentives.

Response: Staff thank NJCAR for their comments. Staff agree that it is important for consumers to have choices that meet their unique lifestyles and needs. However, Subscription Programs do not currently provide customers with Battery Electric Vehicles under $55,000 at all times. Until that legislatively mandated threshold has been met, incentives may not be utilized. Staff look forward to continued discussions on this issue.

Comment: Rate Counsel raised concerns about the total EV budget, which is $209.9 million, including $110 million in carryover, and the increase in the EV budget over FY25. In the Clean Transportation Stakeholder meeting, Rate Counsel noted that they believe this results in an overcollection of money from ratepayers and that EVs should not be incentivized by the Board at all.

Response: Staff note that many EV projects take time to complete. For example, charger installations can take two years due to project delays such as ordering parts and permitting issues. This means funds that have already been reserved for a grantee need to be rolled over to future fiscal years as BPU pays the grantee once the project has been completed.

The FY25 Estimated Carryforward—Pending Board Approval category is for programs that Staff are currently working to develop. It is also important to note that the appropriation of SBC funds for the MHD Depot budget line, which is listed under this category, is statutorily mandated. The FY25 Estimated Carryforward—Board Approved category is for funding that Staff estimate will be obligated by the end of FY25 for the respective program budget line. The FY25 Estimated Committed Carryforward category is for obligated funds that have already been awarded to grantees, with fully executed grant agreements, which are pending project completion to be paid out. This means that the portion of the EV budget that is available for Staff in FY26 to use on new grantees or projects is the sum of the FY26 New Funding and the FY25 Estimated Carryforward—Pending Board Approval, bringing the available budget to $108,427,894. Of that only $9,500,000 is in FY25 Carryforward Pending Board Approval. It is also important to note that FY26 New Funding for the Plug-In Incentive Fund and the Electric School Bus Program are also statutorily mandated. Staff also note that details regarding awards for each fiscal year were presented

during the stakeholder session which are available here.

Comment: Rate Counsel raised concerns about BPU funding EVs as they are not a utility program. Rate Counsel noted that the legislature required the Board to allocate $30 million towards EVs and stated that the legislature believes this threshold to be sufficient. They requested a justification for an EV budget that is seven times larger than $30 million. They also stated that BPU does not coordinate with utilities leading to duplicative funding.

Response: Staff thank Rate Counsel for their comment. As Rate Counsel acknowledged, BPU is legislatively required to fund EV programing. Staff note that P.L. 2019, c. 362 requires the Board to fund a Light Duty Electric Vehicle Incentive Program (CUNJ) at a minimum of $30 million. This law also provides the Board the authority to fund CUNJ at higher levels and does not provide a specific funding level that is "sufficient." Staff also note that the $30 million floor is just for CUNJ, not EV programing as a whole.

Additionally, in FY25 the Governor provided an additional $20 million in General Fund monies for CUNJ. In FY26 the Governor has directed BPU to spend a minimum of an additional $20 million in SBC funding on CUNJ as reflected in the proposed FY26 Budget which allocates $50 million in SBC dollars to CUNJ.

Additionally, the EV Act, P.L. 2019, c. 362, directs the Board to establish programs to help the State meet the goals set in the EV Act, including goals related to light duty EV adoption, public charging infrastructure, MUD charging infrastructure, governmental fleet electrification, and Medium and Heavy Duty ("MHD") electrification.

The EV Tourism programs are designed to help meet the EV Act goal for hotels, requiring at least 20% of all franchised overnight lodging establishments shall be equipped with charging stations by the end of 2025 and 50% by the end of 2030. The EV Act also establishes goals for public DC Fast Chargers ("DCFC") at travel corridor locations for at least 75 charging locations with at least two DCFCs and at community locations for at least 100 charging locations with at least two DCFCs by the end of 2025.

The MUD Program is designed to meet the EV Act goal requiring at least 15% of MUDs have charging infrastructure by the end of 2025 and 30% of MUDs should have this infrastructure by 2030.

The Clean Fleet program is designed to meet the goal requiring:

a) at least 25% of State-owned non-emergency light duty vehicles shall be plug-in EVs;

b) by December 31, 2035, and thereafter; and

c) 100% of State-owned non-emergency light duty vehicles shall be plug-in EVs.

It is also designed to help NJ Transit meet the goals of the EV Act: December 31, 2024, at least 10% of the new bus purchases made by the New Jersey Transit Corporation shall be zero emission buses, and (b) the percentage of zero emission bus purchases shall increase to 50% by December 31, 2026, and 100% by December 31, 2032, and thereafter.

The EV Act also gives the Board the authority to establish MHD electrification goals and gives the Board the authority to adopt policies that work towards any of the EV goals covered in the EV Act.

Therefore, each program Staff currently administer or propose are legislatively authorized under the EV Act.

Additionally, the EV Act also amends the authorized uses of the Societal Benefits Charge to include “plug-in electric vehicles and plug-in electric vehicle charging infrastructure.”

Staff note that there is regular coordination between BPU, NJDEP and utilities to ensure that there is no duplication of programming. In addition, the utility and BPU incentives were designed to be complimentary rather than duplicative, as utilities may only provide funding for Make-Ready infrastructure, and BPU incentives provide funding primarily for the chargers themselves. Also, Staff note that no grantee can receive over 90% of their project costs from government and utility incentives. Grantees are not permitted to stack BPU incentives with NJDEP’s Pay$ to Plug program.

Comment: Rate Counsel commented that the CUNJ FY26 Compliance Filing provides a high level overview of the CUNJ Program. Rate Counsel stated that it does not provide any data, information, analysis, or evaluation and therefore provides no support for the FY26 EV budgets or programs. Rate Counsel also advocated for the elimination of the non-LMI portion of the program.

Response: Staff thank Rate Counsel for their comment. Staff note that data regarding previous and current programs was provided during the stakeholder session and can be found here. Staff value transparency and note that many of the program statistics and information are available on our website, which is updated regularly: https://chargeup.njcleanenergy.com/.

Comment: Rate Counsel asserted that the line item for EV Studies, Pilots, and Administrative Support is vague and that there are very few details about the plans for this or the timeline, including that of the EV Roadmap. They also questioned the movement of funding from the CUNJ administrative fund to this line item.

Response: The EV Studies, Pilots and Administrative Support line is designed to fund such programs as approved by the Board. The EV Roadmap is a collaborative statewide project coordinated through the Partnership to Plug In.

Comment: Rate Counsel supported lowering the base incentive from $2,000 to $1,500. They also stated that the off-road component of Clean Fleet is vague and inconsistent with New Jersey’s goals. They also requested that the progress of the EV goals, forecasts or projections, and justification for the tiered CUNJ structure were provided. Rate Counsel stated that the caps for Clean Fleet equipment reimbursements are not specified.

Response: Staff thank Rate Counsel for their comments. Staff note that the off-road program component has been removed from the FY26 Budget but will continue to be reviewed. Staff note that BPU’s information about the previous and current year incentive programs were shared during the stakeholder session, that information can be found here. Also, Staff value transparency and note that many of the program statistics and information are available on our website, which is updated regularly: https://chargeup.njcleanenergy.com/. Staff also note that the Clean Fleet program is designed to help incentivize governments to meet goals of the EV Act, but BPU is not responsible for funding or tracking all EVs in state government. Information regarding the number of vehicles funded is included in the data shared during the stakeholder session.

Additionally, Staff note that the compliance filing stated that the eligibility caps are based on population and location. Detailed information about the program, including the equipment caps

is available on our website at https://chargeup.njcleanenergy.com/clean-fleet.

Comment: Rate Counsel requested detailed program projections for the upcoming fiscal year and information about past program performance, including the number of LMI residents that own an EV, the location and accessibility of the chargers, the operability of the chargers installed under the program, and a justification for the 50% OBM bonus.

Response: Staff note that detailed information about the incentives provided, including the number of chargers installed in OBMs and affordable housing complexes is available on our website and is updated monthly: https://chargeup.njcleanenergy.com/mud-incentive-statistics. The amount of money spent on chargers in OBMs is also available on the same dashboard. All BPU programs require chargers to be operational for at least 5 years and must meet or exceed the Federal uptime requirement of 97%. Additionally, Staff note that chargers funded under the MUD program are required to be accessible to all residents in the complex, but they are not required to be publicly accessible. The number of vehicles sold, and the associated program expenditures, to LMI residents under our program are available on our website: https://chargeup.njcleanenergy.com/charger-incentive-statistics. The NJDEP is responsible for tracking details related to overall EV sales; information can be found at https://dep.nj.gov/drivegreen/.

Comment: Rate Counsel requested data on how many tourists visit New Jersey, whether they stay overnight, and how many more tourists would visit New Jersey due to the program. They stated that no data is provided on how the funding is split between community and tourist use.

Response: Staff thank Rate Counsel for their comment. Range anxiety is a well-documented obstacle to adoption, as well as a frequent concern noted on surveys of incentive recipients.

Furthermore, research shows that robust charging networks mitigate this concern, which is what the EV Tourism aims to accomplish. A more comprehensive charging network encourages people with an EV to road trip to and in New Jersey as opposed to other states where charging is less comprehensive or there is more congestion at chargers.

Staff note that all EV chargers installed under the EV Tourism program are required to be open to the public. The EV Tourism Corridor Program specifically aims to install public fast chargers along state and federal highways to encourage public charging in general, and funds Level 2 chargers for guests at hotels along such highways to meet the goals as established in the EV Act.

Comment: Rate Counsel believed that e-mobility will not decrease emissions and will instead replace traditional bikes and scooters. Also, they raised safety concerns associated with e-bikes and e-scooters. Rate Counsel commented that one of the stated goals of the e-mobility program is to reduce Vehicles Miles Traveled ("VMT"), which they stated is not covered under New Jersey's EV goals. They also question the need for a pilot.

Response: Staff thank Rate Counsel for their comment. E-mobility solutions help displace cars, especially in areas with vehicle traffic congestion, these programs are often most needed and impactful in LMI income neighborhoods. Reducing VMT directly reduces emissions because each VMT traveled by a conventional vehicle emits GHG emissions. Any VMT diverted to e-mobility prevents the emissions from being released which dramatically reduces emissions. Staff note that e-mobility is a new and developing field which is why Staff continue to work on designing a program to address New Jersey ratepayer's needs. While funding has been removed in the FY26 NJCEP Budget, the Board is still considering the program. Staff will recommend budget

allocations as needed.

Comment: Rate Counsel expressed their support for electrifying school buses. However, they commented that no details on or historical results of the program are provided.

Response: Staff thank Rate Counsel for their support with electrifying school buses. Staff note that BPU is statutorily mandated to provide $15 million to the NJDEP for their Electric School Bus Program. The program provides incentives for school buses, both Level 2 and DC Fast Chargers, and Bi-Directional Charging and is expecting another round of solicitations in FY26. As such, all program details including potential historical results are managed by the NJDEP. More information is available on their website: https://dep.nj.gov/drivegreen/mhdv-funding-and-incentives/.

Staff recognize the disproportionately high impact of the MHD sector on emissions and continue to carefully consider policies to address MHD electrification.

Comment: Rate Counsel asked BPU whether Vehicle to Grid ("V2G") pilots are included in the statutes governing the NJDEP School Bus Program.

Response: Staff thank Rate Counsel for their comment and note that P.L. 2022, c. 86 instructed the NJDEP to test technologies such as V2G. The text of the Statute is available on the State's website: https://pub.njleg.gov/Bills/2022/PL22/86_.HTM.

Comment: Rate Counsel stated that no details were provided on the Medium Heavy Duty Depot program and what was accomplished since the program began.

Response: Staff thank Rate Counsel for their comment and note that the Medium Heavy Duty Depot program has not opened and is still in development. As such, there are no historical results.

Comment: ChargeScape noted the increasing importance of V2G technologies as the grid transitions to renewable energy. They stated that V2G pilots have several benefits including easing peak demand, assisting the technology reach scale, and lowering total cost of ownership. ChargeScape advocated for using the $1.5 million in proposed funding for EV Studies, Pilots, and Administrative Support to fund V2G pilots.

Response: Staff thank ChargeScape for their comment and acknowledge the importance of V2G. Each year Staff analyze each EV program, including the EV Studies, Pilots, and Administrative Support, and optimize the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs adopted, impact on ratepayers, and benefits to New Jersey residents. Staff also note that aspects of the BPU and utility programs were designed to ensure infrastructure is prepared for future technologies, including V2X, by requiring all funded chargers and make ready be networked and share charging data. These requirements help ensure that funded chargers are ready for managed charging and potential V2X.

Comment: ChargEVC-NJ submitted comments, both written and orally at the Transportation Public Hearing, which expressed both appreciation and concern regarding the FY2026 Compliance Filing for the CUNJ program. ChargeEVC-NJ commended the proposed increase in the program's annual budget to $50 million, which better aligns with the state's EV adoption goals. However, they strongly opposed the proposed reduction in the base EV rebate from $2,000 to

$1,500, emphasizing that continuous rebate cuts, paired with rising EV costs, potential removal of federal tax incentives, and the removal of other state incentives like the sales tax exemption and the imposition of a new EV registration fee send conflicting signals about New Jersey's commitment to supporting EV market growth. ChargEVC-NJ also highlighted persistent concerns about the program's evolving design, particularly the introduction of income eligibility requirements and the lack of transparency and timely stakeholder engagement.

ChargEVC-NJ recommended reinstating a $4,000 base rebate to ensure the program meaningfully influences consumer behavior and addresses the growing affordability gap, especially amid potential losses to the federal $7,500 EV tax credit, rising interest rates, and new tariffs. They also expressed support for the Charge Up+ LMI incentive but stressed that it should be additive, not a replacement for a strong base rebate, especially given the lack of clarity around actual demand for the LMI segment.

ChargeEVC-NJ argued that important data such as transaction-level information and insights into income-qualified program participation are provided to stakeholders only days before public comment deadlines, which does not allow stakeholders sufficient time to analyze the data, provide meaningful feedback and program design recommendations.

Finally, ChargEVC-NJ urged the Board to improve transparency by sharing modeling assumptions and relevant data early in the program planning process. They called for stakeholder meetings in the first quarter of 2026 to collaboratively shape the next year's program and ensure the policy-making process reflects best practices.

Response: Staff thank ChargeEVC-NJ for their comments and suggestions, as well as their support for increased funding of the ChargeUp NJ program in FY26.

Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. Staff evaluate and weigh a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact on ratepayers, the impact of potential changes to Federal incentives and the State sales tax and registration fees. The proposed FY26 incentive structure will not only increase the total number of EVs registered in New Jersey, but it will simultaneously help LMI residents purchase a vehicle by maintaining the total income qualified incentive at $4,000.

Staff note that the proposed FY26 program structure raises the income qualified incentive so that LMI residents, who are the most price sensitive, are still eligible for a $4,000 total incentive. Individual tax filer residents with an AGI of less than $75,000 are eligible for the $4,000 incentive while married couples filing jointly with an AGI of less than $150,000 are eligible for the $4,000 incentive.

The proposed incentive structure allows the program to stay open longer, which is also an important factor, as program interruptions have historically led to significant drops in EV adoption that disproportionately impact LMI residents who often lack the flexibility to delay vehicle purchases until incentives resume. Data shows that EV sales trends in New Jersey typically show higher volumes during periods when the program has been open, with incentivized vehicles accounting for approximately one third of all EVs sold during months that the program was open.

Staff further note that information regarding the incentive program, including data on the income qualified segment of the program is available on the CUNJ program website and is updated regularly: https://chargeup.njcleanenergy.com/incentive-statistics. Staff also value transparency

and note that information about regarding past program performance was shared during the stakeholder meeting and can be found here.

Comment: Robert Erickson noted that the EV incentive was reduced from $4,000 in FY24 to $2,000 in FY25, and in FY26, the incentive will be further reduced to $1,500, except for income-eligible buyers. He emphasized that the reduction was not the intention of previous comments, which aimed to increase funding so the $4,000 incentive could last the entire year without running out early. Instead, the intent was to increase the EV incentive funding so it lasts the entire funding year while retaining at least the $4K per EV purchase incentive.

Erickson argues that the EV incentive needs to be increased back to the $4K level with adequate funding provided to last the entire year, saying it is okay to add an additional incentive for income eligible, but not to cut the primary incentive to fund it. He suggests the eligible MSRP should be a maximum of $45K for all EVs as there is no reason for NJ to provide an incentive for those that can afford more expensive EVs.

Response: Staff thank Robert Erickson for their comments. Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other State programs. Staff weigh a wide variety of program considerations when developing their final recommendations to the Board, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact to ratepayers, potential changes to Federal incentives and the State sales tax and registration fees.

The proposed FY26 incentive structure will not only increase the total number of EVs registered in New Jersey but will simultaneously help LMI residents purchase a vehicle by maintaining the total income qualified incentive at $4,000. BPU's projections have shown that this incentive structure results in the most vehicles on the road. Staff note that the proposed FY26 program structure raises the income qualified incentive so that these residents, who are the most price sensitive, are still eligible for a $4,000 total incentive.

Staff note that the $55,0000 MSRP cap was established by the EV Act.

Comment: Robert Erickson suggested that the 2025 EMP and FY26 NJCEP should address the new $290 annual EV road tax, as it disproportionately affects LMI and low-mileage drivers, and hinders the used EV market in New Jersey. Additionally, the 2025 GOP House reconciliation bill imposes a $250 annual fee on EV owners. Combined, these fees total $540 annually for EV owners in New Jersey, regardless of mileage, car age, or financial status, compared to less than $100 for gas car registration. This is regressive, as drivers of large diesel or gas vehicles pay less despite higher mileage, even when fuel taxes are considered. Furthermore, New Jersey already collects an electric sales tax from utilities, making part of this EV road tax a form of double taxation.

Response: Staff thank Robert Erickson for their comments and note that the BPU reviews the program incentive levels continually, weighing a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact on ratepayers, changes to Federal incentives and the State sales tax and EV registration fee. Staff note that the proposed FY26 program structure raises the income qualified incentive so that LMI residents, who are the most price sensitive, are still eligible for a $4,000 total incentive.

Comment: Robert Erickson recommended that the income eligible EV CUNJ Incentive process should use NJ income documentation directly from the NJ tax department, eliminating the need

for users to obtain and upload federal tax transcripts, which are difficult to access. Currently, the process requires these transcripts, making it bureaucratic and misleading, contrary to the program's goal of facilitating EV purchases. The website's claim that the process is "Easy" is misleading, as the requirement for a federal tax transcript, rather than the expected NJ tax filing or 1040 form, creates confusion and potential delays for applicants.

Response: Staff thank Robert Erickson for their comments and suggestions for consideration on improving the pre-qualification application process. Staff also note that the ChargeUp+ program offers many additional options for valid documentation that residents can submit to verify their income in order to pre-qualify for the income qualified incentive, the full list of can be found on the program website: https://chargeup.njcleanenergy.com/how-to-apply. Accepting such a wide variety of documentation for proof of income allows residents to submit the most convenient option for them, simplifying the process.

Since the launch of the income qualified adder in September, 3,300 residents have successfully prequalified for the incentive and so far 2,500 have redeemed their prequalification ID at a participating dealership.

Staff further note that pre-qualification for the income verified incentive is necessary to ensure program compliance, and that approvals are valid for 120 days to provide sufficient time for applicants to purchase their EV.

Comment: Robert Erickson commented that at a 2024 NJCEP hearing, he raised concerns about the lack of DC fast chargers for EVs in New Jersey which could deter EV purchases. In 2024, only a few fast chargers were identified in the Cape May area, and none in Atlantic City or nearby communities. However, by 2025, there was a significant increase, with over 30 chargers identified near Cape May and at least 20 in Atlantic City. This improvement is promising, but further expansion is needed. He recommended the 2024 EMP and NJCEP outline a detailed plan, funding, and schedule to deploy more DC fast chargers statewide, including in LMI communities, to support the EV program's growth.

Response: Staff thank Robert Erickson for their comments. Staff continue to evaluate the progress and impact of our EV and EV charger programs to ensure the most effective and efficient build-out of EV charging infrastructure in New Jersey, helping to meet our state's transportation electrification goals. Staff note that the EV Tourism Corridor Charging program, which recently opened at the end of April 2025 and is accepting application on a rolling basis, was designed to specifically increase the build-out of charging infrastructure at travel-centric locations along major corridors in New Jersey. This program aims to reduce range anxiety for EV travelers by providing incentives for DC Fast chargers to businesses, hotels, government entities, and non-profits within 1 mile of eligible corridors, and for both DC Fast Chargers and Level 2 chargers for hotels within 3 miles of an eligible corridor. Staff further note that bonus incentives are provided to sites located in OBMs. More information on the program can be found on the program website: https://chargeup.njcleanenergy.com/ev-tourism-corridor. Also, the Clean Fleet program provides funding for chargers, including DCFC fast chargers open to the public.

Comment: Robert Erickson provided a list of factors impeding EV adoption including state taxes on EVs, potential federal EV taxes, the elimination of the exemption for the state sales tax, the cuts in the CUNJ base incentive, the possible repeal of the Clean Vehicles Tax Credit from the federal government, and delays with obtaining the CUNJ+ incentive. Erickson states that these factors make gas/hybrid models more attractive financially and that customers may not realize that there are substantial savings per mile using electricity instead of gas which may partly or fully

offset the higher upfront costs. He also notes dissatisfaction with the state's EV charging network and model selection for lower MSRP EVs, etc.

Response: Staff thank Robert Erickson for their comments and understand that there are various barriers to EV adoption that continue to evolve and that which are also affected by changes in both State and Federal policies. Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. Staff weigh a wide variety of program considerations when developing their final recommendations to the Board, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact to ratepayers, as well as changes to Federal incentives and the State sales tax and registration fees.

The proposed FY26 incentive structure will not only increase the total number of EVs registered in New Jersey but will simultaneously help LMI residents purchase a vehicle by maintaining the total income qualified incentive at $4,000. BPU's projections have shown that this incentive structure results in the most vehicles on the road. The proposed FY26 program structure raises the income qualified incentive so that these residents, who are the most price sensitive, are still eligible for a $4,000 total incentive.

Staff do not select models for the CUNJ incentive. Manufacturers submit a request to Staff to include a model in the Program. Staff approve all requests that comply with the program terms and conditions, which are available on our website: https://chargeup.njcleanenergy.com/. All manufacturers that are authorized to sell vehicles in the state of New Jersey are encouraged to apply.

Comment: Robert Erickson suggested the 2024 EMP and NJCEP should prioritize a rapid increase in electric school and other buses through aggressive scheduling and funding. He noted that in 2024, only 21 electric school buses were operational out of 21,700 in New Jersey, though up to 200 more were reportedly ordered. This would still represent only about 1% of the total, indicating significant progress is needed to meet GHG reduction goals and improve health outcomes for school children and communities near buses. Additionally, he stated that New Jersey Transit and other bus operators should also transition to EVs. The NJCEP should enhance public tracking and reporting of electric school buses by school district to provide transparent updates on orders, deliveries, and operational status, rather than relying on scattered media reports, to ensure the success of this crucial initiative.

Response: Staff thank Robert Erickson for their comments and notes that $15 million is included in the FY26 EV Programs budgets, which is statutorily mandated to be provided to the NJDEP for their Electric School Bus Program. As such, any program tracking or public disclosures are handled by the NJDEP. The program provides incentives for school buses, Level 2 and DC Fast Chargers, and Bi-Directional Charging and is expecting another round of solicitations in FY26. You can find more information of the program on their website: https://dep.nj.gov/drivegreen/mhdv-funding-and-incentives/. Staff recognize the disproportionately high impact of the MHD sector on emissions, and continue to carefully consider policies to address MHD electrification.

Workforce Development

Comment: Isles raised concerns that clean job training programs are no longer a line item in the proposed FY26 budget, a major shift from the previous budget which allocated $22 million. They emphasized that job training programs and opportunities in the clean energy space are a major

driving force behind support for clean energy in the state, and at a time like this when energy costs are rising and our energy grid grows more and more strained from increased demand, it is critical to support workforce development and job training efforts in the renewable energy sector. They stated that investing in our workforce is key to meeting New Jersey's clean energy goals, meeting increasing demand and securing a clean, healthy future.

Response: Staff recognize the importance of workforce development and job training efforts in the renewable energy sector. Recent industry challenges have led to adjustments in funding to the NJ Wind budget, which supported job training programs. Staff will continue to assess future funding opportunities to invest in workforce development efforts as the industry progresses.

REVISIONS TO PROPOSED FY26 COMPLIANCE FILINGS AND PROPOSED FY26 BUDGET

Following the posting of the Proposed FY26 Compliance Filings and stakeholder comments received in regard to the Proposed FY26 Budget, these documents were revised as follows.

1. To align with the FY26 Appropriations Bill[25], $124,989,000 was reallocated to support State Energy Initiatives, comprising slightly less than $119 million from Energy Bill Assistance, $5 million from UHI and $1 million from MUD.
2. Slightly less than $119 million was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole House. The Energy Bill Assistance initiative will be fully supported by RGGI and the SACP.
3. Approximately $6 million was reallocated from the Energy Storage line. The remaining carryforward in the Energy Storage line was allocated for Distributed storage. Transmission-Scale storage will be fully funded by the Ørsted settlement funds. The exact allocation of funding between Distributed and Transmission-Scale storage is yet to be determined.
4. $10 million was reallocated to Community Energy Grants.
5. $1 million from E-Mobility Programs was reallocated. While SBC funding has been removed in the FY26 budget for E-mobility, the Board is still considering the program. Staff will recommend budget allocations as needed.
6. Based on stakeholder feedback, SBC funding has been allocated in anticipation of a permanent Whole House Program. The permanent program will require Board approval.
    - $3 million was allocated to Whole House.
7. Based on stakeholder feedback, Staff recommends that the CHP-FC Program remain open to new applications and unchanged until further policy development can be completed to transition to a renewable energy fuel pathway. Any future Staff recommendations will require Board action.
    - The language in the TRC Compliance Filing was updated to reflect this change.
8. DCE Compliance Filing: Adjustments were made to the Clean Fleet, and EV Tourism program descriptions.
    - Language was added to the E-Mobility Programs, Energy Storage, and Clean Energy Affordability sections discussing the funding adjustments.
    - Energy Bill Assistance program description was removed.
    - The detailed budget table was adjusted to reflect the budget shifts.

[25] S.2026/A.5800 (2025).

9. CRA: Language was added to the Storage and Clean Energy Affordability sections to align with the addition of the Whole House program and Storage allocations. The Proposed FY26 Funding Levels table was updated.
10. TRC Compliance Filing: Cover page updated to "FY26 Budget".
11. DPMC DPL: RGGI funding is no longer anticipated to support the NJDEP Parks Upgrade. Money was reallocated based off of updated estimates of project costs.

THE ØRSTED SETTLEMENT FUNDS

On May 25, 2024, the State of New Jersey and the Board entered into a settlement agreement with Ørsted A/S, Ørsted North America Inc., Ørsted Wind Power North America LLC, Ocean Wind LLC, and Ocean Wind II, LLC (collectively, "Ørsted") in connection with the cancellation of the Ocean Wind 1 and Ocean Wind 2 projects.[26] As part of that agreement, Ørsted agreed to pay the State a sum of $125,000,000 to be used, "[i]n the absolute sole discretion of the Board," for clean energy programs including "programs to encourage meeting the State's clean energy goals under the State's Energy Master Plan."[27] Goal 2.3.6 of the State's 2019 Energy Master Plan calls for developing 2.5 GW of energy storage by 2030 and 8.7 GW of energy storage by 2050.[28] The Proposed FY26 Compliance Filings and Budgets proposed allocating the settlement funds to support the Board's energy storage programs. Staff note the successful launch of Phase 1 of the GSESP[29] on June 18, 2025, which seeks to incentivize transmission-scale projects.

STAFF RECOMMENDATIONS

The FY26 Compliance Filings and Budgets set out in detail the rationale utilized by Staff and the program administrators to develop the Proposed FY26 Programs and Proposed FY26 Budget. Having reviewed and considered the comments regarding the FY26 Compliance Filings and Budgets, Staff recommend that the Board approve both the Proposed FY26 Compliance Filings and Proposed FY26 Budget with the changes detailed above, and the process used to develop them.

DISCUSSION AND FINDINGS

Consistent with the Program Administrator Contract, Staff coordinated with the TRC Team regarding the Proposed FY26 Compliance Filings and Budgets, as well as the comments received on the same. The Proposed FY26 Compliance Filings and Budgets were distributed to the BPU listserv and posted on the NJCEP website. Staff accepted oral comments on the Proposed FY26 Compliance Filings and Budgets at a public hearing, solicited written comments from stakeholders and the public, and reviewed and considered these comments. In addition, Staff consulted with DEP with respect to the CRA as required by statute. Accordingly, the Board **HEREBY FINDS** that the processes utilized in developing the FY26 Compliance Filings and Budgets were

[26] In re the Board of Public Utilities Offshore Wind Solicitation for 1,100 MW – Evaluation of OSW Applications, BPU Docket No. QO18121289, Settlement Agreement dated May 25, 2024.

[27] Id. at 3-4.

[28] New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan: Pathway to 2050, 127, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

[29] Notice, In the Matter of the New Jersey Energy Storage Incentive Program, BPU Docket No. QO22080540, https://www.nj.gov/bpu/pdf/publicnotice/Notice_StakeholderMeetings_NewJerseyEnergyStorageProgram.pdf.

appropriate and provided stakeholders and interested members of the public with notice and opportunity to comment on them.

The Board has reviewed the FY26 Compliance Filings and Budgets, written and oral comments submitted by stakeholders, and Staff's recommendations. The Board **HEREBY FINDS** that the FY26 Compliance Filings and Budgets will benefit customers and are consistent with the NJCEP's primary objectives of lowering energy bills, reducing demand for electricity, emitting fewer pollutants into the air, and creating jobs. Further, the programs reflected in the FY26 Compliance Filings and Budgets will provide environmental benefits, and are otherwise reasonable and appropriate. Therefore, the Board **HEREBY APPROVES** the FY26 Compliance Filings and Budgets.

The Board **HEREBY DIRECTS** Staff to work with the Program Administrator to update relevant program documents, such as applications and program manuals, and to take the necessary steps to implement the programs and changes ordered herein, including but not limited to, the provision of adequate notice of such changes.

The budgets approved herein are based on estimated FY25 expenses and once final FY25 expenses are known, are subject to "true up" in a future Order(s). For example, if actual FY25 expenses are less than the estimated expenses for any program, then the unspent amount will carry over into FY26. To the extent that FY26 budgets approved herein are below FY26 expenses due to actual FY25 expenses being less than estimated FY25 expenses, the Board **HEREBY AUTHORIZES** the Fiscal Office to pay all invoices for approved program expenses during FY26.

Pursuant to its authority under N.J.S.A. 48:2-40 and as required, the Board may reopen this matter and adjust the FY26 budgets. Any such adjustments will be considered by the Board and memorialized in a separate Order. The budgets approved herein are contingent on appropriations by the Legislature and subject to State appropriations law.

Pursuant to the terms of the May 25, 2024, settlement agreement, the Board has sole discretion to use the Ørsted settlement funds to support clean energy programs that support the State's clean energy goals under the EMP. The Board **HEREBY FINDS** that the GSESP will support the State's clean energy goals under the EMP, in particular Goal 2.3.6. The Board **HEREBY AUTHORIZES** the use of the Ørsted settlement funds totaling $125,000,000 plus accrued interest to support the GSESP. The Board **HEREBY DIRECTS** Staff to take all necessary steps to effectuate this release.

This Order shall be effective on June 30, 2025.

DATED: June 30, 2025

BOARD OF PUBLIC UTILITIES
BY:

CHRISTINE GUHL-SADOVY
PRESIDENT

DR. ZENON CHRISTODOULOU
COMMISSIONER

MARIAN ABDOU
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

ATTEST:

SHERRI L. GOLDEN
SECRETARY

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2026

DOCKET NO. QO25040206

SERVICE LIST

New Jersey Division of Rate Counsel

Brian O. Lipman, Esq., Director
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
blipman@rpa.nj.gov

TRC Energy Solutions

317 George Street, Suite 520
New Brunswick, NJ 08901

Michael Ambrosio
mambrosio@trccompanies.com

Thomas A. Kowalczyk
tkowalczyk@trccompanies.com

New Jersey Division of Law

Department of Law & Public Safety
Division of Law
25 Market Street
P.O. Box 112
Trenton, NJ 08625-0112

David Apy, Assistant Attorney General
david.apy@law.njoag.gov

Daren Eppley, Section Chief, DAG
daren.eppley@law.njoag.gov

Pamela Owen, Assistant Section Chief, DAG
pamela.owen@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Atlantic City Electric Company

500 N. Wakefield Drive
Newark, DE 19714

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

Robert Brabston, Esq., Executive Director
robert.brabston@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Taryn Boland, Chief of Staff
taryn.boland@bpu.nj.gov

Curtis Elvin, Chief Fiscal Officer
curtis.elvin@bpu.nj.gov

Division of Clean Energy

Veronique Oomen, Director
veronique.oomen@bpu.nj.gov

Stacy Ho Richardson, Deputy Director
stacy.richardson@bpu.nj.gov

Matthew Rossi
Bureau Chief, Emerging Technologies & Budget
matthew.rossi@bpu.nj.gov

Counsel's Office

Ava Marie Madea, General Counsel
avamarie.madeam@bpu.nj.gov

Elspeth Hans, Deputy General Counsel
elspeth.hans@bpu.nj.gov

Alex Cary, Legal Specialist
alexander.cary@bpu.nj.gov

Neil Hlawatsch, Esq.
neil.hlawatsch@pepcoholdings.com

Heather Hall
heather.hall@pepcoholdings.com

Kenneth L. Wan, Esq.
Kenneth.wan@exeloncorp.com

Marisa Slaten, Esq.
Director, Regulatory Initiatives
Pepco Holdings
5 Collins Drive
Carneys Point, NJ 08069
marisa.slaten@exeloncorp.com

Elizabethtown Gas Company

520 Green Lane
Union, NJ 07083

Thomas Kaufmann
tkaufmann@sjindustries.com

Susan Potanovich
spotanovich@sjindustries.com

Gina O'Donnell
godonnell@sjindustries.com

Sheree Kelly, Esq.,
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
skelly@sjindustries.com

South Jersey Gas Company

1 South Jersey Place
Atlantic City, NJ 08401

Steven R. Cocchi, Esq.
scocchi@sjindustries.com

Karen J. Crispin, Senior Rate Analyst
kcrispin@sjindustries.com

Carolyn A. Jacobs,
Regulatory Compliance Specialist
cjacobs@sjindustries.com

Jersey Central Power & Light Company

300 Madison Avenue
Morristown, NJ 07962

Tori Giesler, Esq.,
FirstEnergy Service Company
2800 Pottsville Pike
Reading, PA 19612-6001
tgiesler@firstenergycorp.com

Mark Mader
Director, Rates & Regulatory Affairs – NJ
mamader@firstenergycorp.com

Viktor Lackman
vlackman@firstenergycorp.com

Tom Donadio
tdonadio@firstenergycorp.com

James O'Toole
jotoole@firstenergycorp.com

Kurt Turosky
76 South Main Street
Akron, OH 44308
kturosky@firstenergycorp.com

Kent Hatt
khatt@firstenergycorp.com

Lori Brightbill
lbrightbill@firstenergycorp.com

Lauren Lepkoski, Esq.
First Energy Corp.
2800 Pottsville Pike
Post Office 16001
Reading, PA 19612-6001
llepkoski@firstenergycorp.com

New Jersey Natural Gas Company

1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Andrew Dembia, Esq.
Regulatory Affairs Counsel
adembia@njng.com

Rockland Electric Company 4 Irving Place Room 1815-S New York, New York 10003 Margaret Comes, Esq., Associate Counsel comesm@coned.com John Carley, Esq. Associate General Counsel carleyj@coned.com Orange & Rockland Utilities, Inc. 390 West Route 59 Spring Valley, NY 10977 Charmaine Cigiliano Section Manager Customer Energy Services ciglianoc@oru.com Donald Kennedy Director Customer Energy Services kennedyd@oru.com	Anne-Marie Peracchio Director, Conservation and Clean Energy Policy aperacchio@njng.com **Public Service Electric and Gas Company** PSEG Services Corporation 80 Park Plaza, T-5 PO Box 570 Newark, NJ 07102 Matthew M. Weissman, Esq. General State Regulatory Counsel matthew.weissman@pseg.com Stacey Mickles, Esq. stacey.mickles@pseg.com Caitlyn White caitlyn.white@pseg.com Michele Falcao Regulatory Filings Supervisor michele.falcao@pseg.com Bernard Smalls bernard.smalls@pseg.com

New Jersey's Clean Energy Program™

FISCAL YEAR 2026
PROGRAM DESCRIPTIONS AND BUDGETS

DIVISION OF CLEAN ENERGY

Renewable Energy Programs, Energy Efficiency Programs, Distributed Energy Resources, and NJCEP Administration Activities

June 30, 2025

Table of Contents

Introduction

On January 27, 2020, the 2019 Energy Master Plan ("EMP")[1] was unveiled following extensive research, review, and stakeholder input. The EMP outlines seven key strategies to achieve 100% clean energy by 2050: reduce energy consumption and emissions from the transportation sector; accelerate deployment of renewable energy and distributed energy resources; maximize energy efficiency ("EE") and conservation and reduce peak demand; reduce energy consumption and emissions from the building sector; decarbonize and modernize New Jersey's energy system; support community energy planning and action in underserved communities; and expand the clean energy innovation economy. With the adoption of Executive Order 315 ("EO 315"), Governor Murphy declared that the policy of the State is to advance clean energy market mechanisms and other programs in order to provide for 100% of the electricity sold in the state to be derived from clean sources of electricity by January 1, 2035.[2] The 2024 EMP will reflect New Jersey's updated climate goals and the impacts of recent state and federal policies in advancing New Jersey's clean energy goals. The New Jersey Board of Public Utilities ("BPU" or the "Board"), with guidance from other State agencies and assistance from a consultant, will coordinate the State's efforts to develop the 2024 EMP and will also provide specific proposals to be implemented both in the short-term and longer-term to achieve Governor Murphy's 100% clean energy by 2035 goal. This process will include public hearings and allow for ample opportunities for stakeholders to provide feedback.

As the lead State agency tasked with the development and implementation of the 2019 EMP, the BPU and its Division of Clean Energy ("DCE"), through the New Jersey Clean Energy Program ("NJCEP") budget, provide funding to many of the core programs that address the seven key EMP strategies. The Fiscal Year 2026 ("FY26") Compliance Filing provides program descriptions and budgets for the NJCEP.

The budget information includes, among other things, carryforward amounts, some of which reflect incentive commitments and contractual obligations made but not yet paid (Pipeline of Board Approved Projects/Allocations in the FY26 Budget Table). Many projects, especially the larger ones with larger incentives, can take two or more years from commitment to final incentive payment because the projects are large and complex. An early incentive commitment is necessary for the applicant to secure the financing to proceed to make the investments necessary to design and construct the project.

The NJCEP is a signature initiative of the BPU that promotes increased EE; the use of clean, renewable sources of energy, including solar and wind ("RE"); and distributed energy resources ("DER"). The results for New Jersey are a stronger economy, less pollution, lower costs, and reduced demand for electricity and natural gas. The NJCEP offers financial incentives, programs, and services for residential, commercial, and governmental customers.

[1] New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan: Pathway to 2050, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.
[2] Exec. Order No. 315 (Feb. 15, 2023).

Additionally, in fiscal year 2021 ("FY21"), the Office of Clean Energy Equity ("OCEE") was added to the DCE. The OCEE oversees the development and implementation of clean energy policies, technologies, and programs, including workforce development and EE programs, to better serve New Jersey's overburdened communities ("OBCs") and to ensure equitable participation in clean energy programs and distribution of related benefits. Working with other BPU teams, the OCEE is ensuring that programs are developed and implemented through an equity lens, while leveraging the many existing DCE programs that aim to serve OBCs.

EMP Strategy 1: Reduce Energy Consumption and Emissions from the Transportation Sector

This strategy centers its attention on decarbonizing the transportation sector through vehicle electrification, reducing vehicle miles traveled, and lowering port and airport emissions. To support electric vehicle ("EV") adoption, several key NJCEP programs have been created through Board action to provide incentives to individuals and local and State government agencies to offset a portion of the upfront costs of purchasing EVs. In addition to the $30 million annual appropriation, described in detail in the Charge Up New Jersey Compliance Filing, the below programs will receive funding to support the BPU's continuing efforts to electrify transportation. Staff note that many EV projects take time, so funds that have already been reserved for a grantee need to be rolled over to future fiscal years as BPU pays the grantee once the project has been completed.

Electric Vehicles

<u>EV Studies, Pilots, and Administrative Support</u>

The transition to clean and electrified transportation will take considerable effort and will require new skill sets and studies in order to ensure we are creating an equitable, accessible EV ecosystem. This funding will allow for support for the BPU's EV EcoSystem plans. In addition, in past years the funding from this line item has been used to begin data aggregation services for all chargers funded by State and utility incentives, to design an EV incentive portal for all New Jersey programs and to create an EV Roadmap to better plan and design the long-term Clean Transportation strategies across sectors and government entities. In FY23, FY24, and FY25 the work for these projects was part of a modification to the Center for Sustainable Energy ("CSE") contract and funding was moved to the Charge Up Administrative line from this point to pay for those programs. In FY26, this line will allow for additional support as we develop Clean Transportation programs and pilots.

<u>Clean Fleet Electric Vehicle Incentive Program</u>

In FY20 and FY21, the BPU utilized U.S. Department of Energy ("USDOE") funds for a pilot program to incentivize EV adoption in local and State government fleets, referred to as the Clean Fleet Electric Vehicle Incentive Program ("Clean Fleet Program"). In FY22, the

program was funded by both Societal Benefits Charge ("SBC") and State General Fund appropriations. The primary goal of the Clean Fleet Program is to improve New Jersey's air quality and assist local and State government authorities' transition to electrically fueled fleets. In February 2024, CSE began to administer this program. All applications submitted prior to that time were addressed by Staff. In FY26, the line item reflects the total Clean Fleet budget which will fund both State, local, and non-profit entities.

New Jersey's Electric Vehicle Law[3] ("the EV Act") established goals to encourage the electrification of the State's non-emergency light-duty fleet vehicles. The EV Act calls for at least 25 percent of the fleet to be plug-in EVs by the end of 2025 and 100 percent by the end of 2035.[4] Additionally, EMP Goal 1.1.5 seeks to convert the State's light-duty fleet to EVs. To achieve these goals, the BPU will continue the program in FY26 to assist in funding the increased up-front costs associated with the adoption of light-duty EVs for the State's fleets. By making the switch to EVs, fleets can realize the benefits of decreased fueling and maintenance costs while also decreasing their emissions and acting as a role model for local residents. In FY23, 147 EVs, 46 Level 2 Public Chargers, 7 Fast Public Chargers, 83 Level 2 Fleet Chargers and 22 Fleet Fast Chargers were incentivized. In FY24, $4,179,000 was awarded for 189 EVs and 118 chargers. In FY25 as of May 12, 2025, $4,353,000 was reserved for 35 DCFC, 92 L2 chargers, and 179 BEVs. $149,000 has been awarded for 4 BEVs, 5 L2 Chargers, and 2 DCFCs.

As this program directly impacts the goals set forth in the EV Act, specifically promoting EV adoption in State and local government fleets, the Clean Fleet Program will continue in FY26 under the NJCEP. In FY24, eligible entities were expanded to include non-profits. Eligible entities for this incentive will be municipalities, counties, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, county authorities, and non-profit entities.

Through a rolling application process, eligible entities may apply for a $4,000 incentive for light-duty battery EVs and $10,000 for Class 2B-6 vehicles, as well as incentives for EV chargers. Applicants may receive $5,000 per Level 2 Public Charger (up to 90% cost of the charger), $4,000 per Fleet Level 2 Charger (up to 90% cost of the charger), $60,000 (up to 90% cost of the charger) per 50-100 kW Direct Current Fast Charger ("DCFC"), $100,000 (up to 90% cost of the charger) per 100-200 kW DCFC, and $180,000 (up 90% the cost of the charger) per 200 kW+ DCFC. In addition, eligible entities may apply for an incentive of up to 50 percent of the cost of the Make-Ready for Fleet Chargers, up to $5,000 of the cost of the Make-Ready for Level 2 Chargers, and up to $50,000 of that cost for DCFCs. An additional incentive of up to $5,000 may be included for DCFC chargers that are Energy Star certified.

The number of vehicles and chargers that an entity is eligible for will be determined by population size that the entity serves and may be based per location. Grants will be awarded on a rolling basis contingent upon program funding. Eligible applicants who are in an overburdened municipality ("OBM"), as defined by the OCEE, are eligible for a 50 percent bonus, to be provided as either an additional incentive amount or eligibility for additional

[3] L. 2019, c. 362 (N.J.S.A. 48:25-1 et seq.).
[4] N.J.S.A. 48:25-3(a)(8).

chargers and vehicles. Staff may implement additional eligibility criteria and caps as necessary to ensure the effectiveness of the program.

Awards shall be in the form of a reimbursement, based on proof of purchase or lease of a new eligible battery EV, battery electric equipment, and/or charging equipment. For charging equipment, eligible costs shall include the cost of the charger, taxes on the charger, delivery and activation fees and warranty for the charger. All applicants must complete all required forms within the deadlines as prescribed by the BPU or Program Administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent of the time. Eligible vehicle(s) and battery electric equipment must be paid for and received in order to submit for reimbursement. Chargers must be paid for and installed in order to submit for reimbursement.

All Level 2 charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act (L. 2021, c. 464), be a dual-port charger that is capable of charging two vehicles at the same time, and use a Compliant Network Service Provider. DCFC fast chargers must also be dual-port and capable of charging two vehicles at the same time. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent of the time. The Clean Fleet incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement though the sum of public incentives may not exceed 90% of the cost of the charger and Make Ready. The Clean Fleet charger incentive may not be stacked with the New Jersey Department of Environmental Protection's ("NJDEP") It Pay$ to Plug In Program for the same charger or vehicle.

Multi-Unit Dwellings (Chargers)

Recognizing that one of the major obstacles to EV adoption is the inability to charge at residences and acknowledging that residents of low-income and OBCs are more often impacted by this obstacle, the Board created the Multi-Unit Dwelling ("MUD") EV Charger Incentive Program in 2021. The EV Act calls for at least 15 percent of all MUDs to have EV chargers by December 2025. In addition, EMP Goal 1.1.2 calls for the State to focus on the best ways to deploy charging infrastructure throughout the State. Utilizing legislatively appropriated funds in FY22, the program provided incentives for 736 chargers, funded with $5,075,500. In FY23, 1,307 chargers have been incentivized with $6,162,500 funding and in FY24, 1,437 chargers have been incentivized with $6,890,000 funding. In FY25, as of May 12, 2025, $6,868,000 was reserved for 1,348 L2 chargers and $1,194,661 has been awarded for 239 L2 chargers.

The incentive provides $4,000 for the cost of a Level 2 charger (up to the cost of the charger); maximum awards are based on the size of the development/location. Eligible chargers must be accessible to all residents and may be accessible to visitors. All charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act, be a dual-port charger capable of charging two vehicles at the same time, and use a Compliant Network Service Provider. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent of the time. The

MUD incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement though total public incentives may not exceed 90% of the cost of the charger and Make Ready. The MUD incentive may not be stacked with the NJDEP It Pay$ to Plug In Program for the same charger. Chargers must be paid for and installed in order to submit for reimbursement.

Eligible entities include apartments, condominiums, and mixed residential locations that feature a minimum of five units and have dedicated off-street parking.

Awards shall be in the form of a reimbursement, based on proof of purchase of charging equipment. For charging equipment, eligible costs shall include the cost of the charger, taxes on the charger, delivery and activation fees and warranty for the charger. All applicants must complete all required forms within the deadline as prescribed by the BPU or Program administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent of the time. Vehicles and chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

Grants will be reviewed by Staff or the Program Administrator, assessed, and awarded on a rolling basis contingent upon program funding. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus. For eligible applicants that are deed restricted, 100 percent affordable (low - and moderate- income) housing may also be eligible for a 50 percent bonus. Applicants may only receive one bonus. Staff may implement additional eligibility criteria and caps as necessary to ensure the effectiveness of the program.

CSE began administering this program in February 2024. All applications submitted prior to that time will be addressed by Staff.

<u>EV Tourism</u>

Range anxiety continues to be an obstacle to EV adoption, as many people are concerned that an EV will hinder their ability to take longer trips. In furtherance of EMP Goal 1.1.2, which examines ways to deploy charging infrastructure throughout the State, the Board's EV Tourism Program was designed to encourage the building of more corridor and community chargers throughout New Jersey, reducing range anxiety for our residents and encouraging EV-driving tourists to choose New Jersey as their tourism destination. In addition, this program offers incentives to hotels across the State, moving the State closer to the EV Act which calls for at least 20 percent of franchised locations to have EV chargers by December 2025. In FY22, 204 chargers have been incentivized with $5,236,000, in FY23, 44 chargers have been incentivized with $760,000 funding, and in FY24, 69 chargers have been incentivized with $1,155,000 funding.

The competitive portion of this program provides $5,000 for the cost of a Level 2 charger (up to the cost of the charger) for up to six Level 2 chargers per site, $60,000 for the cost of a 50-100 kW DCFC (up to 90% of the cost of the charger), $100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger), and $180,000 for the cost of a 200 kW+ DCFC

(up to 90% of the cost of the charger), for up to two DCFC chargers per site.

The EV Tourism corridor program is a non-competitive grant, administered by CSE designed to encourage fast corridor charging by incentivizing 100kW and greater chargers in corridor locations. This program provides $100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger), and $180,000 for the cost of a 200 kW+ DCFC, for up to two DCFC chargers at eligible sites located within one mile of the nearest highway exit or intersection along designated eligible highway corridors. Hotels located within three miles of a designated eligible highway corridor can receive $5,000 per charger (up to 90% of the cost of the charger) for up to four Level 2 chargers. Hotels located within one mile of a designated eligible highway corridor can receive $100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger), and $180,000 for the cost of a 200 kW+ DCFC (up to 90% of the cost of the charger) for up to two DCFCs, and $5,000 per charger (up to the cost of the charger) for up to two Level 2 chargers, or up to one DCFC and up to three Level 2 chargers, for a total of four chargers. Level 2 charger incentives require that the charger be Energy Star certified, in accordance with the Appliance Act. Eligible applicants who are in an OBM, are eligible for a 50 percent bonus. All charger incentives require that the charger be a dual-port charger that is capable of charging two vehicles at the same time and uses a Compliant Network Service Provider, and chargers must be publicly accessible. The EV Tourism incentive may be stacked with utility make-ready incentives, up to the amounts allowed by the utility's stipulation of settlement. The EV Tourism incentive may not be stacked with the NJDEP's It Pay$ to Plug In Program for the same charger. An additional incentive of up to $5,000 may be included for DCFC chargers that are Energy Star certified.

Grants will be reviewed by Staff or the Program Administrator, assessed, and awarded contingent upon program funding. Staff may implement additional eligibility criteria and caps as necessary to ensure the effectiveness of the program.

Awards shall be in the form of a reimbursement, based on proof of purchase of eligible EV charging equipment. Chargers must be paid for and installed in order to submit for reimbursement. For charging equipment, eligible costs shall include the cost of the charger, taxes on the charger, delivery and activation fees and warranty for the charger. All applicants must complete all required forms within the deadlines as prescribed by the BPU or Program Administrator. Chargers receiving State funding must comply with the federal uptime requirements, which currently require chargers to be functional 97 percent of the time. Chargers may be ordered prior to award approval but may not be purchased prior to submitting an application.

CSE will begin administering the EV Tourism corridor program in Spring 2025. All applications submitted prior to that time will be addressed by Staff.

<u>E-Mobility Pilot Programs</u>

In addition to moving towards zero emissions transportation options, the EMP calls for an overall reduction in vehicle miles traveled ("VMT") across the State, thus reducing emissions overall and easing congestion, which often leads to concentrated emissions in more densely populated areas.

One way to effectuate this change is to provide alternatives to personal cars as a mode of transportation. In 2022, the BPU prepared a report on e-mobility that presented several options that would help to address mobility deserts in low-income areas and which e-mobility options would be most impactful.

In FY24, the DCE investigated the findings of that report to inform Pilot programs to encourage e-mobility options. One such Pilot program would be an electric bicycle ("e-bike") incentive program. E-bikes are becoming more widely adopted by governments and people who want affordable transportation options that reduce their carbon footprint, while completing essential commutes and errands. The intent of the program would be to encourage the purchase of new eligible class one and class two e-bikes, as designated by the State. Getting more e-bikes on roads will afford New Jersey a unique opportunity to reduce VMT in automobiles, help to improve public health – particularly in densely populated areas of the State, and contribute to reducing transportation emissions. Planning work continues into FY26, with the intent to launch future programs.

In addition, Staff will look at other pilot proposals included in the report that encourage e-mobility, some options outlined in the report were community ride-share charging hubs and additional residential home charging incentives for ride-share drivers who have an EV.

While SBC funding has been removed in the FY26 budget, the Board is still considering the program. Staff will recommend budget allocations as needed.

Electric School Bus Program

In August 2022, the legislature created a three-year program within the NJDEP to fund Electric School Buses. That Program was mandated to provide $15 million each year for three years to "determine the operational reliability and cost effectiveness of replacing diesel- powered school buses with electric school buses."

In December 2023, the legislature dedicated $15 million from the FY24 Clean Energy Fund to the NJDEP to fund the first year of the program, and another $15 million was dedicated in FY25. The FY26 budget proposed to fund the third year of the program.

V2G School Bus Pilot

In addition, there is also funding for an "V2G School Bus Pilot" to further the work established by the legislature in the Electric School Bus Program.

Medium Heavy Duty Depot

In January 2024, L. 2023, c. 316 was enacted, which required NJBPU to create a demonstration project for MHD depots encouraging non-wire solutions and storage. The legislation required six projects with up to $2 million for each project. NJBPU is investigating other funding opportunities and partnerships to leverage this funding and achieve the objectives outlined in L. 2023, c. 316.

EMP Strategy 2: Accelerate Deployment of Renewable Energy and Distributed Energy Resources

This strategy seeks to address the State's efforts to accelerate the deployment of renewable energy ("RE") and distributed energy resources ("DERs"). Two key components of this strategy are to maximize the development of offshore wind ("OSW") and solar energy. As part of the NJCEP, the BPU is tasked with overseeing the OSW and solar programs that will help the State achieve Governor's Murphy's clean energy goals in the most equitable, cost-effective, and efficient ways.

Renewable Energy Programs

Resource Adequacy

The Offshore Wind Program is now part of a larger Resource Adequacy effort.

Executive Order 8[5] called upon all State agencies with responsibility under the Offshore Wind Economic Development Act ("OWEDA") to work collaboratively towards achieving the goal of 3,500 megawatts of OSW by 2030 and to establish a vibrant offshore wind market in New Jersey and in the region. Executive Order 92 increased the goal to 7,500 MW by 2035, which is consistent with EMP Goal 2.2. In September 2022, Executive Order 307 ("EO 307") further increased the OSW goal to 11,000 MW by 2040.

Since 2018, the Board has run four competitive offshore wind solicitations that have resulted in a cumulative award of 7,500 MW to Qualified Offshore Wind Projects. The Board retained consulting services to support the solicitation process following the release of a Request for Quotation ("RFQ") in fiscal years FY19, FY20, FY24; consulting costs are in part recovered through the OSW applicants' application fees, as allowed under OWEDA. In February 2025, the fourth Solicitation ended and no awards were made due to uncertainties with the remaining project bidder, and questions and concerns raised by federal actions with respect to permitting. Ongoing efforts are continuing to evaluate future OSW solicitation opportunities and needs.

In April 2023, the Board issued an RFQ for a consultant to assist Staff in the update the 2020 Offshore Wind Strategic Plan. In July 2023, a consultant for the second Offshore Wind Strategic Plan was retained and work on the plan is currently ongoing.

[5] Exec. Order No. 8 (Jan. 31, 2018).

The first OSW competitive solicitation resulted in applications from three experienced OSW developers that represent multi-billion-dollar investments and hundreds of clean energy jobs for New Jersey. On June 21, 2019, the Board unanimously approved the 1,100 MW Ocean Wind Project to be developed 15 miles off the coast of Atlantic City before 2024 and projected to power an estimated 500,000 homes.

In 2020, the Board requested that PJM Interconnection LLC ("PJM") include the State's OSW goal in its regional transmission expansion planning under a PJM process known as the State Agreement Approach ("SAA"). The Board retained a consultant to assist Staff with the SAA process and in October 2022, after a review and evaluation period of more than one year by Staff, the consultant, and PJM, the Board awarded a suite of coordinated transmission projects to enable the OSW goal of 7,500 MW to be efficiently, reliably, and cost effectively connected to the electric grid in New Jersey.

To maximize the benefits of the SAA awards, the Board is pursuing a transmission corridor called the Prebuild Infrastructure ("PBI"), for qualified offshore wind projects. In November 2023, the Board issued a solicitation for the PBI. Applications from that solicitation were received in April 2024 and evaluation by Staff and Staff's consultants is currently underway.

Beginning in FY21, the Board entered into a Memorandum of Understanding ("MOU") with the Economic Development Authority ("EDA") to provide funding to support the development and execution of offshore wind workforce, education, research, and innovation programs as part of the development of the to-be-created Wind Institute. No additional funding will be provided in FY25.

In 2021, the Board entered into a Memorandum of Agreement ("MOA") with the National Offshore Wind Research and Development Consortium ("NOWRDC") in which FY22 funding supported the Board's multi-year membership in NOWRDC.

FY22, FY23, FY24, and FY25 funding has allowed the Rutgers Center for Ocean Observation Leadership ("RUCOOL") to continue the work that it began for the Board in 2017 on oceanographic and atmospheric studies of the waters off New Jersey's coast.

For FY26, funding will continue to support ongoing contractual obligations associated with offshore wind transmission and generation projects and solicitations, the second Offshore Wind Strategic Plan, and specific activities, including work with RUCOOL and NOWRDC.

Nuclear

As part of the State's efforts to address the increases in electricity demand as a result of load growth from AI data centers, new manufacturing facilities, and transportation electrification, Staff worked with the Governor's Office, NJDEP, and NJEDA to release a Request for Information in May 2025 to explore the role and opportunity to develop new nuclear energy resources to advance the State's affordability, resource adequacy, and clean energy goals. Staff will continue to work closely with the Governor's Office, NJDEP, and NJEDA to review stakeholder input and additional information that would be needed to advance new nuclear

electricity generation in New Jersey.

Solar

Pursuant to the Clean Energy Act of 2018[6] ("CEA") (L. 2018, c. 17) and EMP Goal 2.3.2, the Board has transitioned from its legacy solar incentive program (the "SREC registration program" or "SRP") to a new Successor Solar Incentive ("SuSI") Program. The SREC registration program closed upon the determination of the Board that 5.1% of the kilowatt hours sold in the State comes from solar electric power generators connected to the State's electric distribution system (5.1% milestone).

The solar transition was conducted in two phases. Phase 1 was the implementation of a Transition Incentive ("TI") Program to provide a bridge between the legacy SREC program and a successor incentive program. The TI Program was approved by the Board in December 2019 and was opened on May 1, 2020 to new projects and to projects with a valid SRP registration that did not energize prior to the 5.1% milestone.

Phase 2 was the design and implementation of the SuSI. On July 28, 2021, the Board approved the closure of the TI Program to new registrations, effective on August 27, 2021, and opened the new SuSI program. The SuSI program is comprised of an Administratively Determined Incentive ("ADI") Program for net metered residential projects, net metered non-residential project 5 MW and under, and community solar projects; and a Competitive Solar Incentive ("CSI") Program for grid supply projects and larger net metered non-residential projects (over 5 MW). The ADI Program opened to new registrations on August 28, 2021.

The Board has set incentive levels and megawatt allocations in the ADI Program by market segment designed to result in at least 450 MW per year of net metered solar, remote net metered solar, and community solar. The ADI Program also includes the Community Solar Energy Program as a market segment. Updated incentive levels became effective for all net-metered market segments on March 13, 2023, following a one-year review. Following a one-year review of the Community Solar Energy Program, updated incentive levels became effective on April 30, 2025. A review of the incentives in the ADI Program is required every three years; in FY26, the Board will determine updated incentive levels that will be adopted in March 2026 following stakeholder input and a public comment period.

ADI Incentives (NJ-SREC-IIs) Per Market Segment

Market Segments	System Size MW (dc)	Incentive Values ($/SREC-II)	*Public Entities ($20 Adder)
Net-Metered Residential	All Sizes	$85	N/A

[6] Clean Energy Act, L. 2018, c. 17, https://www.njleg.state.nj.us/2018/Bills/PL18/17_.PDF.

Small Net-Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects smaller than 1 MW (dc)	$110	$130
Small Net Metered Non-Residential Ground Mount	Projects smaller than 1 MW (dc)	$90	$110
Large Net Metered Non-Residential located on Rooftop, Carport, Canopy and Floating Solar	Projects 1 MW to 5 MW (dc)	$100	$120
Large Net Metered Non-Residential Ground Mount	Projects 1 MW to 5 MW (dc)	$85	$105
Remote Net Metered	Up to 5 MW (dc)	$90	
Community Solar	Up to 5 MW (dc)	$80	N/A

ADI Capacity Blocks by Market Segment, Energy Year 2025

Market Segments	System Size	MW (dc) Capacity Blocks	Revised Capacity Blocks (as of 3/26/25)
Net-Metered Residential	All Sizes	200 MW	275 MW
Net Metered Non-Residential	All sizes at or below 5 MW (dc)	200 MW	125 MW
Community Solar	All sizes at or below 5 MW (dc)	250 MW	
Remote Net Metering (RNM)	All Sizes at or below 5 MW (dc)	50 MW	

On December 7, 2022, the Board established the CSI Program, which offers incentives to qualifying grid supply solar generation, energy storage paired with grid supply solar generation, and net metered solar installations over 5 MW in size. The CSI Program awards SREC-IIs through a competitive solicitation, with separate solicitations for five market tranches: Tranche 1, basic grid supply projects; Tranche 2, grid supply projects sited on the built environment; Tranche 3, grid supply projects sited on contaminated sites and landfills; Tranche 4, net metered non-residential projects greater than 5 MW; and Tranche 5, energy storage paired with a grid supply solar project from tranche 1, 2 or 3. Following a pre-qualification review of eligibility criteria, projects submit a bid for an SREC-II award in their tranche, specified in dollars per MWh of solar electricity production; pre-qualified projects compete on bid price only. The annual solicitation target is 300 MW of new solar generation,

and 160 MWh of energy storage paired with solar generation.

The first solicitation under the CSI Program took place in the first quarter of 2023, with the following procurement targets for each tranche:

Tranche	Procurement Target (MW)
1. Basic Grid Supply	140
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites and Landfills	40
4. Net metered non-residential Installations larger than 5 MW	40
Total	**300**
5. Energy Storage paired with Grid Supply (Tranche 1, 2 or 3)	160 MWh

The Board declined to make any awards in the first solicitation, as all bid prices were above confidential price caps set by the Board. Following an in-depth analysis of the specific financial assumptions and external factors that inform setting the price caps for a given solicitation, the Board directed that the second solicitation in the CSI Program open on an expedited timeline.

The second solicitation of the CSI Program opened November 27, 2023 and closed on February 29, 2024. The total procurement target for the second solicitation remained at 300 MW, allocated as described above. By Order on April 17, 2024, the Board awarded 310.21 MW of solar generation and 80 MWh of storage paired with solar generation, across 8 projects in Tranche 1: Basic Grid Supply and Tranche 3: Grid Supply on Contaminated Sites or Landfills. Projects were selected by lowest SREC-II bid price. Unbid capacity in Tranches 2 and 4 was reallocated to Tranche 1 in order to award additional competitively-priced projects, as was unawarded capacity in Tranche 3 after awards were made in that tranche. The Board determined that awarding competitively-priced capacity over the 300 MW solicitation target was in the best interest of New Jersey ratepayers. Solicitations will continue on an annual basis going forward.

The Board established a non-refundable bid participation fee of $1000 per MW, the proceeds of which will be used to defray costs of the program. The Board waived, in the second solicitation, the bid fee for developers who submitted a substantially similar project (one with an overlapping footprint) to a project they submitted in the first solicitation.

On November 17, 2023, the Board adopted the rule amendments with non-substantial changes, which were published in the New Jersey Register at 55 N.J.R. 2555(a) on December 18, 2023. At the same agenda meeting, the Board approved proposed substantial changes upon adoption to the SuSI Program rules. The proposed substantial changes were also

published on December 18, 2023, for a sixty-day comment period in the New Jersey Register at 55 N.J.R. 2461(a). The resulting Notice of Adoption of Proposed Substantial Changes was not filed before the eighteen-month expiration date and the proposal expired on August 6, 2024. On September 4, 2024, the Board approved two re-proposed amendments to the SuSI Program rules for publication in the New Jersey Register on October 6, 2024, for a sixty-day comment period. On December 18, 2024, the Board adopted the rule amendments which were published in the New Jersey Register at 57 N.J.R. 200(b) on January 21, 2025.

On April 23, 2025, the Board announced the third solicitation for the CSI Program, for which the prequalification window opened May 14, 2025 and closes to bids on July 23, 2025. The total solicitation capacity target remains 300 MW of solar generation and 160 MWh of paired energy storage, with the following procurement targets per tranche:

Tranche	**Procurement Target (MW)**
1. Basic Grid Supply	150
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites and Landfills	55
4. Net metered non-residential Installations larger than 5 MW	15
Total	**300**
5. Energy Storage paired with Grid Supply (Tranche 1, 2 or 3)	160 MWh

For the third CSI Program solicitation, the Board expanded the land use categories eligible to participate in Tranche 2: grid supply on the built environment, to include land classified as industrial and commercial complexes and extractive mining sites. Floating solar sites are also eligible to compete in Tranche 2 on a cost basis. Additionally, the Board updated the documentation required for projects seeking to prequalify in the CSI Program to align with the revised PJM Interconnection process, and set solicitation price caps to protect New Jersey ratepayers from excessive bids.

Community Solar

EMP Goal 2.3.1 calls for the continued growth of New Jersey's Community Solar Program. Community solar aims to broaden access to solar energy by enabling electric utility customers to participate in a solar generating facility that can be remotely located from their own residence or place of business. These customers are those who cannot benefit from net metered solar, such as those who rent, live in multi-unit dwellings, have property unsuitable for solar, or lack access to the necessary capital. Community solar is therefore an important program for promoting equitable and fair access to New Jersey's renewable energy policies.

Community solar in New Jersey was rolled out first as a Pilot Program, launched in February 2019 pursuant to the CEA. Through two solicitations conducted between 2019 and 2021, the Pilot Program led to the conditional approval of 150 projects, representing approximately 243 MW. Consistent with the goal of promoting equitable access to solar energy, all projects selected to participate in the Pilot Program have committed to allocate at least 51% of project capacity to low- and moderate-income ("LMI") subscribers. The Community Solar Energy Pilot Program was designed as a competitive application process; projects were selected using criteria designed to further the State's policy objectives for community solar development, including preferred siting, low- and moderate-income resident inclusion, community engagement, and guaranteed savings for participating customers.

Pursuant to the CEA, the Pilot Program has been converted to the permanent Community Solar Energy Program ("CSEP"), which is intended to target the development of at least 150 MW new community solar capacity annually. On March 30, 2023, Staff issued a straw proposal that sought stakeholder feedback on the design of the permanent program.

The Board established the permanent Community Solar Energy Program on August 16, 2023. The program uses a first-come, first-served registration process similar to the ADI Program, but with a tiebreaker based on subscriber savings should capacity tranches fill within the first ten (10) days of the registration period. A 225 MW capacity block opened on November 15, 2023. The tranche for PSE&G exceeded capacity during the initial registration period and projects were accepted based on the guaranteed bill credit discount for subscribers until the tranche was full. Pursuant to L. 2023, c. 200, signed by Governor Murphy on January 4, 2024, the Board opened an additional 275 MW of capacity during Energy Year 24. As of January 15, 2025, 495 MW of capacity has been subscribed. On April 23, 2025, the Board expanded the capacity under the CSEP to include an additional 250 MW allocated amongst the four electric distribution company territories. Registration for this capacity opened on April 30, 2025, with the initial registration period running through May 13, 2025. As in the first registration period detailed above, this registration period utilizes a first-come, first-served process with a tiebreaker based on subscriber savings.

The rules establishing the Community Solar Energy Program were published in the New Jersey Register on October 7, 2024. Rule amendments incorporating substantial changes were adopted by the Board and published to the New Jersey Register on March 17, 2025 at 57 N.J.R. 594(a).

During FY25, the Board contracted for escrow services, as community solar projects are required to post escrow with the Board; the escrow amount will be reimbursed to the applicant when the registered community solar project commences commercial operation.

Energy Storage

In 2018, Governor Murphy signed the CEA into law. The CEA established two goals for energy storage: 600 MW by 2021 and 2,000 MW by 2030. The Act directed BPU to develop

and implement a program to achieve these goals.

In FY19, the Board retained Rutgers University to conduct an analysis of energy storage ("ES") in New Jersey, pursuant to the CEA. The Board accepted the final report at its June 12, 2019 agenda meeting.

BPU is addressing energy storage in two separate proceedings. In FY21, the first phase of an ES program intended to meet the CEA and EMP goals was initiated as part of the Solar Successor Straw Proposal. The December 2022 Board Order establishing the CSI Program includes a specific tranche providing incentives for 160 MWh of storage in combination with grid supply solar. 80 MWh of storage in combination with grid supply solar were awarded in FY24, as a part of the second CSI Program solicitation.

In FY22, Staff began to develop the second phase of the ES program, which will be aimed at reaching CEA-mandated 2030 goals.

On September 29, 2022, Staff issued a straw proposal and began a stakeholder process for an ES program, the Garden State Energy Storage Program ("GSESP"), formerly proposed as the New Jersey Storage Incentive Program ("NJ SIP"). Three stakeholder meetings were held and written comments were received on the Straw Proposal.

The GSESP Straw Proposal suggested the creation of two energy storage programs: (1) Incentives for stand-alone front-of-meter energy storage ("transmission-scale") physically connected to a New Jersey electric distribution company ("EDC"); and (2) Incentives for stand-alone behind-the-meter energy storage ("distributed or customer level") physically located on the premises of a customer receiving transmission and/or distribution service from a New Jersey EDC.

On August 8, 2023, BPU issued a Request for Information to solicit and receive further stakeholder commentary. Together, over 100 sets of comments were received about the program.

On November 7, 2024, Staff, with assistance from a consultant, released a revised Straw Proposal, and associated draft Rules. Written comments were due on December 18, 2024.

On November 20, 2024, Staff held and led a public stakeholder meeting, with over 300 attendees, and about 30 stakeholders provided public comments during the meeting. Staff received 60 comments. Staff note the successful launch of Phase 1 of the GSESP. Additional funding was reallocated in FY25 in anticipation of future solicitation awards under Phase 1 of the GSESP, which intends to incentivize transmission-scale energy storage projects.

The ES budget line also includes funding for a State match of USDOE funding to improve resiliency at eligible entities. The details of this potential funding are still being finalized by Staff and will be provided to the Board for further consideration.

In FY26, funding for the launch of the GSESP will be supported by the $125 million the State received pursuant to the Ocean Wind Projects settlement.[7] The funds are intended to be used to support investments in clean energy programs, which may include the deployment of energy storage, which will help achieve the State's clean energy goals. Specifically, Phase 1 of the GSESP aims to incentivize transmission-scale energy storage projects, which is expected to ease capacity market prices and help stabilize customers' bills. Staff will continue to utilize all available funding, including reallocating SBC funding, to support DCE programs and maximize ratepayer benefits. Additionally, funding has been provided to support the anticipated Phase 2 of the GSESP, which will focus on incentivizing distributed storage.

Grid Modernization

New Jersey's interconnection rules and processes require updating in order to achieve 100 percent clean energy by 2050. In FY22, Staff engaged a contractor to assist with updating New Jersey's interconnection rules so that they reflect national best practices and better enable the State to achieve its clean energy goals. Necessary updates to the State's interconnection rules may include but are not limited to: updates to the interconnection process; modernization of utility processes for studying interconnection requests; updates to technical interconnection study standards; updates necessary to coordinate interconnection requests with the regional transmission system; incorporation of updated Institute of Electrical and Electronics Engineers or other standards; and other changes that will facilitate New Jersey meeting its ambitious clean energy targets.

Five stakeholder meetings were held regarding the interconnection process, which informed the consultant's final report accepted by the Board in November 2022. The report contained nine recommendations. Draft rules were issued for public comment to implement four of the recommendations. This was followed by further stakeholder engagement to develop a draft rule proposal, which was approved by the Board for posting in the NJ Register on April 30, 2024. This draft Interconnection rule is currently being revised based on extensive stakeholder feedback and Staff will go forward with a Notice of Adoption (NOA) and Notice of Proposed Substantial Changes Upon Adoption (NOPSCUA) in the first half of 2025. The remaining five recommendations are being pursued through a Grid Modernization Forum which consists of industry expert workgroups, the first of which was launched in the second half of 2024.

In FY26, Staff will continue to: expand the forum with additional workgroups to continue to oversee the development of the grid modernization proceedings; engage a Phase 2 Grid Modernization Forum program consultant; initiate several Grid Mod Innovation Pilots; and take the next steps towards introducing new and amended rules based on the workgroup report's recommendations.

The BPU allocated $25 million in FY25 to serve as federal grant matching funds for applications related to the innovative and modern use of the grid, as required by the FY25

[7] State v. Orsted, 2024, accessed May 6, 2025, from [https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1354270].

State budget. The BPU developed nearly $150 million in federal grant applications, including a $27 million dollar (~$13 million in federal request) Grid Resilience and Innovative Partnerships (GRIP) application to implement Grid enhancing technologies and non-wires alternatives in select circuits in the Atlantic City Electric grid territory to support more distributed energy resource interconnection, but these applications were rejected. In FY26, the BPU is evaluating options to use this funding to advance grid modernization projects and programs.

EMP Strategy 3: Maximize Energy Efficiency and Conservation and Reduce Peak Demand

This strategy focuses on strengthening New Jersey's overall EE and peak demand reduction, which involves clear energy reduction goal setting, consistency, and accountability. Energy reductions will be achieved through improvements in building thermal envelopes, appliance efficiency, energy benchmarking, equipment controls, strategic energy management, and attention to peak demand reduction. To prevent the amplification of energy burden disparities, access to increased efficiency for all residents will be prioritized, and the OCEE will continue to play a key role. In addition, the strategy aims to strengthen building and energy codes and appliance standards.

Energy Efficiency Programs

In 2018, Governor Murphy signed into law the landmark CEA, which called for a significant overhaul of New Jersey's clean energy systems by augmenting existing EE, RE, and DER programs and building sustainable infrastructure in order to fight climate change and reduce carbon emissions. Reducing the rate of climate change and emissions will in turn create well-paying local jobs, grow the State's economy, and improve public health, while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the CEA required New Jersey's public gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU established a statewide framework for EE programs in June 2020 and approved a comprehensive suite of EE programs running from July 2021 to December 2024 ("Triennium 1") that featured new ways of managing and delivering EE directly from public gas and electric utility companies to their customers and that, since July 1, 2021, began to transition the State to what are expected to be some of the highest energy savings in the country.[8]

The Triennium 1 EE programs disbursed approximately $1.25 billion in financial incentives to ratepayers statewide and reduced customers' annual utility bills by $600 million, annual electricity usage by 3 million megawatt hours, equivalent to the use of approximately 330,000 households per year, and annual natural gas usage by 8.5 million MMBtu. Triennium 1 resulted in 1.4 million metric tons of annual greenhouse gas emission reductions, which is equivalent to approximately 300,000 cars removed from the road per year. These results

[8] See https://njcleanenergy.com/transition for more information about the EE transition.

prove that EE works to reduce energy demand and helps reduce generation-related price increases that will take effect in June 2025.

In February 2023, Executive Order 316 ("EO 316") directed that "[i]t is the policy of the State to advance the electrification of commercial and residential buildings with the goal that, by December 31, 2030, 400,000 additional dwelling units and 20,000 additional commercial spaces and/or public facilities statewide will be electrified, and an additional 10 percent of residential units serving households earning less than 80 percent of area median income will be made ready for electrification through the completion of necessary electrical system repairs and upgrades."[9] EO 316 defined electrification as "the retrofitting or construction of a building with electric space heating and cooling and electric water heating systems."[10]

To build upon the successes of Triennium 1, in October 2024, the BPU approved the second cycle of EE programs ("Triennium 2 EE programs"), including new building decarbonization start-up programs and demand response programs. Collectively, over $3.75 billion has been budgeted for the Triennium 2 EE programs, which will be implemented over a 30-month period from January 1, 2025 through June 30, 2027. This investment will help the State achieve Governor Murphy's goals outlined in EO 316 and are anticipated to reduce annual electricity usage by 2.3 million megawatt hours, annual natural gas usage by 8.9 million MMBtu, and annual greenhouse gas emissions by 1.5 million metric tons.

The Board-approved utility-run Triennium 2 EE programs offer on-bill repayment or comparable third-party financing, with more favorable terms for income-qualifying customers and small commercial entities. The Board's approval, oversight, and evaluation of the utility-run EE programs support EMP Goal 3.1.5, which is to adopt equitable clean energy financing mechanisms that enable greater penetration of EE opportunities for all customers. They also support EMP Goal 3.1.3, which is to establish strategic and targeted EE programs to increase energy reductions and customer engagement. EMP Goal 3.1.3 specifically mentions programs that target moderate-income customers as helpful in closing gaps in program affordability and incorporation of on-bill financing into EE programs.

<u>Acoustical Testing Pilot</u>

The New Jersey Acoustical Testing Pilot Program is proposed in response to the EMP Goal 3.1.3, which encourages the exploration of "new energy-saving opportunities in complementary sectors, such as the water sector." Annual water and energy losses due to aging water infrastructure in New Jersey are significant, amounting to billions of gallons of water and multiple gigawatts of energy lost. This pilot incentive program allocates resources to facilitate the purchase or rental by water utilities of acoustic monitoring systems that employ permanent leak monitoring technology to enable them to more efficiently and effectively locate water leaks. This pilot program welcomes proposals from all New Jersey water utilities, but primarily seeks to address water and energy losses in urban and older inner suburban communities. These communities have older infrastructure

[9] Executive Order No. 316 (Feb. 15, 2023).
[10] Ibid.

and addressing their infrastructure issues would also result in benefits to OBC. The Board approved the release of the application in March 2021. In July 2021, the Board awarded a total of $1.1 million in grants to four applicants to implement permanent leak detection technology in their water systems. Staff has reviewed the final reports for the first iteration of this program. The final reports are uploaded to the corresponding dockets (Docket Nos. QO21050803, QO21050804, QO21050806). Although there will not be another standalone program in FY26, Staff are evaluating ways the Board can continue to incentivize towns to deploy this technology due to the significant benefits it could offer in terms of water and energy savings.

Sustainable Jersey

The BPU's Sustainable Jersey contract supports the adoption of clean energy throughout New Jersey through their Sustainable Jersey Municipal and Schools Certification Programs and their hands-on work with municipal governments and school districts. Sustainable Jersey assists municipal governments and schools to not only participate directly in clean energy programs themselves but to also encourage local residents and businesses to realize the energy and economic benefits that result from clean energy programs.

In particular, the BPU's work with Sustainable Jersey directly tracks with EMP Goal 3.1.2, which is to increase awareness of and access to utility EE programs, NJCEP and its suite of statewide programs, and other BPU clean energy programs. Sustainable Jersey is also providing technical assistance to OBMs that receive grants through the Community Energy Plan Grant ("CEPG") Program and Community Energy Plan Implementation ("CEPI") Grant Program (described further below) and hosts the website for the Community Solar Project Finder in cooperation with the Board.

New Jersey Institute of Technology

The NJIT Center for Building Knowledge ("CBK") provides research, training, and technical assistance on EE in New Jersey and on select aspects of the NJCEP. The CBK created and manages the New Jersey Clean Energy Learning Center ("NJCELC"), which provides online education for the full range of stakeholder groups engaged with NJCEP. In FY24, CBK hosted the launch of the Campus Consortium for Decarbonization, as led by TRC as part of NJCEP. In FY25, their core activities included continuing to maintain the NJCELC website, developing new educational materials, and supporting NJCEP initiatives. In FY25, CBK also focused on tasks such as expanding content in existing areas like heat pumps and benchmarking, supporting the New Construction Program, supporting planning for Training for Residential Energy Contractors workforce development program implementation, supporting the Campus Consortium for Decarbonization, developing educational programs on new and emerging technologies, and undertaking miscellaneous educational activities. In FY26, CBK will continue the activities performed in FY25.

Center for Urban Policy Research (formerly known as the Rutgers Center for Green Building)

The Center for Urban Policy Research ("CUPR") will continue its work analyzing cost-

effective amendments to NJ energy codes and co-facilitating the NJ Energy Code Collaborative. The CUPR is also supporting BPU's competitive federal grant applications for resilient and efficient codes implementation. These areas of work broadly support EMP Goal 3.3, which is to strengthen building and energy codes and appliance standards, including Goal 3.3.6, which is to increase compliance of mandated building and energy codes. Additionally, the CUPR is assisting BPU in conduct a study on the feasibility, marketability, and costs of implementing large-scale geothermal heat pump systems in the State and report on the same by January 2026, as mandated by L. 2023, c. 328.

Benchmarking

The CEA mandated that, by May 2023, the BPU require building owners and operators of commercial buildings over 25,000 square feet to benchmark their energy and water use for the prior calendar year using the U.S. Environmental Protection Agency's Portfolio Manager tool. Benchmarking is an important early step in raising awareness with building owners and operators about the energy performance of their buildings. EMP Goal 3.3.2 is to "[e]stablish transparent benchmarking and energy labeling," and the EMP describes building energy use benchmarking as a critical component in promoting market-driven increases in EE. Measurement and analysis of facilities' energy use, as well as comparison of performance to similar or model buildings, provides owners and operators with the necessary information to assess opportunities for performance improvements that reduce energy use and costs.

In FY22, the Board approved New Jersey's energy and water benchmarking program for large commercial buildings and required building owners and operators to provide their first submissions by October 1, 2023 and provided a grace period for the first two reporting years. All subsequent year submissions have a deadline of July 1 of each program year. In FY25, for the 2024 benchmarking reporting year, the Board provided a 90-day grace period for the second reporting year submissions to September 29, 2024. In FY26, the Board no longer provided a grace period for building owners and operators and required the submission deadline of July 1.

CUPR supports the benchmarking program by developing the list of commercial buildings over 25,000 square feet, which entails analysis and modeling of tax records, GIS, and LiDAR data. In FY25, CUPR updated the list of commercial buildings through the same analysis and modeling as FY24. For FY26, CUPR will continue to update the list of commercial buildings and assist Staff in the development of a comprehensive report for the benchmarking results of the first two reporting years.

Additionally, the Board recognized the need for the State to "lead by example," and benchmarking of State facilities over 25,000 square feet is being implemented on the same timeline as the commercial sector. Protocols were developed in FY23 for State facilities, and benchmarking compliance was achieved at a higher rate than the commercial sector for the two reporting periods. In 2023, 91% of State buildings were compliant. Currently, many of the State's eligible properties are located on a campus or master metered, which has resulted

in the need to benchmark the entire campus as opposed to just the individual building. The State's EPA Portfolio Manager profiles related to benchmarking compliance have 107 properties with buildings above 25,000 square feet (65 campuses and 42 single buildings). A total of 1,635 buildings are being tracked under the state portfolio. The State continues to audit buildings and increase the number of profiles for buildings, although not all are required to benchmark. For FY26, Staff are analyzing both private and State building data in collaboration with CUPR from the 2024 benchmark reporting year.

In FY24 and FY25, Staff pursued and supported program implementation steps – including outreach, training, and rulemaking – to ensure that building owners and operators are able to benchmark their buildings. Staff will continue these efforts in FY26.

EMP Strategy 4: Reduce Energy Consumption and Emissions from the Building Sector

EMP Goal 4.1 focuses on starting the transition to net zero carbon new construction. The NJCEP EE programs for new construction directly address this strategy. The BPU's redesigned New Construction Program, which launched on May 1, 2025, includes an improved platform that replaces and improves the existing Residential New Construction ("RNC"), Commercial & Industrial ("C&I") Buildings - New Construction ("C&I NC" or "SmartStart NC"), C&I Buildings: Pay for Performance - New Construction ("P4P NC"), and C&I Buildings - Customer Tailored Energy Efficiency Program - New Construction ("CTEEP NC") Programs. The redesigned New Construction Program incorporates multiple new components – including a single point of entry, optimized program process flow, increased depth of scope, and three pathways to participation (bundled, streamlined, and high performance), as well as a greenhouse gas bonus. The redesigned New Construction Program was developed through ongoing input from public stakeholders prior to Staff presenting it to the Board for their consideration.

EMP Goal 4.2 focuses on starting the transition to electrify existing oil- and propane-fueled buildings. The BPU is assessing cost-effectiveness of heat pump adoption in various scenarios, with an eye toward prioritizing electrification of oil- and propane-fueled buildings. In particular, BPU has been working with the investor-owned utility companies to offer building decarbonization incentives as part of utility EE programs for existing buildings.

<u>State Facilities Initiative</u>

The State Facilities Initiative ("SFI") identifies and implements EE projects in State-owned facilities or State-sponsored projects with the objective of producing energy and cost savings. The funding provided to the SFI is directly in line with EMP Goals 3.3.5 and 4.1.1. EMP Goal 3.3.5 seeks to "[i]mprove energy efficiency in, and retrofit state buildings to, a high-performance standard." EMP Goal 4.1.1 addresses electrifying State facilities.

The BPU Division of State Energy Services ("SES"), coordinates these projects based on evaluation of capital costs and anticipated energy savings. SES works with energy managers, State agencies, the Office of Management and Budget, and the Treasury Division of Property

Management and Construction ("DPMC") to help identify the projects that are viable to move forward and impact energy consumption. Through a MOU, SES and DPMC execute the projects while Treasury Administration helps coordinate the payments. In FY26, no new funding has been provided to further upgrade State facilities. Instead, funds have carried over from FY25 based on updated project timelines.

The BPU and Treasury first partnered through an MOU in February 2017 to upgrade the Hughes Justice Complex and the NJDEP.[11] In November 2019, the Board entered into an MOU with DPMC to establish criteria for selecting and allocating funds on the designated priority list ("2019 MOU").[12] This allowed for increased State facility projects and a prioritized pipeline of future upgrades. Projects will meet one or more of the following criteria: (a) improvements, upgrades, and replacements of air handling and movement systems; (b) lighting and equipment upgrades and replacements; (c) boiler, chiller, and HVAC replacements; (d) lighting and building controls; (e) RE and EE systems at all State facilities; and (f) injection of funding for State facility projects outside of the Energy Capital Committee domain that have an EE or RE component but are stalled due to lack of funding.

Following the guidelines established in the 2019 MOU, SES will continue to develop projects.

Included as an appendix is a chart that summarizes the FY26 Designated Project List ("DPL"). The DPL represents SES staff's most current list and funding amounts making up the SFI budget line. The proposed funding levels for specific projects on the list reflects the current project status, recognizing that project start dates and milestones are dependent on DPMC coordinating the commitment and deployment of all project funds, including use of the Treasury line of credit. As with prior approved DPLs, including the one approved in 2019, SES staff will continue to identify potential future projects, or appropriate future projects, subject to the review and approval by the Board consistent with the orders referenced above.

In order to make sure that agency staff have the tools to implement energy savings plans, in FY23, the SFI offered training and grants for agencies that send energy managers through the eight-month training program. Thirteen State entities are participating in the current cohort. Utilizing the Energy Manager Training, SES was able to train agency energy managers on Local Government Energy Audit paperwork. SES has seen a substantial increase in applications in recent years, from less than ten applications in FY22 to over sixty-five applications during the FY23 to FY25 period. For FY26, through the State Energy Manager training program, additional State entities will apply for energy audits, which will help shape what other projects will follow. This also aids in the advancement of benchmarking for other State buildings.

Furthermore, the Annual State Facility Energy Consumption Report will allow for continued

[11] In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. QO17010075, Order dated February 22, 2017.

[12] In re the Memorandum of Understanding Between the New Jersey Division of Property Management and Construction, Department of Treasury and the New Jersey Board of Public Utilities Regarding the State Facilities Initiatives Program Budget, BPU Docket No. QO19101423, Order dated November 13, 2019.

tracking of energy consumption and cost at State facilities. This data will help inform agencies of prior use, opportunities for reductions, and high energy use intensity.

EMP Strategy 5: Decarbonize and Modernize New Jersey's Energy System

This strategy addresses the planning, finance, and implementation of electricity distribution system upgrades to accommodate increased electrification and DER integration; exercising regulatory jurisdiction and increasing oversight over transmission upgrades to ensure prudent investment and cost recovery from ratepayers; modifying rate design and the ratemaking process to empower customer energy management; and maintaining gas pipeline system reliability and safety while planning for future reductions in natural gas consumption.

Town Center Distributed Energy Resources ("TCDER") Microgrids

The BPU learned from Superstorm Sandy that business as usual – with respect to the electric distribution system overall and backup generators at critical facilities – was inadequate for resilience. To address resilience at critical facilities, in 2014, the BPU provided funding to NJIT to conduct a study of potential locations for Town Center Distributed Energy Resources ("TCDER") microgrids in the Sandy-affected regions of the State. The 2015 EMP recommended an increase in the use of microgrid technologies, and in November 2016, the BPU issued a microgrid report that formed the basis for New Jersey's initial microgrid program.

In FY18, the BPU initiated Phase I Feasibility Study of the microgrid program, through which interested applicants could submit applications to help fund TCDER microgrid feasibility studies. The BPU awarded a total of approximately $2 million to 13 public entities consisting of municipalities, counties, and authorities to conduct the feasibility studies.

In FY20, the BPU initiated Phase II Design Phase of the program, which was open to all eligible Phase I participants and which provided incentives for detailed designs of TCDER microgrids. In March 2021, the BPU awarded a total of $4 million to eight applicants. One awardee subsequently withdrew from the program, resulting in a total award of $3,750,000. In FY21, 75 percent of the award ($2,812,500) was provided to each of the seven awardees. The balance of the award will be provided upon approval of the completed design work by Staff.

In FY20, to investigate opportunities for financing TCDER Microgrids, the BPU applied for and received a grant of approximately $300,000 from the USDOE to conduct a study regarding financing microgrids. The study had the following objectives:

Analyze existing best practices to inform the development of the procurement/financing models;

Evaluate and track the TCDER microgrid applicants as they enter the procurement and financing process to derive "real-world" information that can further refine the models; and

Produce a guide grounded in legal, economic, and regulatory realities to help jurisdictions in New Jersey and across the United States to better understand the process of procuring and financing advanced community microgrids.

Beyond the initial objectives, the study also documented the substantial regulatory and statutory barriers to the implementation of community-scale microgrids. The study report was released in July 2021.

In April 2024, the Board approved a new MOU to continue the design phase of the program. Staff are evaluating the next potential steps based on the findings of the design studies and determine recommendations on funding the construction phase of these projects.

EMP Strategy 6: Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low- and Moderate-Income and Environmental Justice Communities

This strategy concerns the environmental justice ("EJ") and equity dimensions of the clean energy economy, with the purpose of ensuring equal access to the clean energy economy and its opportunities and benefits.

Clean Energy Affordability

The OCEE, which was established in 2020, works on cross-cutting energy and equity issues and guides the BPU's programs through an equity lens. One of the programs that the OCEE administers is the Community Energy Plan Grant ("CEPG") Program, which is a grant program for municipalities to create energy plans that address the needs of their respective communities, while helping the state reach the goals set in the New Jersey Energy Master Plan. A notice of funding availability for the next program year, PY4, was published in the New Jersey Register, and applications will open in June 2025. Additionally, the Community Energy Plan Implementation ("CEPI") Grant Program, which is intended to serve as a complementary program to CEPG, was approved in 2023, and the first round of awards were announced in 2024. This program provides funding to municipalities to implement clean energy, clean transportation, or energy efficient projects in their respective communities.

This strategy also lists goals for clean power generation and clean transportation options in LMI and EJ communities, addressing the disproportionate pollution impact with which these communities are often burdened. Specifically, the Community Solar Energy Program and the MUD Program, as described in detail above, highlight the BPU's and the OCEE's efforts to directly meet these goals as they relate to OBCs.

Finally, there are enhanced incentives available for LMI communities. There are ongoing outreach efforts taking place in working groups around enhanced incentives to encourage increased participation. Equity metrics for utility-run EE programs are included in quarterly reports and posted on the NJCEP website. The reports evaluate participation, expenditure,

and savings in OBCs with additional qualitative notes on outreach efforts. Also, the BPU, through the OCEE, and other relevant State agencies continue to expand energy assistance programs, such as Comfort Partners, Weatherization Assistance Program, and other EE programs, to provide education and community outreach in order to increase participation and reduce energy burden. The details of many of these aforementioned programs, including much of the EE work overseen by the OCEE, is addressed under Strategy 3. Also, the Comfort Partners Compliance Filing further outlines the work that is being performed through this program.

Urban Heat Island Mitigation Grants (formerly Heat Island Pilot)

The OCEE is working on an Urban Heat Island Mitigation Program to implement strategies that address the causes and reduce the impacts of excessive heat and the heat island effect in OBCs. This initiative is anticipated to be presented to the Board for approval in an upcoming agenda meeting. The structure of this proposed program provides incentives that address key drivers of heat island effect, while simultaneously increasing energy resilience and reducing energy consumption. Staff received public comments on the proposed design of the program and funding structure, and are incorporating feedback into the overall program design. This initiative is still in development and may offer incentives and identify clean energy alternatives in an effort to address several of the underlying factors that contribute to the heat island effect, with the added benefit of increasing EE and resilience. Staff released a Request for Public Comment on the proposed program and funding structure in Spring 2025, and will incorporate feedback from received comments into the final design.

Residential Energy Assistance Payment

Since the onset of the public health emergency in 2020, the Board has taken a leading role in safeguarding the access to electric, gas, water, wastewater, and essential telecommunications services for customers. The Board expanded access to and funding for programs like the Universal Service Fund ("USF") and the Payment Assistance for Gas and Electric ("PAGE") Program. Working with all of the utilities and other companies subject to the Board's jurisdiction, along with representatives of community groups, customer advocates and Rate Counsel, Staff have ensured compliance with the various Executive Orders regarding utility operations, including the moratorium on shutoffs for nonpayment and the subsequent grace period and enrollment period.

In partnership with DCA, Staff facilitated the distribution of approximately $410 million in American Rescue Plan ("ARP") funding for utility bill arrearages through the programs administered by the DCA. The bulk of this assistance was distributed to customers in a collaborative process with the utility service providers, where customers with arrearages over $300 and more than 30 days overdue, not otherwise eligible for assistance, were identified by the utility and contacted by DCA. Approximately 127,234 households were provided assistance through this effort.

Additionally, the BPU provides funding for the USF and PAGE programs. During the 2024 program year, USF provided $173,420,279 of assistance, covering 225,690 households. A key component of the USF is the Fresh Start Program, whereby eligible customers who make

12 consecutive monthly payments on their current bill have the past due balance paid in full by the program. Through Fresh Start Program expansion, the Board provided arrearage forgiveness in the amount of $65 million to USF enrollees during the 2024 program year, an increase of 48 percent compared to the prior program year. The smaller PAGE Program, which is more focused on moderate-income customers, disbursed approximately $4.6 million in 2024 program year, a 31 percent increase compared to the prior year. PAGE grants were provided to 8,172 households in program year 2024.

In FY24, the Board initiated a new initiative called the "Residential Customer Relief Initiative" which was later renamed to Residential Energy Assistance Payment. The intended purpose was to refund a portion of the Societal Benefits Charge, as well as about $21 million in arrearage relief funding, to residential customers most in need of financial assistance. Through the Residential Energy Assistance Payment, approximately $48 million in relief was disbursed to qualifying customers statewide in the Fall of 2024. Out of that total, $2,879,621 was returned due to all eligible recipients already receiving their credit. In FY25, additional funds were identified in the true-up budget process to administer a second round of arrearage relief funding, to again provide a refund to qualifying customers statewide.

Whole House Pilot Program

Using federal funding, the BPU and Green and Healthy Homes Initiative designed and launched New Jersey's Whole House Pilot Program ("WHPP") in Trenton back in FY23. The BPU established this program to pilot the expansion of EE offerings and address long-term health impacts for low-income residents through development of a collaborative, interagency approach to addressing a broader array of residential health and safety concerns than has to date been addressed through the Comfort Partners Program and the Weatherization Assistance Program in a limited capacity. Additionally, the Board expanded the WHPP to include building electrification as an option for customers in Trenton. The pilot is set to close at the end of FY25, after which an evaluation report will be released.

Staff are working on evaluating a potential permanent Whole House program. Final recommendations will be presented to the Board in the future.

Community Energy Plan Grants

Through the CEPG Program, local governments identify which strategies of the EMP are most applicable in their communities, what obstacles may exist, what opportunities there may be, and which BPU incentive programs or other State programs may help them move towards the goals of the EMP.

In 2021, the Board requested that the Office of Clean Energy Equity ("OCEE") perform an evaluation of the CEPG Program to develop recommendations that prioritize LMI and OBCs who may benefit the most from the program.

As a result of this request, the OCEE redesigned the CEPG Program in FY22 to remove barriers to participation from these communities with limited resources. First, OCEE

simplified the application process for all municipalities. In addition, based on OBC census tracts data, and the New Jersey Department of Community Affairs ("DCA") Municipal Revitalization Index ("MRI"), the OCEE identified 48 OBMs. These 48 municipalities were eligible for an enhanced grant amount and additional aid in the form of technical assistance from Sustainable Jersey. All New Jersey municipalities were eligible for $10,000 grants unless they were identified as an OBM, in which case they were eligible for a $25,000 grant, with additional aid in the form of technical assistance to help complete the grant application and technical support to develop the community energy plan after the grant is awarded. The simplified application process and enhanced benefits for OBMs were designed to increase the likelihood of success of and engagement in the program.

On June 8, 2022, the Board awarded grants to 46 municipalities, including 24 OBMs, with grants totaling $820,000. To date, 26 municipalities have submitted their final plans, and the remaining participants are in the final stages of completing their respective plans.

In FY24, the Board approved the third program year for CEPG. The application window for CEPG was opened in December 2023 and closed in May 2024. With this new round of funding, the Board expanded the criteria for qualifying OBMs to get participation from more towns and extend the geographical distribution of funds. After evaluation of applications, ninety-two (92) municipalities were awarded grants which amounted to a total of $1,145,000 in program funding.

Also in FY24, the Board for the first time offered grant funding to support municipalities' implementation of their completed community energy plans through creation of the CEPI Grant Program. The program was funded from a mix of federal funding through the Energy Efficiency and Conservation Block Grant ("EECBG") and SBC funding. This new offering provided funding necessary for towns to implement clean energy actions on a local level in support of clean energy goals identified in the EMP. The newly created CEPI Grant Program prioritized funding for OBMs and offered them enhanced technical assistance. The application window for CEPI opened in December 2023, and closed in May 2024. The Board and Sustainable Jersey were active in doing outreach to municipalities throughout the State to inform them of the new grant program. Grant awardees were announced in August 2024. Eighteen (18) projects from sixteen (16) different municipalities were chosen for award. Two (2) municipalities received funding for two separate projects. Total funding amounted to $3,400,086.

A notice of funding availability for the fourth round of CEPG has been posted in the NJ Register, and grant applications will be open in June 2025. The grant amounts available to municipalities through the program will remain the same. The application window is anticipated to close in Summer 2025, and applicants selected for award will be announced after applications are reviewed.

Staff are working on the details for the second round of grants provided through CEPI. Details will be announced publicly when they are finalized and approved.

Clean Local Energy Advisory and Resource Fellows

Staff are developing a program that would provide funding for experts in energy and/or stakeholder engagement to collaborate with and provide technical assistance to local entities throughout the state to enhance energy efficiency. By offering valuable resources and expertise, the fellows would support municipalities and other organizations in implementing sustainable practices that benefit both their operations and the wider community, increasing clean energy and increase affordability. Staff anticipate launching this program during FY26.

EMP Strategy 7: Expand the Clean Energy Innovation Economy

This strategy seeks to develop New Jersey's clean energy economy, through workforce training, clean energy finance solutions, and investing in innovative research and development programs. Not only will New Jersey's clean energy goals reduce the risk of climate change, they also present significant opportunities to increase jobs and strengthen the economy.

Multiple EMP Strategies and All Other Programs

Many of the programs offered through the NJCEP address multiple EMP strategies. Additionally, in order to fund salary expenses, marketing, and other essential administrative services for the NJCEP, funding has been allocated to continue to support the below programs.

Planning and Administration

BPU Program Administration

The DCE is charged by the Board with the responsibility for administering the NJCEP. As the administrator of the NJCEP, the DCE is responsible for various program-related matters, including:

1. Developing recommendations to the Board regarding programs to be funded, budgets for those programs, and various matters related to the administration and implementation of the programs;

2. Drafting Board orders memorializing Board decisions and tracking compliance with such orders;

3. Administering the Clean Energy Fund ("CEF") to support all program activity, including:

a. Ensuring compliance with State policy and procedures regarding all payments to and from the CEF for program-related activities;

b. Coordinating with Treasury with regard to financial management and reporting of the NJCEP and reconciliation of the CEF with the rest of the State financial system; and

c. Coordinating the activities of various working groups and stakeholder meetings, including soliciting input regarding programs, budgets, and program administrative matters;

4. Overseeing the activities of the program administrator and the utilities, coordinating with sister agencies such as EDA and NJDEP, and advancing education and outreach efforts, and other issues;

5. Developing reporting guidelines and providing the Board with regular updates regarding program activities;

6. Developing protocols for measuring energy savings and renewable energy generation;

7. Overseeing evaluation and related research activities;

8. Developing program goals, performance indicators, and minimum requirements for program management;

9. Monitoring program activity, reviewing evaluation results, and recommending modifications to programs and budgets as required;

10. Developing requests for proposals to engage program administrators and/or managers, evaluation contractors, consultants, and other contractors that assist with the administration of the programs, evaluating proposals received, and selecting contractors;

11. Facilitating resolution of issues related to program management and customer complaints;

12. Managing the Comprehensive Resource Analysis proceedings to set funding levels; and

13. Managing requests for proposals for program services and related program transition activities.

Marketing

The NJCEP Marketing Plan is designed to enhance knowledge and awareness among businesses, local government, and residents of EE, energy affordability, and other clean energy initiatives and programs. The NJCEP branding campaign, launched in April 2020, continues to build awareness among New Jerseyans and businesses of the clean energy resources available through NJCEP offerings, thereby increasing participation in NJCEP programs. Marketing efforts include consistent and dynamic social media, internet, television, and radio ads, and a sponsorship with the New York Jets and other NJ-based institutions.

The most recent marketing contract ended in December 2024. Staff, on December 18, 2024, received Board approval to release an RFP for marketing and advertising services to vendors on State Contract T3067. The Board approved Staff recommendation to award a contract to the Setroc Group at the April 23, 2025 Board meeting.

Clean Energy Program Website

NJCleanEnergy.com supports the NJCEP's goals by providing information to the public about all of the division's offerings. Following award of a State contract to a winning bidder, a redesigned website will increase public awareness of the benefits of clean and efficient energy and of the incentives and financial assistance available to ratepayers. In addition, it will provide an easy-to-use and navigate platform to make applications more accessible and provide decision portals to allow customers to more easily find the most applicable programs.

The Clean Energy Program website Request for Proposal was issued in March 2024, and the Board approved a vendor on April 23, 2025. Staff anticipate launching the updated website in Q4 of 2025.

Program Evaluation/Analysis

Evaluation and related research provide insights into and analysis of clean energy markets and programs. The BPU is the lead implementing agency for the development and implementation of the EMP and the NJCEP. As such, the BPU is required to track and report on progress in meeting EMP goals, as well as to evaluate current and proposed NJCEP programs in terms of their rate impact and the cost versus benefits of specific programs operated through ratepayer funds. The BPU is also required to establish baselines related to EE, renewable energy generating sources, and emerging technologies, and to evaluate the market potential for current and emerging clean technologies. The BPU has evolved the evaluation framework to include Enhanced and Gold Rigor practices in support of program theory-based evaluations.

NJBPU Memorandum of Understanding with EDA for Contractor Assistance on Federal Clean Energy Grant Opportunities

To support Staff in submitting federal clean energy grant applications and bring as much

federal funding to the State as possible, the Board approved Staff releasing an RFQ on April 17, 2024, to vendors on the State-approved contract. Following the application evaluation period, the Board approved Staff's recommendation to award a contract to McKinsey and Company for federal grant application assistance. As a result, the NJBPU submitted over $700 million worth of applications for federal clean energy grants and has been awarded nearly $400 million in federal funding, including the $156 million Solar For All grant and $182 million in Home Efficiency Rebate funding. The FY25 Clean Energy Fund - Program Evaluation/Analysis budget line was used to fund this work. The NJBPU has received nearly $400 million in federal clean energy grant awards. The initial term of this contract has ended, and Staff are evaluating additional opportunities for federal grant support assistance.

Energy Efficiency

The FY26 NJCEP proposal provides continued funding for evaluation, measurement, and verification ("EM&V") of utility- and State-run EE program outcomes for residential, governmental, and commercial and industrial markets. EM&V provides guidance and feedback to improve the delivery of EE programs, to improve the calculation of savings from the EE programs, and to evaluate the cost-effectiveness of the EE programs, which all support EMP 3.1.3.

EM&V of EE programs is managed by BPU's EE EM&V Working Group ("EM&V WG"), which is comprised of Staff, utilities and their independent evaluators, the NJCEP program administrator, and Rate Counsel. The working group is led by the Statewide Evaluator ("SWE"). The EM&V WG developed a shared EM&V framework which describes the roles, responsibilities, deliverables and processes to execute EM&V.

The EM&V WG evaluates performance indicators, which may include revised utility- and State-specific targets for reductions in energy consumption and peak demand that support the minimum reductions mandated by the CEA. This performance tracking directly aligns with EMP Goal 3.1.1, which calls for implementation of the CEA requirement that electric and gas utilities annually reduce consumption by at least 2% and 0.75%, respectively, including the establishment of clear performance indicators, targets, and EM&V methods.

The EM&V WG determines a list of evaluation studies to be conducted throughout each cycle of EE programs. The studies are managed by the SWE and executed by the CUPR, the EE Evaluation Study Team ("EST") (contracted in FY23 by the BPU to conduct evaluation studies through 2025), and independent utility program evaluators. In FY26, the CUPR will continue to perform and support evaluation studies, including cost-benefit analyses and other evaluations of State-run EE programs, and participate in the EM&V WG.

In FY26, the EST started studies on Equivalent Full Load Hours, Commercial and Industrial Baseline, Net-to-Gross Factors, and Process and Impact Evaluation of the Comfort Partners Program.

The independent program evaluators for the utilities, with oversight by the SWE, conduct ongoing impact and process studies. Impact studies evaluate quantitative performance metrics, such as participation rates and savings. Process studies are qualitative market research studies examining EE program operations, including customer and contractor satisfaction.

Energy Affordability Assessment

The purpose of this project was to evaluate the effectiveness of current assistance programs and residential energy rates to examine the extent to which they protect low- and moderate-income ("LMI") customers from increasing energy burden due to impacts of the clean energy transition. Drawing upon experiences in other jurisdictions, literature studies, and current assistance programs and rates in New Jersey, a consultant working with Staff provided recommendations for policies and programs to provide a progressive and equitable approach to energy costs for LMI households in FY25. Based on these recommendations, Staff published for public comment a Straw Proposal recommending modifications to New Jersey's Universal Service Fund ("USF") program aimed at enhancing affordability and program accessibility for LMI residents in the State and expect to bring its final recommendations to the Board in the near future.

Rutgers University Facilitation of Dual-Use Solar Pilot

In July 2021, Governor Murphy, pursuant to EMP Goal 2.1.8, signed the Dual-Use Solar Energy Act of 2021 (L. 2021, c. 170, "Dual-Use Act"), which directs the Board to adopt rules establishing a Dual-Use Solar Energy Pilot Program ("Pilot Program") for the development of dual-use solar projects on productive farmland (also known as "agrivoltaics"). The Pilot Program is designed to encourage the development of dual-use solar facilities and the creation of a new segment of the solar industry in New Jersey that is compatible with the State's rich agricultural heritage. Specifically, the Pilot Program seeks to demonstrate and study the compatibility of active agricultural or horticultural production and solar photovoltaic infrastructure on the same land/property. Staff engaged the Rutgers Agrivoltaics Program ("RAP") at Rutgers University ("RU") for providing crucial input into the design of the Pilot Program; on May 1, 2023, the Board approved and executed a three-year grant agreement with RAP to facilitate the development and implementation of a Pilot Program.

Throughout 2023, and in close collaboration with the New Jersey Department of Agriculture, the DEP, and other interested stakeholders, the Board conducted robust public engagement to gather input on the implementation of this law.

- On November 9, 2023, a Straw Proposal was issued for public comment, with a corrected version issued on November 21, 2023. Written comments were due on December 13, 2023.
- On November 14, 2023, Staff, in conjunction with RAP, presented an overview of the Straw Proposal at the New Jersey Farm Bureau's annual conference, with approximately 80 attendees including stakeholders primarily from the agricultural

community, academia, and federal, State, and local government.

- On November 29, 2023, Staff held and led a stakeholder meeting, with approximately 129 attendees and 14 participants who provided public comment during the meeting. Staff received 16 written comments, representing 22 entities.
- On June 10, 2024, preliminary draft rules for the Dual-Use Solar Energy Pilot Program were issued for public comment. Written comments were due on June 24, 2024; 18 written comments were received on behalf of 25 entities.

On October 23, 2024, the Board approved a notice of proposal to amend its existing solar energy rules to include the Pilot Program to be codified at N.J.A.C. 14:8-13 as a new subchapter with amendments to the SuSI Program rules set forth at N.J.A.C. 14:8-11. The Pilot Program is designed to provide incentives to agrivoltaics solar facilities as an adder, or an additional financial incentive, to incentives available under the SuSI Program. The approved Notice of Proposal for the Pilot Program was published on December 2, 2024, to the New Jersey Register for a sixty (60)-day written comment period. Staff hosted a virtual information session on the Dual-Use Pilot Program proposed rules on December 17, 2024.

By Board Order on October 23, 2024 and corrected on January 2, 2025, the Board established the Pilot Program. On January 6, 2025, the Board issued a Notice of Incentive Availability ("NOIA"), inviting all interested parties to submit Expressions of Interest ("EOIs") for pre-qualification in the Dual-Use Pilot Program; the deadline for submission of EOIs was February 14, 2025. Staff evaluated the EOIs, in partnership with RU and State agencies including NJDEP and NJDA, and anticipates issuing determination letters to invite full applications to the Dual-Use Pilot Program in the second quarter of 2025.

Memberships

This component of the budget includes funding for sponsoring the National Association of State Energy Offices and the Clean Energy State Alliance, which coordinates efforts among state energy offices, as well as other memberships key to ensuring collaboration and utilization of best practices from other states.

BPU Initiatives

<u>Workforce Development</u>

As the clean energy economy continues to grow in New Jersey, workforce development, technical training and certification opportunities are key components of realizing the State's efficiency, generation, and energy equity goals while providing clean, green jobs to workers in New Jersey. To that end, the BPU funded a New Jersey EE and building decarbonization workforce study conducted by the John J. Heldrich Center for Workforce Development at Rutgers University ("Heldrich Center"). The study report was published in FY24 after rounds of reviews conducted by Staff and the Statewide Evaluator team. The study findings were also instrumental for the BPU-led Training for Residential Energy Contractors ("TREC") $3.51 million formula grant proposal to USDOE and its program design, as well as other initiatives.

In FY24 and FY25, the BPU collaborated with CUPR, the Heldrich Center, NJIT, and NJDOL to develop and submit New Jersey's TREC application. This funding aims to train residential energy contractors to implement work supported by the Inflation Reduction Act. In January 2025, the BPU received a conditional award. In Triennium 1 and continuing into Triennium 2, utility companies are also offering subsidized or no-cost technical training programs for workers to gain credentials, including certifications, which are required for employment in EE and building decarbonization jobs.

Since FY24 and continuing in FY26, BPU and the New Jersey Department of Labor and Workforce Development ("NJDOL") have been collaborating on potential State-funded workforce development initiatives. Following EMP Strategy 7.6, this collaboration includes scoping a Clean Buildings Hub that also aims to involve partnerships with the EDA, utility companies, and other employer contractors to provide employment resources and on-the-job training opportunities for individuals in the clean buildings sector.

An in-person Business and Industry Leadership Team ("BILT") meeting in June 2024, co-convened by NJIT and the NJDOL Industry Partnerships teams, and three more virtual BILT meetings in November 2024, January 2025, and April 2025, respectively, gathered input from workforce development stakeholders (employers, employer associations, training providers, and community-based organizations) regarding barriers and opportunities for EE workforce development and job pipelines in New Jersey. BILT outcomes in FY26 will include focus groups and action teams, as well as further designing and gathering feedback on establishment of a State-run, technical training, jobs, and essential resource center for the EE workforce, providing access to technical training programs, educational resources, and valuable networking opportunities such as BILT. This is in alignment with the Energy Master Plan, which in Strategy 7.6 emphasizes the critical need to establish a "Clean Buildings Hub" for New Jersey to effectively train and educate the construction and building sectors on efficient construction and retrofitting techniques. The EMP also states that the Hub will be instrumental in developing a skilled workforce and fostering a deeper understanding of energy-efficient practices among builders, architects, contractors, engineers, real estate professionals, and code enforcers. In FY25 and FY26, the BPU and the DOL are partnering with the Heldrich Center to evaluate BILT processes and facilitate industry focus team interviews. This evaluation will assess the State's effectiveness in facilitating energy efficiency workforce development goals and will inform mid-course corrections as necessary.

Fiscal Year 2026 Program Budgets

The following table sets out a detailed FY26 budget for programs managed by the DCE:

Program/Budget Line	Total Budget	FY26 Detailed Budget - Cost Category Budgets ($)					
		Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	**426,599,792**	**20,750,000**	**8,673,000**	**750,000**	**333,168,186**	**-**	**63,258,607**
Energy Efficiency Programs	**54,737,827**	**-**	**-**	**-**	**54,737,827**	**-**	**-**
State Facilities Initiatives	**54,675,202**	**-**	**-**	**-**	**54,675,202**	**-**	**-**
Acoustical Testing Pilot	**62,626**	**-**	**-**	**-**	**62,626**	**-**	**-**
Distributed Energy Resources	**6,599,216**	**-**	**-**	**-**	**6,599,216**	**-**	**-**
Microgrids	**731,738**	**-**	**-**	**-**	**731,738**	**-**	
Energy Storage	**5,867,478**	**-**	**-**	**-**	**5,867,478**	**-**	**-**
Transmission -Scale	-	-	-	-	-	-	-
Distributed	**5,867,478**	**-**	**-**	**-**	**5,867,478**	**-**	**-**
RE Programs	**4,346,675**	**-**	**-**	**-**	**-**	**-**	**4,346,675**
Resource Adequacy	**4,346,675**	**-**	**-**	**-**	**-**	**-**	**4,346,675**
Planning and Administration	**66,114,681**	**10,900,000**	**7,923,000**	**-**	**2,629,749**	**-**	**44,661,932**
BPU Program Administration	**10,400,000**	**10,400,000**	**-**	**-**	**-**	**-**	**-**
Marketing	**7,000,000**	**500,000**	**6,500,000**	**-**	**-**	**-**	**-**
CEP Website	**1,423,000**	**-**	**1,423,000**	**-**	**-**	**-**	**-**
Program Evaluation/ Analysis	**44,661,932**	**-**	**-**	**-**	**-**	**-**	**44,661,932**
Outreach and Education	**2,486,844**	**-**	**-**	**-**	**2,486,844**	**-**	**-**
Sustainable Jersey	1,429,980	-	-	-	1,429,980	-	-
NJIT Learning Center	1,056,864	-	-	-	1,056,864	-	-
Memberships	**142,906**	**-**	**-**	**-**	**142,906**	**-**	**-**
BPU Initiatives	**294,801,393**	**9,850,000**	**750,000**	**750,000**	**269,201,393**	**-**	**14,250,000**
Clean Energy Affordability	**70,871,193**	**-**	**-**	**-**	**70,871,193**	**-**	**-**
Community Energy Grants	13,008,268	-	-	-	13,008,268	-	-
Urban Heat Island Mitigation Grants	5,000,000	-	-	-	5,000,000	-	-

Residential Low Income Improvements	3,000,000	-	-	-	3,000,000	-	-
Whole House	3,000,000	-	-	-	3,000,000	-	-
Residential Energy Assistance Payment	48,742,925	-	-	-	48,742,925	-	-
Clean Local Energy Advisory and Resource Fellows	1,120,000	-	-	-	1,120,000	-	-
Grid Modernization Efforts	**15,000,000**	**1,500,000**	-	-	-	-	**13,500,000**
Electric Vehicle Programs	**207,930,200**	**8,100,000**	**750,000**	**-**	**198,330,200**	**-**	**750,000**
Plug In EV Incentive Fund	80,873,200	-	-	-	80,873,200	-	-
CUNJ Administrative Fund	8,100,000	8,100,000	-	-	-	-	-
CUNJ Residential Charger Incentive	5,750,000	-	-	-	5,750,000	-	-
EV Studies, Pilots and Administrative Support	1,500,000	-	750,000	-	-	-	750,000
Clean Fleet	29,157,000	-	-	-	29,157,000	-	-
Multi-Unit Dwellings (Chargers)	31,750,000	-	-	-	31,750,000	-	-
EV Tourism	19,800,000	-	-	-	19,800,000	-	-
Electric School Buses	15,000,000	-	-	-	15,000,000	-	-
School Bus V2G	4,000,000	-	-	-	4,000,000	-	-
MHD Depot	12,000,000	-	-	-	12,000,000	-	-
Workforce Development	**1,000,000**	**250,000**	**-**	**750,000**	**-**	**-**	**-**

*Numbers presented in the above table may not add up precisely to totals provided due to rounding.

New Jersey's Clean Energy Program™
Fiscal Year 2026 Program Descriptions and Budget

Energy Efficiency and Renewable Energy Program Plan Filing

FY26 Compliance Filing

June 30, 2025

[this page intentionally left blank]

Table of Contents

Table References

Acronyms & Definitions

≥ 40% FCs	An FC that can achieve an Efficiency of ≥ 40% < 60%
≥ 60% FC	A FC that can achieve an Efficiency of ≥ 60%
Addendum AP	ASHRAE 90.1-2019, Addendum AP
ADI	Administratively Determined Incentive
App A Programs	The DER, C&I EE, NCP, and DER programs described in Part 1 of this Compliance Filing
Applicant	An applicant to the LGEA Program
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASHRAE Modeling Approach	Whole-building energy modeling used to demonstrate savings beyond code
BD&C	Building Design & Construction
Board or BPU	New Jersey Board of Public Utilities
C&I	Commercial and Industrial
C&I Buildings	The legacy program for C&I new construction
C&I Programs	NJCEP's C&I EE programs
CBA	Cost-benefit Analysis
CEA	New Jersey Clean Energy Act of 2018, N.J.S.A. 48:3-87.8 et seq.
CEC	Clean Energy Champion
CHP	Combined Heat and Power
CHP-FC	Combined Heat and Power – Fuel Cells
Commitment Letter	Letter issued by the NCP to an applicant that includes the amount of incentives committed to a specific project
Compliance Filing	This document
CSPM	California Standard Practice Manual
CTEEP-NC	Customer Tailored Energy Efficiency subprogram for new construction
CZ	Climate Zone
DEEP	Draft Energy Efficiency Plan
DER	Distributed Energy Resources
DOH	New Jersey Department of Health
Dth	A dekatherm, i.e., a unit of heating value equivalent to 1,000,000 British Thermal Units

ECM	Energy conservation measure
EE	Energy efficiency
Efficiency	An annual system efficiency (Higher Heating Value – HHV), based on total energy input and total utilized energy output
EMP	New Jersey's Energy Master Plan
Energy Year	June 1 of a given year through the following May 31. Used primarily for calculating compliance with the RPS.
ERI	Energy Ratings Index
ERP	Energy Reduction Plan
ESIP	Energy Savings Improvement Plan
EV	Electric vehicle
FC	Fuel cell
FEEP	Final Energy Efficiency Plan
FY	Fiscal Year, i.e., July 1 to June 30 of a given year
GATS	Generation Attribute Tracking System
GHG	Greenhouse Gas
GSC	The Garden State Challenge, a pilot program within NCP
ID&C	Interior Design & Construction
IOU	New Jersey's investor-owned gas and electric utility companies
Legacy Programs	The C&I Buildings program, including its subprograms, Smart Start NC, P4P-NC, and CTEEP-NC
LEUP	Large Energy Users Program
LGEA	Local Government Energy Audit Program
LMI	Low- and Moderate-Income
MFNC	Multifamily New Construction
MWh	Megawatt hour
NCP	New Construction Program
NEC	National Electric Code
NJCEP	New Jersey's Clean Energy Program™
OBC	Overburdened Community
P4P-NC	C&I Buildings: Pay for Performance - New Construction subprogram
Part 2 Programs	The programs described in Part 2 of this Compliance Filing

PHI	Passive House Institute
Phius	The organization that certifies building professionals, standards, buildings, and products as Passive House
Plan	NJCEP's Outreach Plan
PV	Photovoltaic
QA	Quality Assurance
QC	Quality Control
RE	Renewable Energy
REC	Renewable Energy Certificate
Review Committee	A committee of policy, technical, and regulatory stakeholders selected by the NCP Program Manager in consultation with Board Staff to review submissions to the GSC
RNC	Residential New Construction
RPS	Renewable Portfolio Standard
SBC	Societal Benefits Charge
SmartStart NC	An equipment-based sub-program of the legacy C&I Buildings Program for new construction
SNFH	Single-Family New Homes
Solar Programs	NJCEP's Solar Registration Programs
SREC	Solar Renewable Energy Certificate
SRP	SREC Registration Program
SuSI	Successor Solar Incentive
tCO2e	Tons of carbon dioxide equivalent
TI	Transition Incentive
Triennium 2	The second three-year cycle of programs implemented pursuant to the New Jersey Clean Energy Act of 2018
UEZ / OZ	Urban Enterprise Zone / Opportunity Zone
WHP	Waste Heat to Power
ZERH	Zero Energy Ready Home

Introduction

This Fiscal Year 2026 ("FY26") compliance filing ("Compliance Filing") presents the program plans, budgets, and anticipated savings of those initiatives of *New Jersey's Clean Energy Program*™ ("NJCEP") administered by TRC[1] for FY26.[2] They include, among other things, the energy efficiency ("EE") programs established pursuant to the New Jersey Clean Energy Act of 2018 ("CEA"),[3] whose Compliance Filings are now synchronized with the EE plans the New Jersey utilities have filed, and will file, pursuant to the CEA.

Administered through the Division of Clean Energy, the NJCEP is a signature initiative of the New Jersey Board of Public Utilities ("Board" or "BPU") providing financial incentives and support for EE technologies, distributed energy resources, and solar renewable energy.

Budgets

FY26 budget information for the programs administered by TRC can be found in Appendix C, Program Budgets.[4]

In addition, "detailed" budget information for the programs administered by TRC during Fiscal Year 2025 ("FY25") can be found in Appendix D, Program Budgets for FY25. Previously, on June 27, 2024, the Board had approved the overall FY25 budget for those programs as well as "detailed" budges for the first six months of FY25.

All budgets set forth in this Compliance Filing are subject to state appropriations law, and all incentive offerings are subject to availability of funds.

The budget information includes, among other things, carryforward amounts, some of which reflect incentive commitments made but not yet paid (Pipeline of Board Approved Projects/Allocations in the FY26 Budget Table). Many EE projects, especially the larger ones with larger incentives, can take two or more years from commitment to final incentive payment because the projects are large and complex. An early incentive commitment is necessary for the applicant to secure the financing to proceed to make the investments necessary to design and construct the project.

Savings Goals

Energy savings projections for the programs administered by TRC can be found in Appendix E, Program Goals and Performance Metrics for FY26.

---

[1] This Compliance Filing only addresses programs implemented by TRC. NJCEP funds are also directed to other state energy programs not implemented by TRC and, therefore, are not addressed in this filing.

[2] It also presents certain detailed budgetary information for FY25 set forth under Budgets below.

[3] N.J.S.A. 48:3-87.8 et al.

[4] The budget for all the new construction programs, including the new "New Construction Program" and the legacy programs transitioning into that new program (see below in main text), will consist of the amount set forth at "New Construction Program."

Cost-Benefit Analyses

Cost-benefit analyses for the programs administered by TRC can be found in Appendix F, Cost-Benefit Analysis.

Key Performance Indicators

Key Performance Indicators for the programs administered by TRC can be found in Appendix G, Key Performance Indicators.

New Jersey's Energy Efficiency Program Transition

The CEA, among other things, requires New Jersey's investor-owned gas and electric utility companies ("IOUs") to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU approved a comprehensive suite of efficiency programs to transition the State to some of the highest energy savings in the country. The "next generation" EE programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the EE programs continue to be administered by NJCEP, but most have been transferred to the IOUs.

The programs that continue to be administered by and through NJCEP are:

1. New Construction Program ("NCP")
2. Large Energy Users Program ("LEUP")
3. Local Government Energy Audit ("LGEA") Program
4. Combined Heat and Power – Fuel Cells ("CHP-FC") Program
5. Solar Registration Programs ("Solar Programs")

Complete descriptions of the above-described programs and their incentives are set out in **Part 1** of this Compliance Filing.

The NCP will in large part replace the following legacy programs: (a) Residential New Construction ("RNC") and (b) Commercial and Industrial ("C&I") Buildings, which has three (3) sub-programs – 1) New Construction ("SmartStart NC"); 2) C&I Buildings: Pay for Performance - New Construction ("P4P NC"); and C&I Buildings; and 3) Customer Tailored Energy Efficiency Program for new construction ("CTEEP NC") (collectively, "Legacy Programs"). The transition from the Legacy Programs to the new NCP is taking place on a publicly announced schedule provided through means other than this Compliance Filing. To the extent applicable during FY26 and beyond, complete descriptions of the Legacy Programs and their incentives are set out in **Part 2** of this Compliance Filing.

As mentioned above, all but one of the programs and program components that were administered by NJCEP prior to FY23 that were to be transitioned to the IOUs (e.g., the now-closed HVAC Program) have now been fully transitioned to the IOUs and have ceased to operate and expend NJCEP funds. The sole exception is the Pay for Performance – Existing Buildings Program ("P4P-EB"), which often has relatively long project timelines, continues to process applications submitted during or prior to FY22, and will continue to pay incentives related to those applications during FY26. The funds for P4P-EB are included in the C&I Buildings Program Budget.

PART 1 (Active Programs)

Commercial and Industrial Energy Efficiency Programs

C&I Buildings: Large Energy Users

Program Purpose and Strategy Overview

The purpose of the Large Energy Users Program ("LEUP") is to foster self-investment in EE and combined heat and power projects for New Jersey's largest C&I non-hospital utility customers. This program was established in 2011 as a pilot following requests from these customers to develop a program specific to their needs and in recognition of their large contribution to the Societal Benefits Charge ("SBC"). These large, sophisticated facilities have unique needs and internal processes which may not align with the structure of other C&I programs with respect to submission criteria or timing. The LEUP offers a more flexible process to these customers, many of whom have engineers on staff, but in turn requires that participating facilities comply with accountability processes to obtain incentives, thus assuring that the desired efficiency is achieved. The program supports various types of large customers spanning the pharmaceutical, higher education, industrial, building management, data center, and other commercial sectors.

Specific design features include:

- Ability to submit multiple projects/buildings under one application;
- Flexible application submission process providing the customer the opportunity to submit up to 3 scopes of work in each program year; and
- Ability to participate in other programs while engaged in LEUP.

Support for Energy Master Plan ("EMP") Goals

The LEUP supports many of the EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall EE).
- Goal 3.3 (Strengthen building and energy codes and appliance standards), especially Goal 3.3.3 (Establish mechanisms to increase building efficiency in existing buildings).

Program Description

Incentives are awarded to customers that satisfy the program's eligibility and program requirements for investing in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's EE, conservation, and greenhouse gas ("GHG") reduction goals. The program relies on eligible customers and their technical consultants to identify and develop qualifying EE projects that they believe will be beneficial for their operations and will meet program criteria as described below. In support of LEUP projects, the Program Manager will provide the following services:

- Budget management and energy savings reporting;
- Review and approval/rejection of all submitted enrollment submittals for program eligibility;

- Review and approval/rejection of all submitted Draft Energy Efficiency Plan ("DEEP") submittals; [5]
- Review and approval/rejection of all submitted Final Energy Efficiency Plan ("FEEP") submittals;
- Technical assistance via email and telephone to assist entities in the proper submission of the required information;
- Updates of data tracking tools to incorporate additional tasks related to this initiative; and
- Incentive processing including issuance of checks and tracking/recordkeeping.

Eligible customers who wish to participate in the LEUP must comply with the standards and criteria below.

Target Markets and Eligibility

The LEUP is available on a first come, first served basis so long as funding is available to existing large C&I buildings that meet the following qualifications:

- Eligible entities must have incurred at least $5,000,000 in annual energy costs (on a pre-sales tax, aggregate of all buildings/sites) during the immediately preceding fiscal year ("FY"). Eligible entities shall be defined as:
    1) Public: having distinct and separate budgetary authority, i.e., a budget used to fund only that entity (e.g., a utility authority);
    2) Public Schools: having distinct and separate budgetary authority, i.e., a budget used to fund only that entity (e.g., a school district); and
    3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey, consistent with the May 3, 2013 Order in Docket No. EO07030203.[6]
- Further, to be considered for incentives, the billed peak demand of each facility included in the DEEP/FEEP must meet or exceed 400 kilowatts ("kW") and/or 4,000 dekatherms ("Dth").[7]
- Finally, the limitations/restrictions listed below, including, among others, the exclusion of hospitals, apply.

Entities interested in applying to participate in the program will submit the following information through form(s) available through the NJCEP website and/or Program Manager:

---

[5] Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEEP.

[6] In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 Through 2012 Clean Energy Program – Revised 2012-2013 Programs & Budgets – Revised Rebate Approval Process, BPU Docket No. EO07030203, Order dated May 3, 2013 ("May 3, 2013 Order").

[7] A dekatherm is a unit of heating value equivalent to 1,000,000 British Thermal Units.

- Number of buildings/sites and list of all associated utility and third-party supplier accounts; and
- Energy cost, billed usage, and number of location or premise IDs as provided by the utility for each account from the previous FY.

Submittal Requirements for Fund Commitment

- Qualifying entities shall submit a FEEP to the Program Manager for existing facilities only. The FEEP must be submitted to the Program Manager for review three (3) months from the date of the DEEP approval letter.

Program Standards

1. All energy conservation measures ("ECM") must meet minimum performance standards ("MPS"), which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
    a. Appendix A to the Large Energy Users Program Guide;
    b. ASHRAE 90.1-2019;
    c. Local code; and
    d. This Compliance Filing's Appendix A, C&I and DER Incentive Caps and General Rules.
2. ECMs must be fully installed no later than 12 months from approval of the FEEP, provided, however, that the Program Manager may allow up to 24 months where special circumstances beyond the reasonable control of the applicant (such as exceptionally large or complex projects or projects experiencing unusually severe supply chain disruptions or personnel shortages) justify such longer period. In addition, up to two (2) extensions may be granted for a period of up to six (6) months with satisfactory proof of project advancement and upon due cause otherwise. Project advancement may be demonstrated through copies of permits, equipment invoices, installation invoices indicating percentage complete, updated project schedules, and similar documents.

Limitations/Restrictions

1. New construction and substantial renovation (also known as gut renovation) projects are not eligible under the program.
2. Hospitals are not eligible for this LEUP.
3. Incentive will be limited to EE measures. The following shall not be included as part of this program:
    a. Renewable energy; and
    b. Maintenance energy saving projects.
4. Incentives shall only be available for ECMs approved in the FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.

5. ECMs already installed or under construction will not be considered for incentives and shall not be included in FEEP. The Program Administrator may waive this restriction on a case-by-case basis using the Board's usual waiver standard.
6. Federal grants/incentives are allowed. Other state grants/incentives are allowed provided they do not originate from NJCEP funds. NJCEP loan funds are allowed. Funds provided by a New Jersey IOU are not allowed. The total of federal, state, and LEUP funding shall not exceed 100% of total project cost.
7. No DEEP or FEEP may have more than 50% of the overall total energy savings coming from lighting and/or lighting controls measures, unless the Program Manager determines the applicant has demonstrated the scope of work is otherwise comprehensive in that it:
    a. Assesses the cost-effectiveness of installing energy conservation measures in each of the following areas in a given building: (i) heating systems, (ii) cooling systems, (iii) ventilation systems, (iv) domestic hot water systems, and (v) building envelopes; and
    b. Implements all cost-effective energy conservation measures identified through the foregoing assessment in a given building or, as to any such measures not implemented, explains why such implementation would not be practicable.

       For example, a scope of work that does not include replacement of a 30-year-old atmospheric boiler would not be allowed to include lighting savings greater than 50% of the total energy savings.

Review and Payment Framework

1. Upon receipt of the FEEP, Program Manager will have sixty (60) days to review each submittal and provide comments to entity.
2. Program Administrator will present FEEPs to Board for approval as required by Board policy and commitment of incentive. The Program Administrator may conduct up to three (3) site inspections per FEEP submission including a pre-inspection at 50% completion and 100% completion, as required.
3. If ECMs are not completed within the specified timeframe, incentive commitment may be forfeited.
4. Entity will provide monitoring and verification ("M&V") data as requested and will comply with any program evaluation activities.

Program Offerings and Incentives

The program will offer a maximum incentive, which will be the lesser of the incentive levels identified in the four (4) bulleted items below:

- 75% of total project(s) cost as identified in the FEEP(s). Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP; and

- For all lighting measures: $0.16/kWh per projected kWh saved annually; for all other measures: $0.33 per projected kWh saved annually; $3.75 per projected therms saved annually, all as identified in the FEEP(s); and
- $4,000,000 per entity per FY, determined by summing the commitments associated with each FEEP approval made during the applicable FY;

  or

- The amount necessary to buy down to no less than a two (2)-year payback. Details regarding this buy down will be set forth in the LEUP Program Guide, LEUP application, and/or similar documents.

The program has a minimum incentive commitment per FEEP of $100,000. Projects with incentives below this threshold will be redirected to other programs. Incentives shall be reserved upon approval of the DEEP. Program funds will be committed upon approval of FEEP by the Program Manager and, if required, by BPU. Incentives shall be paid upon project completion and verification that all program requirements are met. Entities may submit up to three (3) DEEP/FEEPs throughout the program year.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all program participants. All EE plans are reviewed upon receipt to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant-supplied information and Program Administrator-performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre- and/or post- inspections and quality control file reviews will be conducted, as required.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: LEUP Decarbonization Pilot

Program Purpose and Strategy Overview

The purpose of the Decarbonization Pilot is to gauge the potential for energy programs to encourage certain New Jersey non-residential customers to reduce GHG emissions. This proposed pilot is offered as an enhancement to NJCEP's LEUP, which program allows large utility customers to submit a wide range of complex self-directed projects through a single program framework, maximizing the program's effectiveness while minimizing the administrative burden on the customer. However, whereas the LEUP only allows EE projects, the Decarbonization Pilot will incentivize a broader scope of work such as EE, beneficial electrification, electric vehicle ("EV") chargers, storage, and combined heat and power, among others. Unlike traditional EE programs, the Decarbonization Pilot is designed to explicitly target GHG emissions reductions. Prospective projects will be required to include a significant portion of non-EE measures within their overall scope to ensure that the pilot evaluates a broad range of decarbonization technologies.

Support for Energy Master Plan Goals

The Decarbonization Pilot will directly support many of the State's EMP strategies and goals, including, among others, the following:

EMP Code	EMP Goal	Technology
Goal 1.1	Decarbonize the transportation sector	EV Chargers; Other Alternative Fuel Types
Goal 2.3	Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050	On-Site Renewables; CHP/FC
Goal 3.1	Increase New Jersey's overall EE	Energy Efficiency
Goal 4.2	Start the transition to electrify existing oil- and propane-fueled buildings	Beneficial Electrification

Through this pilot, the program aims to:

- Gain better understanding of the effort and cost needed to develop and implement a Decarbonization Plan;
- Analyze the effectiveness of the incentive framework to encourage customers to reduce GHG emissions;
- Determine GHG reduction potential by use case scenario and by technology deployed;
- Determine customer receptivity to decarbonization solutions; and
- Provide a qualitative analysis of the pilot and its potential as a program with a broader mandate.

Program Description

Incentives are awarded to customers that satisfy the pilot's eligibility and requirements for investing in self-directed energy projects that result in GHG reductions, as measured in terms of tons of carbon dioxide equivalent ("tCO2e").[8] The pilot relies on eligible customers and their technical consultants to identify and develop qualifying projects that they believe will be beneficial for their operations.

Target Markets and Eligibility

The pilot will focus on higher education (colleges/universities) customers because their campuses offer a wide range of building types and energy use cases, including, among others, large multi-unit residential (dormitory); one (1)- to four (4)-unit residential housing; classrooms; cafeterias; coffee shops; gymnasiums; student centers; laboratories/research facilities; offices; garages; libraries; auditoriums, vehicle fleets. Higher education customers also allow for opportunities to make deep system changes that could potentially be harder to model in a different setting. This could include more cross-category projects such as demand response/renewables/EVs, whose combined impact would be more difficult to gauge for projects that are not at a contiguous site.

Due to the limited number of customers in the target market sector, this pilot will be open to all existing college/university customers that are accredited[9] institutions that have a multi-building campus. To be eligible, any submission must encompass the entire campus or, if there is more than one campus, may encompass the entire collection of campuses owned or operated by the college/university.

Program Standards

- Eligible customers are required to submit to the Program Manager a Decarbonization Plan, which may be done through a preferred technical consultant. The plan must encompass the entire campus (or collection of campuses if the applicant owns or manages more than one campus) and include all decarbonization solutions that can reasonably be implemented within a three (3)-year period. Additional longer-term solutions may also be included at the customer's discretion.
- Each included decarbonization solution must meet the MPSs of its specific equipment category. The relevant MPS for each such category shall be the most stringent of:
    - Appendix A to the Large Energy Users Program Guide, or
    - ASHRAE 90.1-2019.
- Upon receipt of the Decarbonization Plan, the Program Manager will have sixty (60) days to review the submittal and provide comments to the applicant. In addition to reviewing the anticipated magnitude of GHG reduction, the Program Manager will evaluate the

[8] The method for calculating tCO2e will be set forth in the Program Guide or other program documents.

[9] Please refer to this site for a list of New Jersey's accredited institutions: https://www.nj.gov/highereducation/colleges/schools_sector.shtml

Decarbonization Plan as to the breadth and variety of the proposed scope of work, the expected useful life of the projects within that scope, and general cost effectiveness.

- Upon completion of its review, the Program Manager will reject or approve the Decarbonization Plan, and, if approved, commit the incentive.
- Decarbonization measures must be fully installed no later than three (3) years from the approval of the Decarbonization Plan. The commitment may provide for one (1) or more progress payments to be made during this timeframe to accommodate work as it is completed.
- Up to two (2) extensions may be granted for a period of up to six (6) months for good cause shown. If measures are not completed within the specified timeframe, the related incentive commitment will be forfeited.
- The Program Manager may, in its discretion, conduct site inspections of sites covered by a pending or approved application, including, among others, a pre-inspection and inspections at 50% completion and 100% completion.

- The Program Manager may, in its discretion, require participants to submit M&V data and to otherwise reasonably cooperate with the Program Manager's evaluation of the participant's project and the pilot more generally.

Limitations/Restrictions

- Only those decarbonization measures implemented at existing buildings are eligible for incentives.
- Decarbonization Plans must address more than a single category of equipment (i.e., may not address an EE only project, a solar only project, an EV only project, etc.).
- Solar photovoltaic ("PV") systems may be considered as part of a Decarbonization Plan for the purpose of meeting program requirements, but any financial incentives for solar must be applied for through only the solar programs (i.e., not this Decarbonization Pilot).
- Limitation on lighting savings will be the same as stipulated in LEUP.
- Incentives shall only be available for solutions set forth in the approved Decarbonization Plan. However, for good cause shown, the Program Manager may allow solutions to be added after the initial approval of the Decarbonization Plan.
- Measures already installed or under construction prior to the approval of the Final Decarbonization Plan will not be considered for incentives and shall not be included in the Decarbonization Plan.
- For electric generating equipment, such as CHP, GHG reduction credit will be given only for energy produced and consumed on-site.
- While eligible customers are allowed to participate in other NJCEP or utility programs, it is recommended that all decarbonization solutions be included comprehensively through this pilot. Should a customer choose to participate in another NJCEP or utility program such customer cannot and will not receive incentives from this pilot for the same

equipment.[10] Should a customer nonetheless receive incentives or grants for GHG reductions from another NJCEP or utility program, the customer will be required to quantify and report those reductions to the Program Manager of this Decarbonization Pilot.

- The Board and its contractors reserve the rights in their absolute discretion to deny applications they deem for any reason to be unsuitable for this pilot.
- In the event this pilot receives more applications than permitted by the allocated budget, the Board and its contractors reserve the right to prioritize applications based on geographic location so that participation is spread across the State's investor-owned utilities service territories.

Program Offerings and Incentives

The pilot will offer two incentives:

1. An incentive to offset 100% of the cost of developing the Decarbonization Plan.[11]
    a. This incentive is variable and will require submission of a Proposal, whether from the applicant or its preferred technical consultant, outlining the proposed fees and any other relevant costs associated with developing the Decarbonization Plan. The proposal and final incentive amount are subject to screening and approval by the Program Manager.
    b. Proposals already accepted and/or underway at the time of application to NJCEP are not eligible for this incentive.
2. $1,000 per tCO2e first year reductions based on the amounts set forth in the approved Decarbonization Plan.
    a. This incentive is paid at completion of the approved decarbonization solutions.
    b. As mentioned above, the commitment may in the Program Manager's discretion provide for one or more progress payments.
3. The total of the above incentives will be capped at the lesser of:
    a. 75% of total project(s) cost (estimated or actual, whichever is less). Total project costs include material, labor, and generally accepted soft costs such as engineering and design; or
    b. $5,000,000 per entity per FY for this pilot, determined by summing the commitments associated with an approved Decarbonization Plan that were made during the applicable FY.

Incentives are available on a first come, first served basis so long as funding is available.

---

[10] For the avoidance of doubt: (a) any, and all, solar projects shall be eligible to receive incentives only through the Board's solar program, not through this Decarbonization Pilot; and (b) this Decarbonization Pilot does not in any way restrict its participants' ability to seek or receive federal incentives, tax credits, or loans.

[11] This Pilot is not currently accepting new applications.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all program participants. All Decarbonization Plans are reviewed upon receipt to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of decarbonization measure qualification and incentive calculation. Applicant supplied information and Program Manager performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Pre- and/or post- inspections and quality control file reviews will be conducted, as required.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Local Government Energy Audit

Program Purpose and Strategy Overview

The Local Government Energy Audit Program ("LGEA") Program was launched as part of NJCEP's portfolio in 2008 to provide financial incentives to cover the cost of having an energy audit performed on eligible facilities owned by eligible applicants consisting of municipalities, school districts, 501(c)(3) nonprofits, and other local and state government entities ("Applicant" or "Applicants").

The goal of the energy audit is to provide Applicants with information on how their facilities use energy, identify ECMs that can reduce energy use, and put Applicants in a position to implement the ECMs. The energy audits also help guide Applicants towards appropriate incentive programs to help reduce costs associated with implementing the ECMs.

The program is also used as a means of qualifying applicants for other relevant initiatives, most notably the Energy Savings Improvement Program ("ESIP") and Sustainable Jersey's municipal and school programs. Collaboration with these programs can provide cost-effective benefits to these publicly funded facilities while helping to achieve mutual goals.

Support for Energy Master Plan Goals and Strategies

The LGEA Program will support many of the EMP's strategies and goals, including, among others, the following:

- Goal 1.1.6 (Continue to improve NJ TRANSIT's environmental performance).
- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 3.3 (Strengthen building and energy codes and appliance standards), especially Goal 3.3.5 (Improve energy efficiency in, and retrofit state buildings to, a high performance standard).
- Goal 4.1 (Start the transition for new construction to be net zero carbon), especially Goal 4.1.1 (Electrify state facilities).

Program Description

This program is implemented as follows:

- The Applicant will submit an application to the program identifying basic facility information such as building type, square footage, and recently implemented ECMs, as well as the reason(s) for requesting an energy audit. The Program Manager may, in appropriate cases, assist a potential applicant to prepare an application by, for example, identifying meters or collecting, collating, and uploading utility bills.
    - A case manager will assist the Applicant in determining the audit path that best addresses the Applicant's needs (as described below);

- Available energy audit paths include:
    - ASHRAE Level I audit[12];
    - ASHRAE Level II audit; and

- Add-on scopes as provided for in the LGEA Program Guide or application materials (e.g., a more detailed assessment for Renewable Energy ("RE") systems, an electrification study, or certifying a building as having met ENERGY STAR[13] requirements).[14]

  Each level of audit would also include a high-level feasibility assessment for EV charging stations.
  - When an Applicant is enrolled in LGEA and participating in any NJCEP and/or utility-managed EE programs at the same time for the same facility(ies), the Program Manager will assess the impact the work may have on the energy audit and require the Applicant to take one of the following actions within a determined timeframe, depending on the level of impact:
    - Proceed with energy audit and equipment upgrades (minimal impact);
    - Complete equipment upgrades prior to proceeding with energy audit process or vice versa (moderate impact); or
    - Cancel energy audit application (significant impact).
  - If the initial program eligibility and application requirements have been met and the Applicant is approved to have an energy audit performed under this program, the Program Manager will issue an Approval Letter/Notice to Proceed to the Applicant.
  - In order to provide increased visibility for energy savings project potential, the energy audit scope will include an evaluation of energy related water conservation measures (which may also be included in standard audit scopes), demand response potential, and estimated GHG reduction for each recommended measure.

---

[12] From the ASHRAE Handbook:

Level I – Walk-through Assessment – Assess a building's energy cost and efficiency by analyzing energy bills and conducting a brief survey of the building. A Level I energy analysis will identify and provide a savings and cost analysis of low-cost/no-cost measures. It will also provide a listing of potential capital improvements that merit further consideration, along with an initial judgment of potential costs and savings.

Level II – Energy Survey and Analysis – This includes a more detailed building survey and energy analysis. A breakdown of energy use within the building is provided. A Level II energy analysis identifies and provides the savings and cost analysis of all practical measures that meet the owner's constraints and economic criteria, along with a discussion of any effect on operation and maintenance procedures. It also provides a listing of potential capital-intensive improvements that require more thorough data collections and analysis, along with an initial judgment of potential costs and savings. This level of analysis will be adequate for most buildings and measures.

Level III – Detailed Analysis of Capital-Intensive Modifications – This level of analysis focuses on potential capital-intensive projects identified during Level II and involves more detailed field data gathering and engineering analysis. It provides detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions.

[13] News sources indicate that USEPA may be eliminating the ENERGY STAR program. The Board is closely monitoring this situation and will consider appropriate revisions to NJCEP if and as appropriate."

[14] For the avoidance of doubt, the add-on scope audits must be added on to a standard eligible audit and cannot be a standalone study.

- After verifying all program requirements have been met, the Program Manager will perform the audit, prepare an audit report, and notify the Applicant when the audit report is completed. Additionally, the Program Manager may meet in person or conduct a web/phone conference with the Applicant to discuss audit findings and next steps for implementing measures recommended in the report.

The LGEA will provide audits up to a value of $150,000 per fiscal year, per Applicant.

- In applying the foregoing cap to state entities, LGEA will treat each State Agency and Department as a separate entity but subject the group of State Departments (defined as all those entities using Tax ID: 21-6000928) to an overall cap of $1,000,000 per FY, which overall cap may, with the approval of Board Staff, be increased up to a maximum of $1,500,000.[15]
- For larger Applicants interested in pursuing ESIP (by selecting intent to pursue ESIP on the application), if the audit cost exceeds or is expected to exceed $150,000, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed $300,000.
- For non-profit 501(c)(3) healthcare entities, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed $300,000, so long as the funds exceeding the initial $150,000 would be for auditing facilities designated as hospitals by the NJ Department of Health ("DOH").

Target Markets and Eligibility

LGEA is open to the following eligible entities that contribute to the SBC through either their gas and/or electric utilities:

- "State contracting agency" as defined by N.J.S.A. 52:34-25;
- "Public agency" as defined by N.J.S.A. 52:35A-1;
- Local governments per Local Public Contracts Law (N.J.S.A. 40A:11-1);
- Local governments per Public School Contracts Law (N.J.S.A. 18A:18A-1);
- County colleges per County College Contracts Law (N.J.S.A. 18A:64A-25.1);
- NJ State Colleges or State Universities per State College Contracts Law (N.J.S.A. 18A:64-52); and
- Non-profit charitable organizations per Section 501(c)(3) of the Internal Revenue Code.

Applicants may apply for an energy audit for buildings they own. A building may still be eligible if the Applicant leases the building and provides supporting documentation from the building owner authorizing the energy audit before it is performed.

LGEA is available to buildings never previously audited under the Program, as well as buildings that have received an audit no less than three years earlier. All program requirements must be met in order for an entity to qualify for a second energy audit.

[15] The Tax ID is provided to TRC by the New Jersey Department of Treasury ("Treasury"), which Treasury uses to qualify the State Agency or Department.

New Construction Energy Efficiency Program

New Construction Program

Program Purpose and Strategy Overview

The New Construction Program is designed to increase EE and environmental performance, as well as simplify the customer experience and application process for all new construction buildings in New Jersey, including single family homes, townhomes, multifamily dwellings, commercial buildings, and industrial buildings. The NCP's long-term objective is to transform the new construction market into one in which most new buildings in the State will be "net zero energy."[16]

NJCEP's new construction programs that existed prior to the launch of the present NCP[17] consisted of different programs for each market segment. Toward the end of minimizing confusion in the marketplace and barriers to participation, especially for multipurpose buildings, there is a period of transition from NJCEP's legacy new construction to NCP, the schedule for which has been publicly announced by means other than this Compliance Filing.

The NCP is designed to:

1. **Broaden and Expand the Scope of Energy Savings**: Introduces Passive House Institute ("PHI") and Phius standards.[18] Eliminates single-measure incentives and instead requires a bundle of at least two ECMs to drive deeper energy savings. Includes a rigorous and sophisticated High-Performance Pathway.
2. **Support Electrification and the Reduction of GHG Emissions**: Introduces a GHG reduction initiative that is easy to understand and participate in and which will, among other things, help prepare the market for electrification and decarbonization as outlined in the EMP. This in turn will encourage participation in the Solar Programs.
3. **Create a Single Point of Entry and Eliminate Market Gaps**: Implements a new streamlined program for all new construction buildings that, among other things, eliminates potentially confusing overlaps in the multifamily market and eliminates the need for multiple program applications for mixed-use buildings. Provides an entry point for every type of project from single-family homes incorporating a small bundle of ECMs, to large industrial buildings incorporating many ECMs, calculated through sophisticated modeling.
4. **Optimize Program Process Flow**: In addition to the benefits of the single point of entry described above, the use of well-known, widely used standards and programs sponsored

---

[16] A net zero energy building is one that generates sufficient clean renewable energy to meet its total energy consumption need.

[17] I.e., the RNC, SmartStart NC, P4P-NC, and CTEEP NC Programs. This NCP section will hereinafter refer to each of those expiring programs as "Legacy" programs, e.g., the "Legacy RNC Program."

[18] Passive House Institute is an independent research institute whose mission is to further the development of the Passive House concept. The Passive House concept is described in more detail in the Passive House subsection of the Program Description and Strategy Overview section below. Phius is an organization that certifies building professionals, standards, buildings, and products as Passive House. See https://www.phius.org/.

by third parties, such as Leadership in Energy and Environmental Design ("LEED") and USEPA's ENERGY STAR®, often referred to collectively as "Proxies," simplifies and will increase participation because the processes they use have been refined over the years and because many program participants, their contractor/consultants, or both, are familiar with those processes.

5. **Increase Equity and General Participation**: Provides equitable access to programs for projects located in Low- and Moderate-Income ("LMI") census tracts, income-qualified Affordable Housing,[19] Urban Enterprise Zones/Opportunity Zones ("OZs"), and Overburdened Communities ("OBCs")[20] through enhanced incentives, targeted outreach, and other initiatives.[21] Promotes and supports professional growth among those in the EE and RE industries, especially with regard to LEED and Passive House projects.
6. **Inform Code Development and Support Code Compliance**: By encouraging program participants to achieve deeper energy savings and GHG reductions than do current building energy codes, and by gathering data and experience regarding same, the new program may help to inform and advance the development of future codes.

Support for Energy Master Plan Goals

The NCP will support many of the EMP's strategies and goals, including, among others:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 4.1 (Start the transition for new construction to be net zero carbon).

In addition, the NCP will support the Executive Order 316 target to electrify commercial and residential buildings in an additional 400,000 homes and 20,000 commercial properties, and to make an additional 10% of all LMI properties electrification-ready by 2030.[22]

Target Market and Eligibility

New construction or buildings undergoing substantial renovation (also known as "gut rehab") of all types (e.g., single family, townhome, multifamily, commercial, and industrial) are eligible to participate in the NCP, so long as their utility bills include or will include contributions to the SBC.

---

[19] See the following webpages for the identification of and more information about UEZs, and OZs: New Jersey Opportunity Zones Resource Center (nj.gov), and NJ Division of Taxation - Urban Enterprise Zone. "Affordable Housing" means any housing that an official document identifies as participating in a federal, state, or local affordable housing program. This may also include official documents showing identification from the New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

[20] OBCs are identified in accordance with the Environmental Justice Law. N.J.S.A. 13:1D-157 *et seq.* A list of OBCs is available at https://dep.nj.gov/ej/communities/#:~:text=The%20State%20has%20updated%20mapping,households%20have%20limited%20English%20proficiency .

[21] LMI is defined in consultation with Board Staff and is set forth in the Program Guide, applications, and/or other program documents.

[22] Exec. Order No. 316 (Feb. 15, 2023), 55 N.J.R. 510(a) (Mar. 20, 2023).

The target market for the NCP is builders, developers, and program partners (e.g., program-approved energy consultants, architects, engineers, and Raters,[23] collectively, "Partners").

Any EE measures included in, or as part of, an application to the NCP will not be eligible for incentives under any other NJCEP EE or New Jersey utility-sponsored EE programs.

A substantial renovation project may be eligible for a utility-sponsored EE program, as well as for this NCP. In those circumstances, the applicant will be able to choose which program it will utilize. The applicant submitting such a project will be able to choose only one program to cover a specific ECM or piece of energy efficient equipment, e.g., the applicant can choose to receive an incentive for a heat pump hot water heater from either this NCP or a utility-sponsored program, not from both programs.

Program Description and Delivery Methods

The NCP offers several pathways to earn incentives: **Bundled, Streamlined,** and **High-Performance**. Each pathway includes a different set of Program requirements, and each will provide incentives for projects meeting those requirements. The incentives will largely be calculated based on the square footage of the building covered by the applicant's submission to this NCP. Immediately below is a summary of the requirements for each pathway:

1. The **Bundled Pathway** requires the implementation of a bundle of relatively typical above-code ECMs. Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient building envelope[24] and insulation measures.
2. The **Streamlined Pathway** encourages deeper energy savings than the Bundled Pathway but requires less time and expense than the High-Performance Pathway described below. Although it requires some modeling of ECMs, the modeling is performed in a web-based user interface that requires minimal inputs and generates quick and accurate projected savings.
3. The **High-Performance Pathway** encourages the deepest energy savings by requiring that applicants take a whole-building approach and either exceed code requirements by a certain percentage or meet one of several sets of stringent technical standards set by Proxies for new construction. This pathway largely replaces the Legacy RNC and P4P NC Programs.

Not all pathways are available to all building types. Building types are determined by using the EPA Multifamily New Construction ("MFNC") Program Decision Tree, located in Appendix B, Multifamily Decision Tree. If a building does not fall into the Single-Family New Homes ("SFNH") or MFNC categories, the project will be considered Non-residential for all purposes

[23] A "Rater" is an energy professional who oversees the energy efficiency work completed by participating builders and developers. Raters are typically certified by third party organizations. By way of example, a Rater may be certified (a) as a Home Energy Rating System ("HERS") Provider approved by an EPA-Approved Verification Oversight Organization ("VOO"), or (b) as a Modeler approved by an EPA-Approved Multifamily Review Organization ("MRO").

[24] "Building envelope" is the part of a building that separates conditioned from unconditioned spaces; it includes things such as doors, windows, walls, and siding.

relevant to this NCP section. The table below outlines which pathway(s) may be used by which building type(s):

Table 1: Eligibility for Pathways by Building Type

Program Pathways	Building Type		
	Residential		Non-Residential
	Single Family or Townhome	Multifamily	Non-residential
Bundled	n/a	n/a	Y
Streamlined	n/a	n/a	Y
High-Performance Pathway *Non-Proxy*	n/a	N	Y
High-Performance Pathway *LEED V4.1*	n/a	n/a	Y
High-Performance Pathway *ENERGY STAR*	Y	Y	n/a
High-Performance Pathway *DOE Zero Energy Ready Home*	Y	Y	n/a
High-Performance Pathway: *PHIUS Core, Zero or Core REVIVE 2021; PHI V10 Classic, Plus, or Premium*	Y	Y	Y

Applicants must submit their applications prior to commencing the construction or installation of the measures covered by their applications. Applicants are encouraged to apply prior to or during the early design stage, which will provide a meaningful opportunity for the Program to work with the applicant to achieve deeper savings.

In addition to the above-described pathways, the NCP includes a **Workforce Development** component, described in more detail below. The Workforce Development component provides incentives for the recruitment and training of new energy professionals and Partners to oversee the EE work completed by participating developers and builders, as well as designers and tradespeople with the specialized training and skills to design and install the ECMs.

Partner Network

This market-based Program relies on a network of Partners. Partners work under contract with builders and developers, acting as their "energy expert," and are required to strictly follow Program requirements. Partners must be reviewed and approved by the Program Manager to be allowed to work within the Program. They may be approved to work under a single or several pathways.

Program Requirements

The NCP's several pathways provide New Jersey's builders and developers with a range of participation options to suit different levels of effort and experience with energy efficient design. Minimum energy performance requirements across all pathways are measured from IECC 2018/2021 or ASHRAE 90.1-2016/2019[25] energy code baselines. Therefore, the pathways all result in energy performance better than that required by the applicable IECC or ASHRAE code, i.e., the applicable New Jersey energy codes. The following sets out additional details regarding each pathway.

Bundled Pathway

Applicants applying through this pathway must select from a list of prescriptive measures set forth in the applicable Table 2 or Table 3 below.[26] Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient envelope and insulation measures. To qualify for an NCP incentive, an applicant must select a minimum of two (2) measures from the Bundled Pathway Credits Table applicable to its Climate Zone ("CZ") and meet or exceed the applicable Minimum Points Required for its building type, as set forth in the applicable table. The Program Manager may modify either or both of the foregoing requirements for any type of building for which only a single type of measure (e.g., only a heat pump water heater) can be implemented.

[25] Unless otherwise expressly set forth in this NCP section, 2018/2021 and 2016/2019 means whichever is applicable dependent on the date of the project's building permit.

Table 2: Bundled Pathway Credits, CZ 4A

Bundled Pathway Credits, Climate Zone 4A											
Measure ID	Energy Credit Abbreviated Title	Addendum AP Section	Dormitory or Retirement	Healthcare	Hotel or Motel	Office	Restaurant	Retail	School or Education	Warehouse or Storage	Other
			Minimum Points Required								
			30	13	12	14	31	24	12	27	13
E02	UA reduction (15%)	C406.2.1.2	24	3	8	7	19	36	4	62	20
E03	Envelope Leakage Reduction	C406.2.1.3	47	6	14	8	24	44	0	77	28
H02	Heating Efficiency *(electric only)*	13.5.2.2.2	4	3	1	2	5	7	2	14	5
H03	Cooling Efficiency	13.5.2.2.3	4	7	7	6	5	7	9	1	5
H05	Ground-Source Heat Pump	13.5.2.2.5	10	11	6	10	13	18	6	×	11
W01	SHW Preheat Recovery	13.5.2.3.1(a)	21	2	7	2	10	7	3	3	7
W02	Heat-Pump Water Heater	13.5.2.3.1(b)	33	1	12	2	8	2	2	1	8
W04	SWH Pipe Insulation	13.5.2.3.2	3	1	2	1	×	×	1	×	2
W05	Point-of-Use Water Heaters	13.5.2.3.3 (a)	×	×	×	3	×	×	2	×	3
W06	Thermostatic Balancing Valves	13.5.2.3.3 (b)	1	1	1	1	1	1	1	1	1
W08	SHW Distribution Sizing	13.5.2.3.5	22	×	8	×	×	×	×	×	×
W09	Shower Drain Heat Recovery	13.5.2.3.6	19	×	6	×	×	×	2	×	9
L06	Light Power Reduction	13.5.2.5.6	2	8	2	8	4	10	9	13	6
Q01	Efficient Elevator Equipment	13.5.2.7.1	5	2	4	5	1	5	6	5	4
Q02	Efficient Kitchen Equipment	13.5.2.7.2	×	×	×	×	27	×	×	×	×

1. Heat pumps providing both space heating and space cooling that meet program requirements may be eligible for credit in both H02 and H03 categories above.
2. "x" means the applicable type of building earns no points for the applicable measure.

Table 3: Bundled Pathway Credits, CZ 5A

Measure ID	Energy Credit Abbreviated Title	Section	Dormitory or Retirement	Healthcare	Hotel or Motel	Office	Restaurant	Retail	School or Education	Warehouse or Storage	Other
			Minimum Points Required								
			33	13	11	16	29	22	12	32	15
E02	UA reduction (15%)	C406.2.1.2	30	4	9	10	26	45	3	74	25
E03	Envelope Leakage Reduction	C406.2.1.3	65	7	19	13	33	56	1	92	36
H02	Heating Efficiency *(electric only)*	13.5.2.2.2	5	4	2	5	8	10	3	21	7
H03	Cooling Efficiency	13.5.2.2.3	3	5	5	4	3	4	6	1	3
H05	Ground-Source Heat Pump	13.5.2.2.5	13	11	8	15	14	19	7	×	13
W01	SHW Preheat Recovery	13.5.2.3.1 (a)	22	2	8	2	11	7	3	2	7
W02	Heat-Pump Water Heater	13.5.2.3.1 (b)	36	1	13	2	9	2	2	1	8
W04	SWH Pipe Insulation	13.5.2.3.2	3	1	2	1	×	×	1	×	2
W05	Point-of-Use Water Heaters	13.5.2.3.3 (a)	×	×	×	2	×	×	3	×	3
W06	Thermostatic Balancing Valves	13.5.2.3.3 (b)	1	1	1	1	1	1	1	1	1
W08	SHW Distribution Sizing	13.5.2.3.5	23	×	8	×	×	×	×	×	×
W09	Shower Drain Heat Recovery	13.5.2.3.6	20	×	7	×	×	×	2	×	10
L06	Light Power Reduction	13.5.2.5.6	2	8	2	8	3	8	9	11	6
Q01	Efficient Elevator Equipment	13.5.2.7.1	5	2	4	5	1	5	6	4	4
Q02	Efficient Kitchen Equipment	13.5.2.7.2	×	×	×	×	26	×	×	×	×

1. Heat pumps providing both space heating and space cooling that meet program requirements may be eligible for credit in both H02 and H03 categories above.
2. "x" means the applicable type of building earns no points for the applicable measure.

By way of example, an applicant constructing a dormitory in CZ 4A and implementing only Measure ID E03 (Envelope Leakage Reduction) would earn 47 points but would not qualify for an incentive because it failed to select the required minimum of two measures. However, if the applicant added Measure ID H02 (Heating Efficiency (*electric only*)), it would qualify because it was implementing the required minimum of two measures and earning 51 points, an amount greater than the 30 Minimum Points Required.

The NCP incorporates, by reference, the requirements for each measure as set forth in ASHRAE 90.1-2019, Addendum AP ("Addendum AP"),[27] the document from which the above Tables were drawn.[28]

Streamlined Pathway

For an applicant utilizing this pathway, the Program will provide access to, through an online portal or similar means, a relatively simple modeling tool, Sketchbox, to enter data about its project and the project's ECMs.[29] The applicant will be eligible for NCP incentives if Sketchbox calculates that the ECMs will achieve site energy savings at least 5% above code.

[remainder of this page intentionally left blank]

[27] As approved by the ASHRAE Standards Committee on July 20, 2022; by the ASHRAE Board of Directors on August 15, 2022; by the Illuminating Engineering Society on September 8, 2022; and by the American National Standards Institute on September 9, 2022. If Addendum AP is updated or otherwise revised, the relevant sections of this Compliance Filing (including, without limit, the tables above) may, with the approval of Board Staff, be revised to reflect such updates or other revisions.

[28] The Tables in this Compliance Filing do not include every measure included in Addendum AP. For the avoidance of doubt, NCP incentives will not be paid for measures that are not included in the Tables in this Compliance Filing. In addition, the applicable Program Guide may further limit the scope of equipment eligible for incentives.

[29] Sketchbox estimates performance by incorporating select rules from both ASHRAE 90.1-2016/2019, Section 11 (Energy Cost Budget Method) and Appendix G of ASHRAE 90.1-2016/2019 (Performance Rating Method).

The following types of buildings are currently capable of being entered into Sketchbox and are thereby potentially eligible for incentives through this pathway[30]:

Table 4: Building Types Eligible for Streamlined Pathway

Automotive facility	Manufacturing facility
Convenience store	Motel
Convention center	Museum
Dining: bar lounge/leisure	Office
Dining: cafeteria/fast food	Parking garage
Dining: family	Penitentiary
Exercise center	Performing arts theater
Gymnasium	Religious building
Health-care clinic	Retail
Hospital	School/university
Hotel	Transportation
Library	Warehouse

Further, the Program Guide[31] and/or other Program documents may limit eligibility beyond the requirements set forth in this Compliance Filing. By way of example, buildings with more than three (3) building shells and/or with different types of HVAC systems are required to seek and obtain the Program Manager's approval to participate in this pathway, and certain conditions may be imposed on the application. In addition, the Program documents may impose stricter requirements for certain ECMs than those set forth in this Compliance Filing, including, among others, those related to natural gas equipment.

Eligible measures in this pathway include, for example, reduced lighting power density, improved HVAC equipment efficiency, improved vertical fenestration U-value, air-side economizer, depth of vertical fenestration overhangs, and demand-controlled ventilation.

Each project must address each of the following building systems: envelope, heating, cooling, and lighting. The Program Manager may, however, grant exceptions to substantial renovation projects for which the applicant establishes that it sufficiently considered eligible measures for the subject system but reasonably determined it would not be practicable to implement any measures for that

[30] If Sketchbox is updated or otherwise revised, the table of eligible building types may, with the approval of Board Staff, be revised to reflect such updates or other revisions.

[31] The Program Guide is a document that provides guidance regarding applying to and complying with the program; it can be accessed through https://njcleanenergy.com/.

system. The Program Manager may also exempt buildings that are not heated from the requirement to include a heating measure and buildings that are not cooled from the requirement to include a cooling measure.

High Performance Pathway

Applicants applying through this pathway must either (a) perform whole-building energy modeling to demonstrate savings beyond code ("ASHRAE Modeling Approach") or (b) have their project building certified through well-known, nationally recognized Proxies, all as described in more detail below.

ASHRAE Modeling Approach (aka "non-Proxy")

The ASHRAE Modeling Approach requires applicants to optimize a project's design by using approved energy modeling software to evaluate the savings from ECMs as compared to a design that merely meets the applicable baseline building code. The list of approved software will be based on the software requirements outlined in ASHRAE 90.1, Section 11 or Appendix G of ASHRAE 90.1, it may also include other software approved by the Program Manager.

An applicant must develop a Proposed Energy Reduction Plan ("ERP") for each project. The Proposed ERP must detail a set of measures that will achieve the minimum performance target; it is subject to review and approval by the Program Manager. After the ERP is approved, the applicant must construct its project and provide an As-Built ERP, along with a Commissioning Report,[32] to demonstrate that the ERP measures are installed and functioning.

The minimum performance target is 5% site energy savings compared to the baseline. The model baseline is established using Appendix G of ASHRAE 90.1-2016/2019. Measures must be modeled as interactive improvements to the baseline in Appendix G of ASHRAE 90.1-2016/2019.

Each project must address each of the following building systems: envelope, heating, cooling, and lighting. The Program Manager may, however, grant exceptions to substantial renovation projects for which the applicant establishes that it considered measures for the subject system but reasonably determined it would not be practicable to implement any measures for that system. The Program Manager may also exempt buildings that are not heated (e.g., a refrigerated warehouse) from the requirement to include a heating measure and buildings that are not cooled (e.g., an unrefrigerated warehouse) from the requirement to include a cooling measure.

LEED

Applicants using this approach must submit documentation establishing that (a) they have satisfied the requirements for LEED certification utilizing either the V4.1 Building Design & Construction ("BD&C") or the Interior Design & Construction ("ID&C") rating systems, and (b) their projects achieve the minimum point values for *EAc2 Optimize Energy Performance Points for Option 1*, as shown in Table 5 below.

[32] An As-Built ERP depicts the ECMs as they were actually installed as compared to what was in the ERP; a Commissioning Report reports the steps taken to test and, if necessary, adjust the ECMs to confirm they are operating and performing as designed.

Table 5: LEED Point Requirements.

LEED Point Requirements	
LEED 4.1 Rating System	**Minimum Requirement for EAc2: Optimize Energy Performance**
BD+C: New Construction	4
BD+C: Core & Shell	4
BD+C: Major Renovation	4
BD+C: Schools	4
BD+C: Retail	4
BD+C: Data Centers	4
BD+C: Warehouses & Distribution	4
BD+C: Hospitality	4
BD+C: Healthcare	4
ID+C: Commercial Interiors	14
ID+C: Retail	14
ID+C: Hospitality	14

US EPA ENERGY STAR Program

Applicants using this approach must submit documentation establishing that they have satisfied the requirements for ENERGY STAR certification utilizing the applicable ENERGY STAR program, either the SFNH or the MFNC Program, subject to the restrictions and conditions set out below.[33] For buildings and projects using this approach, the Decision Tree set forth in this Compliance Filing at Appendix B, Multifamily Decision Tree, will be used to determine which ENERGY STAR Program governs the application.

ENERGY STAR SFNH Program

Applicants must satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the Energy Ratings Index ("ERI"). Compliance will be based upon ENERGY STAR Version 3.2.

ENERGY STAR MFNC Program

Applicants must satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathways. The applicant can choose to base its application on compliance with either ENERGY STAR MFNC Version 1.1 or ENERGY STAR MFNC Version 1.2. Projects using ENERGY STAR MFNC Version 1.1 and following the ERI path must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline. Projects following the ASHRAE path must demonstrate at least 15% site energy savings as compared to the ASHRAE 90.1-2019 baseline.

[33] For the avoidance of doubt, projects that choose to utilize ENERGY STAR's Prescriptive Path(s) are not eligible for NCP incentives at this time.

US DOE Zero Energy Ready Home ("ZERH") Program

Applicants must satisfy the requirements for the ZERH certification following the applicable version of the program, which is determined in accordance with the DOE ZERH – Program Versions and Implementation Timelines currently available here: https://www.energy.gov/eere/buildings/doe-zero-energy-ready-home-zerh-program-requirements. Projects whose building permits are issued under IECC 2021 and whose submissions are based upon compliance with ZERH Version 1 must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline or at least 15% site energy savings as compared to the ASHRAE 90.1-2019 baseline.

Passive House

PHI and Phius have developed design principles for attaining a rigorous EE level while also creating comfortable indoor living spaces. Passive House focuses on continuous insulation, airtight construction, optimized windows, balanced ventilation, and minimal mechanical systems. PHI and Phius facilitate electrification of the entire building. Applicants using this approach must submit documentation establishing that they have satisfied the requirements of either (a) PHI Classic, Plus, or Premium Version 10 or (b) Phius Core 2021, Phius Zero 2021, or Phius Core Revive 2021.

Incentives

Project Incentives

Project incentives are as set forth in Table 6 and Table 7, subject to the Notes immediately below the tables. Incentives will be paid after construction/installation has been completed, the as-built documentation and construction have been approved by the Program Manager, and any applicable NJCEP QA/QC has been successfully completed.

Table 6: Base and GHG Reduction Incentives for the Bundled, Streamlined, and High-Performance Pathways

Incentives			
Pathway	Incentive Rate ($/sqft)	GHG Reduction Bonus	
		Tons CO2e per kSF	$/sqft
Bundled	$0.25	n/a	n/a
Streamlined	$0.50	0.7 - 0.99 tons 1.0 - 1.99 tons 2.0 - 2.99 tons 3.0+ tons	$0.25 $0.50 $1.00 $1.50
High-Performance *Non-Proxy*	$1.00		
High-Performance *LEED V4.1*	$1.00		
High-Performance *ENERGY STAR*	$1.00		
High-Performance *DOE Zero Energy Ready Home*	$1.75		
High-Performance (choose one): *PHIUS Core 2021* *PHIUS Zero 2021* *PHIUS CORE REVIVE 2021* *PHI Classic V10* *PHI Plus V10* *PHI Premium V10*	$2.50		

Table 7: Additional Incentives for the Bundled, Streamlined, and High-Performance Pathways

Incentives			
Pathway	Additional Incentive Rate ($/sqft)		
	Affordable Housing/OBC (residential)	UEZ/OZ/OBC (non-residential)	Industrial/High Energy Intensity (non-residential)
Streamlined	n/a	+ $0.15	+ $0.60
High-Performance	+ $0.25	+ $0.25	+ $1.00

Notes to Table 6 and Table 7:

For Single Family Homes and Townhomes:

1. The minimum floor for calculating incentives will be 2,000 square feet ("sqft"), even if the subject home is less than 2,000 sqft. By way of example only, a 1,500 sqft home that qualified for an ENERGY STAR incentive would be paid a base incentive of $2,000 (2,000 sqft x $1/sqft). It might also be eligible for a GHG reduction incentive or Additional Incentive, each of which would, if earned, be calculated as if the home were 2,000 sqft.

2. The maximum ceiling for calculating incentives will be 4,000 sqft, even if the subject home is greater than 4,000 sqft. By way of example only, a 5,000 sqft home that qualified for an ENERGY STAR incentive would be paid a base incentive of $4,000 (4,000 sqft x $1/sqft). It might also be eligible for a GHG reduction incentive or Additional Incentive, each of which would, if earned, be calculated as if the home were 4,000 sqft.

Workforce Development Reimbursement

The Workforce Development Incentive offers up to 100% reimbursement for successful completion of pre-approved trainings and certifications for persons who live in New Jersey, whose principal place of work is in New Jersey, or who have another nexus to New Jersey, which has been approved by the Program Manager.

The Program will reimburse up to $2,000 per person per course, with a limit of two (2) courses per person per fiscal year. Eligible certifications are described below in Table 8; specific courses related to those certifications will be eligible for reimbursement only if the Program Manager has approved the specific course prior to the application for reimbursement.

Table 8: Eligible Certifications

AEE Certified Building Commissioning Professional (CBCP)	PHI Certified Passive House Tradesperson
ASHRAE Building Energy Modeling Professional (BEMP)	Phius Certified Builder (CPHB)
ENERGY STAR New Homes or MFNC Rater Certification	Phius Certified Consultant (CPHC)
IGSHPA Accredited Installer (AI)	Phius Certified Rater
IGSHPA Certified GeoExchange Designer	Phius Certified Verifier
LEED AP (BD+C and IC+C only)	RESNET HERS Modeler
LEED Green Associate	RESNET HERS Rater
PHI Certified Passive House Designer	RESNET HERS Rating Field Inspector (RFI)
The Program Manager may consider other courses and certifications on a case-by-case if the applicant can demonstrate that the course or certification will support participation in the NCP.	

Cooperative Marketing

The Cooperative Marketing Incentive offers cost-sharing for pre-approved advertising placed by contractors participating in the New Construction Program. The cost sharing is 50% of the cost of advertising, which may consist of print (newspaper, magazine, newsletter), yellow pages, direct mail, television, radio, web banner (digital), signage, billboard, and social media. In addition, other types of advertising may be approved on a case-by-case basis, if the applicant can demonstrate its relative cost-effectiveness and benefits to NJCEP. The FY cap per Partner is $50,000. Partners seeking to utilize the program should contact coop@NJCleanEnergy.com.

Expirations & Extensions

The Program will issue commitment letters that include the amounts of incentives committed to specific projects ("Commitment Letters"), in accordance with schedules and procedures set forth in other Program documents. The incentive commitments will be valid for one (1) year for Bundled Pathway projects and three (3) years for Streamlined and High-Performance Pathway projects, in all cases measured from the date of the Commitment Letter. The Program Manager may, for good cause shown, extend the initial commitment period for up to two (2) additional six (6)-month periods. Further, the Program Administrator may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Manager is authorized to approve.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all NCP applications. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of measure qualification and incentive calculation. Applicant supplied information and project technical data are entered into a database. Electronic files are created for all documents and for ongoing project correspondence.

The Program Administrator quality control staff will perform and/or oversee pre- and post-construction inspections, conduct technical reviews of submissions, and perform file reviews on a sampling of applications prior to incentive payments, based upon pre-determined, random sampling percentages, which may account for the applicant's, or its contractors/consultants', track record with the Program.

TRC will utilize the Contractor Remediation Procedures, as necessary or appropriate, to address significant performance or other problems.

Distributed Energy Resources

Overview

NJCEP promotes several categories of Distributed Energy Resources ("DER") to assist in increasing market activities that will increase overall combined electricity delivery system efficiency, reduce overall system peak demand, further the use of emerging and renewable technologies, reduce emissions, and provide cost-effective reliability solutions for New Jersey while supporting the State's EMP.

Combined Heat and Power - Fuel Cell

Program Purpose, Strategy, and Description

This NJCEP Combined Heat and Power – Fuel Cell ("CHP-FC") Program offers incentives for Combined Heat and Power and Fuel Cell projects.

For the purposes of this program, Combined Heat and Power is defined as follows:

- Combined heat and power ("CHP"), also known as cogeneration, is the production of electricity and useful thermal energy from a single source fuel. Useful thermal energy means energy in the form of direct heat, steam, hot water, or other thermal form that is used for heating, cooling, humidity control, process use, or other valid thermal end-use energy requirements, and for which fuel or electricity would otherwise be consumed. Bio-power and partial bio-power projects that meet these criteria are considered to be CHP projects for Program purposes.

Waste Heat to Power ("WHP") projects that comply with the following definition are treated as CHP projects by the program:

- Waste heat to power is the process of capturing waste heat discharged as a byproduct of an industrial process and using that heat to generate power. In this configuration, a source fuel is first used to provide thermal energy to meet load requirements of a process or system (i.e., not deliberately creating excess thermal energy for the purpose of electricity generation). The byproduct of this process is heat that would otherwise be wasted to the atmosphere. The waste heat is then repurposed to produce electricity, as opposed to, directly consuming additional fuel for this purpose.

Projects meeting the definitions of CHP (including, among other things, WHP CHP projects) above are collectively referred to as CHP projects in the remainder of this Compliance Filing.

For the purposes of this program, fuel cells are not considered to be WHP or CHP.

For the purposes of this program, fuel cell ("FC") is defined as follows:

- Power plants that produce electricity through an electrochemical reaction with a fuel source.

FCs are further broken down between "≥ 60% FCs" that can achieve an annual system efficiency of ≥ 60% (Higher Heating Value – HHV), based on total energy input and total utilized energy output (Efficiency) and "≥ 40% FCs" that can achieve an Efficiency ≥ 40% < 60%.

CHPs and FCs are all eligible for incentives through this program as set forth in more detail below.

Support for EMP Goals and Strategies

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 2.1 (100% clean power by 2050), especially Goal 2.1.6 (Develop mechanisms to compensate distributed energy resources for their full value stack at the regional and federal level).

Target Market and Eligibility

This CHP-FC Program is open to all New Jersey C&I utility customers paying into the SBC. Applications are reviewed and funds are committed on a first come, first served basis provided all program requirements are met. CHP-FC systems that receive funding from the Energy Resiliency Bank will not be eligible for incentives through NJCEP.

Equipment Eligibility

Natural gas, hydrogen, biogas, and mixed fuel (e.g., natural gas and biogas) CHP-FC equipment, as well as FC equipment using any fuel that is installed on the customer side of the utility meter, is eligible for incentives. For the avoidance of doubt, 100% renewable fueled projects, including biogas and landfill gas-fueled projects that meet CHP-FC Program criteria, are also eligible to receive incentives.

To qualify for incentives, CHP and FC projects must meet all the following eligibility criteria:

- Equipment must be new, commercially available, and permanently installed. Expansion of an existing system with new equipment is also eligible. However, only the incremental expansion would be eligible for incentives;
- Systems must operate a minimum of 5,000 full load equivalent hours per year (i.e. run at least 5,000 hours per year at full rated KW output). Board Staff may grant exceptions to the minimum operating hours requirement for Critical Facilities (as identified in the CHP Incentives section of this Compliance Filing), provided the proposed system operates a minimum of 3,500 full load equivalent hours per year and has islanding capability;
- All FC project submissions must include documentation that the purchase price includes at least one stack upgrade at no additional cost to the customer/applicant so that the equipment's maximum useful life is realized;
- All project submissions must contain specific cost data for providing the unit with blackstart/islanding capability regardless of whether the project will have that capability; and
- Installations of multiple systems planned for the same site within a twelve (12) month period must be combined into a single project.

To qualify for incentives, CHP projects must also meet all the following eligibility criteria:

- The CHP system must achieve an annual system efficiency of at least 60% (Higher Heating Value – HHV) based on total energy input and total utilized energy output. Mechanical energy may be included in the efficiency evaluation; and
- Waste heat utilization systems or other mechanical recovery systems are required for CHP projects. New electric generation equipment which captures waste heat or energy from existing systems is also allowed.

To qualify for incentives, FC projects must also meet the following eligibility criteria:

- FC systems must achieve an annual electric system efficiency of at least 40% (HHV) based on Net Useful Electric Power plus Net Useful Thermal Production (if any) divided by the Total Fuel Input at HHV.

Third party ownership (or leased equipment), such as procured under Power Purchase Agreements, is permitted within the program with the following provisions:

- In order to ensure the equipment remains on site and operational for the term of the agreement, a binding agreement is required between the parties. A copy of this agreement shall be provided to the Program Manager prior to commitment of incentives. The agreement should state that the equipment could be transferred to new owners should the property be sold or otherwise have a buyout provision such that the equipment remains on site and stays in operation. Only permanently installed equipment is eligible for incentives and must be physically demonstrable upon inspection prior to receiving an incentive. This can be demonstrated by electrical, thermal, and fuel connections in accordance with industry practices for permanently installed equipment and be secured to a permanent surface (e.g., foundation). Any indication of portability, including but not limited to, temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer, or platform will deem the system ineligible;
- The customer/applicant will be allowed to sign over the incentive to the third-party owner. A valid project cost shall be demonstrated as part of the application in order to establish an appropriate incentive level; and
- All other program rules apply.

Not Eligible for CHP-FC Incentives

The following types of generating systems/equipment are not eligible for this CHP-FC Program:

- Used, refurbished, temporary, pilot, demonstration, or portable equipment/systems;
- Back-up generators (systems intended for emergency or backup generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

<u>Manufacturer Diversity Caps for ≥ 40% FCs</u>

During FY26, new incentive commitments for projects primarily involving equipment from any single ≥ 40% FC manufacturer are capped at $5,000,000. By way of example, if during FY26

applicants A, B, C, and D have each been issued a $1,250,000 commitment for ≥ 40% FC projects using equipment primarily supplied by manufacturer Y, no further commitments would be issued during FY26 for ≥ 40% FC projects using manufacturer Y's equipment.

Board Staff may approve exceptions to the above caps on a case-by-case basis if it determines that doing so is necessary to ensure full use of the current FY's FC and/or CHP-FC budgets.

Feasibility Studies

CHP and ≥ 60% FCs are eligible for incentives for having completed and submitted to NJCEP a feasibility study. To be eligible for an incentive, the applicant must first submit its proposal for the feasibility study and have such proposal approved by the Program Manager. The applicant must also submit the completed study itself, along with proof of its cost. The Program Manager will approve the proposal and final submittal only if it determines that that each is technically sound and is at a reasonable cost. Additional requirements are outlined in the Program Guidelines.

Incentives

Incentives vary based on CHP-FC technology, fuel source, type, the presence or absence of heat recovery, project size, and total project cost. Details on qualifying technologies and available incentives can be found in the Tables below in this Incentives subsection.

Applicants will not be allowed to receive incentives for the installed generation equipment from other available SBC-funded programs or from the Energy Resilience Bank. CHP-FC projects will be evaluated on a per site basis and incentives awarded accordingly. For the avoidance of doubt, if at any time prior to system installation and operation a project is cancelled or abandoned, the incentive funds paid to date must be promptly returned to NJCEP.

<u>Feasibility Study Incentive for CHP and ≥ 60% FCs Only</u>

75% of the cost of the study, capped at an incentive of $75,000 and payable upon NJCEP approval of the completed study. This incentive would, among other things, count towards all other applicable NJCEP caps.

[remainder of this page intentionally left blank]

Other CHP-FC Incentives

Table 9: CHP-FC Technology and Incentive Levels

Eligible Technology	Size (Installed Rated Capacity)	Incentive ($/Watt) [5]	% of Total Cost Cap per project	$ Cap per project
CHPs powered by non-renewable or renewable fuel source, or a combination[4]: • Gas Internal Combustion Engine • Gas Combustion Turbine • Microturbine ≥ 60% FCs	≤500 kW[1]	$2.00	30-40%[2]	$2 million
	>500 kW – 1 MW[1]	$1.00		
	>1 MW – 3 MW[1]	$0.55	30%	$3 million
	>3 MW[1]	$0.35		
≥ 40% FCs	All of the above[1]	Applicable amount above	30%	$1 million
WHPs[3] Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g., steam turbine)	≤1 MW[1]	$1.00	30%	$2 million
	>1 MW[1]	$0.50	30%	$3 million

1. Incentives are tiered, which means the incentive levels vary based upon the installed rated capacity, as listed in the chart above. For example, a 4 MW CHP system would receive $2.00/watt for the first 500 kW, $1.00/watt for the second 500 kW, $0.55/watt for the next 2 MW, and $0.35/watt for the last 1 MW (up to the caps listed).
2. The maximum incentive will be limited to 30% of total project. This cap will be increased to 40% where the recovered heat is used in a cooling application (e.g., absorption chiller) at the facility at which the CHP-FC system is located.
3. Projects installing CHP with WHP will be eligible for incentives shown above, not to exceed the lesser of percent per project cap or dollars per project cap of the CHP. Minimum efficiency will be calculated based on annual total electricity generated, utilized waste heat at the host site (i.e., not lost/rejected), and energy input.
4. Systems fueled by a Class 1 renewable fuel source are eligible for a 30% incentive bonus (additional to the incentives calculated in accordance with the table immediately above). If the fuel is mixed, the bonus will be prorated accordingly. For example, if the mix is 60/40 (60% being a Class 1 renewable), the bonus will be 18%. This bonus will be included in the final partial payment, based on system performance and fuel mix consumption data.

5. All CHP-FC systems incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above).
6. The incentive bonuses described in the notes above shall count towards neither the % of Total Cost Cap per project nor the $ Cap per project, in each case as included in Table 9: CHP-FC Technology and Incentive Levels.

Table 10: CHP-FC Incentive Payment Schedule (other than for Feasibility Studies)

1st – Purchase	2nd – Installation	3rd - Acceptance of post-installation data
30%	50%	20%

1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on 12 months of continuous operating data submitted within 18 months of installation, with the foregoing deadline being subject to being extended for six (6) additional months by the Program Manager upon the request of the applicant submitted prior to the expiration of the deadline and for good cause shown.
2. Regarding the third incentive, if all other required performance thresholds are achieved:
    a. And the total annual net kWh generated is ≥80% of that specified in the Program-approved application, the full third incentive is earned.
    b. But the total annual net kWh generated is ≥50% but <80%, of that specified in the Program-approved application, the amount of the third incentive earned is reduced proportionately by the ratio of actual total annual net kWh generated to the approved application total annual net kWh generated.
    c. But the total annual net kWh generated is <50% of that specified in the Program-approved application, no third incentive is earned.

Quality Control Provisions

Quality control provisions are designed to ensure that systems that receive incentives are operating as expected and providing the desired benefits to the State. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and Program Administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Renewable Energy

Solar Registration Programs

Program Purpose and Strategy Overview

New Jersey's solar policies and Renewable Portfolio Standards ("RPS") have been established through legislation and implemented mainly through regulations and Board Orders. NJCEP's Solar Renewable Energy Certificate ("SREC") Registration Program ("SRP") was designed to meet the goals and objectives of the regulations in place at the time of its design. In 2020, the Board proposed and adopted regulations establishing a solar Transition Incentive ("TI") Program to provide a bridge between the legacy SRP and the then soon to be established Successor Program. In 2021, the Board proposed and adopted additional regulations establishing the Successor Solar Incentive ("SuSI") Program. The SuSI Program is comprised of two (2) sub programs: 1) the Administratively Determined Incentive ("ADI") Program; and 2) the Competitive Solar Incentive ("CSI") Program, which CSI Program's application portal was opened to new applications on April 15, 2023. In 2024, the Board approved the addition of a new segment to the ADI program for Remote Net Metered facilities. On October 23, 2024, the Board launched the Dual Use Pilot Program that would allow dual use of certain land for both farmland and solar generation, in accordance with the Dual Use Act, L. 2021, c. 170; N.J.S.A. 48:3-87.13 *et seq.*

Support for EMP Goals and Strategies

The Solar Programs support many of the EMP's strategies and goals, including, among others, the following:

- Goal 2.1 (100% clean power by 2050), especially Goal 2.1.1 (Meet the 50% Renewable Portfolio Standard by 2030 and explore possible regulatory structures to enable New Jersey to transition to 100% clean energy by 2050), Goal 2.1.2 (Ensure at least 75% of electricity demand is met by carbon-free renewable generation by 2050 and set interim targets), and Goal 2.1.3 (Routinely model scenarios and pathways to achieve 100% clean energy generation by 2050 with consideration for least-cost options).
- Goal 2.3 (Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050), especially Goal 2.3.2 (Transition to a successor solar incentive program), which has been achieved.

Program Description

The Solar Registration Programs ("Solar Programs") provide registration for RECs for solar projects, including behind-the-meter, community solar, and direct grid-supply projects connected to the New Jersey electric distribution system. The Generation Attribute Tracking System ("GATS") operated by PJM Environmental Information Services is used for the tracking and trading of RECs.

Pursuant to the Board's regulations, each megawatt hour ("MWh") of solar generation generates one solar renewable energy certificate ("REC"), which REC represents the clean energy benefits related to the MWh. For the SREC Registration Program, the RECs are called "SRECs" and are tradable in an open market; for the TI Program, they are called "Transition RECs" ("TRECs") and can be sold to a utility at a fixed price set by the Board; and, for the SuSI Program, they are called

"SREC IIs" and can be sold to a utility at a fixed price. The values of the SREC-IIs under the ADI Program are set by the Board, and the values of the SREC-IIs under the CSI Program will be set through a solicitation process.

The Solar Registration Program team processes registrations and certifies solar projects as eligible for each of the three programs noted above. The SRP team will continue to process SREC and TI registrations submitted before those programs closed to new registrations and it will process any new registrations submitted under the SuSI Program.

FY26 Program Changes

The Solar Programs will be modified as required to remain consistent with any revisions to the programs approved by the Board.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

- Sustain the growth of New Jersey's solar markets, while communicating accurate and objective information on market development activity.
- Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g., new RPS levels, net metering rules), and translate new policies into program operational procedures, as required.
- Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Solar Act of 2021, N.J.S.A. 48:3-114 et seq., L. 2021, c.169.

Target Markets and Eligibility

Eligible solar technology is defined as a system that utilizes semi-conductor technologies to produce electricity directly from sunlight. All systems must meet program requirements regarding equipment certification, proper installation practices, and compliance with program procedures and processes. Solar PV systems connected to the electric distribution system serving New Jersey can participate in the programs.

Offerings and Customer Incentives

The Solar Programs provide a means for solar electric generation facilities to access a market where their RECs can be sold or traded. Solar generating facilities that are interconnected with the electric distribution system serving New Jersey and that meet all applicable rule requirements, as well as all program requirements will be eligible to generate RECs upon successful completion of all requirements. The regulations governing RECs can be found at N.J.A.C. 14:8-2, 14:8-10, and 14:8-11. The program rules will continue to conform to these regulations.

In addition:

- A web based solar portal will be used for submitting registrations; and
- The Program Manager will prepare monthly reports identifying program results and trends including tracking capacity blocks for the SuSI Program.

Quality Control / Quality Assurance Provisions

All renewable energy systems facilitated through the SRP must be installed in accordance with program equipment requirements, program performance requirements, manufacturer specifications, and provisions of the National Electrical Code ("NEC"). The installer is also required to meet Solar Program's contractor license requirements.

Quality Control ("QC") serves as a check to ensure specific parameters of a renewable energy installation have been achieved. Quality Assurance ("QA") defines processes that ensure quality standards using efficient and cost-effective mechanisms.

The QA protocol requires diligence on the part of the "in-office" processing team to ensure the "Final As-Built" (Post-Construction) project information submitted as part of the final application paperwork is complete, correct, and in compliance with all program requirements. This review process is critical for the success of the QA function, which complements the on-site QC inspection process to ensure program compliance.

On-site verifications will be conducted for a pre-determined percentage of projects for residential and add-on systems that add additional capacity to a previously installed solar systems. An on-site verification will be performed for all grid-supply projects, behind the meter projects with a capacity greater than 500 kW, and community solar projects. The Program Manager may also conduct on-site verifications upon written request from Board Staff or PJM-GATS to verify the cause for high meter reads or system production reading anomalies and submit written explanation of the findings to Board Staff and PJM-GATS.

A pre-determined percentage of the projects that receive an inspection waiver will be randomly selected for a more in-depth paperwork review. The Program Manager reserves the right to request additional information, including, PV watts, shading analysis, photos, etc.

The Program Manager will utilize the Contractor Remediation Procedures, as necessary or appropriate, to address significant performance or other problems with Contractors participating in the New Jersey Solar Programs.

Outreach, Website and Other - Outreach Plan

Outreach Plan

Executive Summary

This Outreach Plan ("Plan") highlights the strategies and tactics that the TRC Outreach Team will implement to raise awareness and drive project submissions for NJCEP. The team will actively engage and educate potential applicants, contractors, and stakeholders to bring new projects into the programs.

This Plan supports the State's EMP and, specifically, the existing and proposed NJCEP programs:

- Combined Heat & Power and Fuel Cell Program
- Large Energy Users Program
- LEUP Decarbonization Pilot
- Local Government Energy Audit Program
- New Construction Program

The Plan's tactics support the priorities and focus areas of BPU NJCEP and include:

- Support for the anticipated launch of the unified New Construction Program through enhanced education for trade allies and new program awareness tactics;
- Within the New Construction Program, support for the launch of the Workforce Development and Garden State Challenge Pilot with program awareness efforts, higher education collaboration, and ongoing applicant engagement;
- Provision of NJCEP program awareness at public events; and
- Expansion of external-facing program awareness through support in the development of collateral and messaging via coordinated efforts with BPU.

The Outreach Team will continue to focus on LMI customers and underserved communities as they continue to help raise awareness about the programs and how to use them. The New Construction Program will be a specific focus for this audience.

Background

The Outreach Team continued to increase its presence and participation in EE and industry events in FY25, which contributed to increased application enrollment during the same period. This Outreach Plan incorporates lessons learned from past years and prioritizes tactics that increase engagement and energy savings.

Support for State's Clean Energy Goals and Strategies

The Outreach Plan supports many of the State's goals and strategies, as set forth in more detail below under Outreach Goals.

Outreach Goals

The Outreach Team supports the goals of NJCEP, as well as those of BPU and the Administration, including:

- ***Support the Administration's goal of 100% clean energy by 2035*** – The Outreach Team will continue to support the State's clean energy goals, working to meet the objectives set forth in Executive Orders 315, 316, and 317.
- ***Promote programs to customers, contractors, and trade allies*** – TRC will actively represent NJCEP in the marketplace for all programs and program enhancements. We will work across all target markets to have the necessary information and training to fully engage in the programs.
- ***Support Environmental Justice to Overburdened Communities and customers*** – To support environmental justice for OBCs (defined by NJDEP) and customers, the Outreach Team will continue to collaborate with the BPU, other state agencies, and community organizations.
- ***Support the Marketing Team's promotional efforts*** – Collaborate with BPU and their Marketing Team to deliver consistent marketing messages and themes. Program information will be shared as requested to highlight successes around program opportunities, successes, and events.
- ***Collaborate with BPU to reach specific sectors and customers*** – Jointly develop outreach strategies for specific sectors to leverage contacts and expertise.

The tactics outlined in this Plan support these goals. The Key Performance Indicators ("KPIs") and highlights will be included in a monthly report to track progress toward these goals.

[remainder of this page intentionally left blank]

Target Markets

Outreach efforts address a vast audience across multiple markets including residential, business, local government, and nonprofit entities. The tactics described within this plan address these target markets to increase the reach and success of NJCEP programs.

Table 11: Market Category Definitions

Market Category	Definition
Customer	Homeowners, Property Owners/Managers, Renters, Businesses, NPOs, State, County and Municipal Government Entities, Schools
Contractor	HVAC & Insulation Contractors, Plumbers, Remodelers, Electricians, Program Contractors
Trade Ally	Builders, Developers, Architects, HERS Raters, Consultants, ESCOs, Engineers, Realtors, Manufacturers, Distributers, Retailers, Certification Technicians
Stakeholder	Community Organizations, Membership Organizations, Green Teams, State Agencies, Chambers of Commerce, Business and Economic Development Associations, Municipal Permitting and Local Code Enforcement Offices
Partner	Sustainable Jersey, NJ Institute of Technology, GreenFaith, County Improvement Authorities, Utilities (Atlantic City Electric, Elizabethtown Gas, Jersey Central Power & Light, Public Service Electric & Gas, New Jersey Natural Gas, Rockland Electric, South Jersey Gas), American Public Power Association, Environmental Protection Agency, ENERGY STAR, Department of Energy, United States Department of Agriculture (New Jersey), New Jersey Department of Environmental Protection, New Jersey Business Action Center, Passive House, United States Green Building Council, Public Power Association of New Jersey

Outreach Tactics

Tactics are how we achieve our goals. They are specific steps and actions taken to support the outreach strategy and give structure to day-to-day activities. Most tactics employed address the goals of the State along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below.

[remainder of this page intentionally left blank]

Customized Program-Specific Outreach

Each program requires unique outreach tactics. These customized approaches allow Outreach Account Managers to serve as single points of contact for their assigned stakeholder groups and focus their outreach efforts accordingly.

The Outreach Team's work to improve awareness of relevant programs among trade allies and customers is a primary source of project referrals. The Outreach Team identifies the program path that best fits their projects and offers ongoing support as they re-engage in the program with additional projects.

The Outreach Team will continue our training series specific to each sector to educate stakeholders, helping to identify program paths most-suited to their unique needs. We will represent the entire NJCEP portfolio at events and refer inquiries about other BPU-led initiatives to the BPU. Utility-run programs will be included as a standard part of the messaging for increased clean energy awareness.

<u>New Construction Program: Engage Contractors, Trade Allies, Technical Institutions, and Construction Permit Offices</u>

The residential and C&I new construction are being merged into a single streamlined NCP as referenced in this filing. The Outreach Team will play a pivotal role in expanding awareness and understanding of the NCP among relevant stakeholder groups, with a special emphasis on trade allies, since they will likely be most impacted by changes to the program.

New construction contractors and approved Partners have direct contact and influence with potential new construction customers. The Outreach Team will serve as single points of contact for registered NCP Partners. They cultivate and maintain relationships with these Partners through regular dialogue, meetings, roundtables, and engagement with trade organizations. The Team will work to minimize lost opportunities by monitoring Partner participation. They will proactively educate and remind Partners about program benefits during the planning and design phases of their new construction projects. Some educational materials may include website text, fact sheets, the NJCEP quarterly newsletter, social media content development, program overview presentations/webinars, application training presentations/webinars, educational webinars, in-person lunch and learn staff trainings, project meetings, feedback roundtables, and events. Co-op marketing processes will also be developed and managed. Account Managers will also support their assigned Partners by creating awareness of other BPU administered programs for an inclusive brand awareness.

Through the proxy design of the New Construction Program, the Outreach Team will take a more streamlined approach to partnering with organizations. Additional memberships and partnerships that support new construction offerings include among others:

- Associated Builders & Contractors
- Commerce & Industry Association of New Jersey
- Commercial Real Estate Development Association

- Construction Roundtable of New Jersey
- New Jersey Alliance for Action
- New Jersey Apartment Association
- New Jersey Association of Energy Engineers
- New Jersey Builders Association
- Jersey Shore Builders
- International Facility Management Association of New Jersey
- Metropolitan Builders & Contractors Association of New Jersey
- Society of Mechanical Engineers New Jersey
- Southern New Jersey Development Council

As the new construction industry in New Jersey continues to expand, we are actively updating our list of new construction stakeholders while encouraging NJCEP trade ally network participation. The active stakeholder list will be used to share program launch information and invite key decision-makers to NJCEP-hosted events including webinars, presentations, and NJCEP booths at industry trade shows and conferences.

During this period, it's important that outreach efforts drive demand for energy-efficient buildings. The outreach team will encourage developers and builders to design for high-efficiency equipment bundles or choose more efficient building methods by partnering with programs like ENERGY STAR, LEED, Passive Home, or Zero Energy Ready Homes. The team will collaborate with the BPU to develop effective program awareness strategies or campaigns. Awareness may include educational awareness such as co-op advertising, sponsorship of events, project site construction signage, and post project completion placards.

The Outreach Team will support a new Workforce Development reimbursement component of the New Construction Program with an emphasis on underserved student populations and institutions within New Jersey's overburdened communities. Outreach will collaborate with the certifying organizations and publicize the various courses and certifications offered for reimbursements and encourage students to participate.

Garden State Challenge Pilot: Promote a Low- to No-Carbon Future

The Outreach Team will support the New Construction Program's Garden State Challenge Pilot by engaging architects, engineers, developers, builders, and trade allies within the targeted new construction building categories. A targeted messaging campaign will launch with the pilot, focusing on NCP Partners and stakeholders to identify and support new projects from the planning stages. New Jersey colleges and universities will also be engaged to involve students and connect them with project teams.

A dedicated team will collaborate with the program manager and the BPU to develop engaging marketing material, website content, and social media messaging. A dedicated Outreach Account Manager will orchestrate focused outreach campaigns, monitor outreach effectiveness, attend groundbreaking events and ribbon cutting ceremonies, and provide ongoing support to program applicants.

Local Government Energy Audit Program

An Account Manager will coordinate LGEA outreach efforts, including informational campaigns, newsletter content, and participation in annual conferences, ensuring equitable outreach. Organizational involvement will continue with the Association of Counties, Conference of Mayors, School Buildings and Grounds Association, School Boards Association, and League of Municipalities. The Outreach Team will conduct outreach for targeted overburdened towns and authorities.

The New Jersey League of Municipalities' 107th annual conference provided meaningful face-to-face networking and a showcase of BPU and NJCEP programs

Large Energy Users Program

We will continue to maintain relationships with past program participants to ensure they remain engaged in the program as many applicants tend to re-apply each FY.

Combined Heat & Power and Fuel Cell Program: Targeted Trade Allies

The Outreach Team will communicate any updated program information for the Combined Heat & Power and Fuel Cell Program via webinars and outreach to developers early in the planning stage of suitable projects.

Trade Ally Development

Recruiting, maintaining, and supporting a healthy trade ally network supports the overall success of the programs. To streamline support for potential and existing trade allies, the network will be segmented into three sub-groups: solar trade allies, CHP-FC trade allies, and approved NCP Partners. The NJCEP trade ally list will continue to be divided among Account Managers, each serving as a single point of contact for new inquiries and program communication. The lead Account Manager will develop content to recruit, train, and support trade allies, while individual Account Managers will provide one-on-one, project-specific assistance.

Recruit

The Outreach Team will continue to support recruitment efforts by providing program collateral and promoting engagement opportunities. Additionally, the Outreach Team will assist in outreach to contractors and residential raters who have previously participated in NJCEP programs.

Train

The Outreach Team will provide support where appropriate by promoting trainings and collaborating on the development of supplemental training materials. These trainings will cover key topics, including recruitment, program benefits, success stories, requirements, and application

assistance. Training sessions will be recorded and made available through the program website and the Clean Energy Learning Center.

Support

The Outreach Team offers ongoing support to program contractors and the Partner Network by soliciting input on needs, gathering feedback on their experience with the programs, and facilitating discussions on potential program changes or enhancements. Partner support includes:

- **Collateral:** Fact sheets, targeted advertisements, and booth displays are developed to support general program awareness. Sector-specific collateral may be created as needed.
- **Co-op Advertising:** The NJCEP brand will continue to be leveraged to assist NCP Partners in their marketing efforts.
- **Success Story Collaboration:** A structured process will be developed to ensure a consistent flow of new case studies highlighting successful projects and trade allies.
- **In Person Contractor Engagement:** The Outreach Team will host three to four Partner Coffee events annually, allowing NCP Partners to ask questions, discuss the application process, and network with program staff who will be available for detailed inquiries.
- **Annual/Bi-Annual Survey**: The Outreach Team will use a formalized feedback mechanism to better understand Program Partner needs, allowing both the Outreach Team and the program design team to enhance program effectiveness.

Additionally, the Outreach Team will continue to recruit, train, and support CHP-FC trade allies to encourage increased participation in this program. Given the technical nature of CHP-FC projects, the Outreach Team will work closely with Program Managers to ensure targeted engagement strategies, facilitate connections between Trade Allies and potential customers, and support the program's long-term growth.

Call Center Customer Support

An efficient and effective Outreach Team is characterized by its ability to provide informed responses to customer inquiries, creating a seamless pathway to program enrollment. One of the first contacts with a stakeholder may be through the Call Center which supports program outreach and operations by responding to inquiries about the Clean Energy Programs. Two call center phone numbers are managed and answered by TRC: Comfort Partners and NJCEP. The Comfort Partners inquiries are by phone and are directed to their respective utility company. The NJCEP inquiries come from the toll-free telephone number (866-NJSMART), website, and email inquiries. Call center support includes the following activities:

- Represent NJCEP in responding to public inquiries and requests;
- Discuss NJCEP programs with potential applicants; directing callers to appropriate NJCEP and/or BPU program website(s); and
- Forward inquiries that need further follow-up to NJCEP or BPU contacts.

TRC staffs the Call Center from 8:00 a.m. ET to 7:00 p.m. ET, Monday through Friday, excluding State holidays. TRC responds to email inbox inquiries and voicemails within 24-48 business hours of receipt.

Call Center operations as described above will continue to support the Clean Energy Program. As new programs and initiatives are established, call scripts, and email templates will be updated for use by Call Center staff.

Multilingual Educational Outreach

Equity

According to the U.S. Census Bureau, New Jersey has a higher percentage of Spanish speaking households than the average in the United States. To promote equitable outreach, outreach pass-through funds have been set aside to have applicable new and updated collateral to be made available in Spanish and English.

A Hispanic Account Manager oversees Spanish educational outreach, working with the Outreach Team to address the needs of Hispanic customers. This service will continue to align with new programs and will be a key outreach resource when engaging with bi-lingual organizations including the Statewide Hispanic Chamber of Commerce, and regional Chamber of Commerce - Hispanic Business Committees.

Statewide Hispanic Chamber of Commerce Event

While Spanish is the main language spoken after English in NJ, the Outreach Team will also work with any community organizations that may request NJCEP collateral in other languages to offer translation services.

Support BPU-Led Initiatives

BPU and TRC each lead the development and delivery of NJCEP initiatives. BPU-led initiatives include EVs, Comfort Partners, and Community Energy Plan Grants, for example. To effectively serve the full scope of customer needs, TRC will collaborate with the BPU to ensure consistent and comprehensive messaging.

The Outreach Team engages with customers to discuss their needs and raise awareness of the entire NJCEP portfolio. The Outreach Team will continuously refine presentations to address audience-specific needs.

The Clean Energy Champion ("CEC") outreach role conducts community outreach to enhance public awareness of NJCEP. By building relationships with community organizations and engaging target audiences, the CEC broadens the BPU's reach through measurable activities such as event participation, partnership development, presentations, and material distribution. To support ongoing engagement, the CEC will collect contact information at events for follow-up outreach, ensuring continued program visibility. All outreach activities will be systematically tracked through structured logging for performance assessment.

The Outreach Team also manages the prinitng and distribution of program collateral related to TRC-led EE programs as needed for the BPU. The Outreach Team provides a current stock to the BPU and Outreach Team members, as well as at meetings and events.

BPU Support and Coordination

The Outreach Team will work closely with BPU Staff to align program messaging and event representation with the priorities of the BPU. This includes regular status meetings to inform BPU Staff of outreach activities, events, and speaking opportunities identified for BPU staff and/or Commissioners.

Support Commissioner Engagement

BPU Commissioners have expressed interest in continuing their involvement in the promotion of the programs, along with experiencing some of the interactions that take place between NJCEP participants and program staff. Commissioner participation supports the NJCEP, demonstrates program enthusiasm, and allows Commissioners to receive direct feedback from participants and stakeholders.

We will continue to identify speaking opportunities for BPU Commissioners and BPU Staff participation and look for opportunities for the Commissioners to engage with customers on a one-on-one basis.

We will continue the "Commissioner Concierge" approach to support Commissioner events. A team member is assigned to supply the Commissioners and their staffs with a seamless speaking engagement experience. The Commissioner Concierge supplies specific background details as defined by BPU speaking engagement templates. The Outreach Team will also provide site support for the Commissioners and their staff. Additional support requirements will be defined as required.

Coordinate with BPU Staff

The Outreach Team will continue to support the BPU through the Energy Efficiency Stakeholder Meetings, Renewable Energy Stakeholder Meetings, public messaging, and website updates.

Coordination with the Division of Clean Energy and Ombudsman's Office is critical to ensure our messages are consistent, that we are not duplicating efforts, and that we are documenting both successes and opportunities for additional communication and outreach. We will coordinate with BPU Staff to support and monitor cross-team outreach efforts to community organizations, local governments, and state agencies.

Regular reports, meetings, and calls will continue to address specific events and provide more in-depth knowledge into program information. We will continue to share event calendars and presentation content.

Outreach staff will attend meetings, site visits, or events as requested by the BPU Staff. The Outreach Team will provide the relevant program presentation and materials for the meeting, in addition to conducting any follow-up needed to assist the customer in using the programs.

Utility Coordination

TRC will attend the Energy Efficiency Marketing Working Group meetings when scheduled with utilities and BPU Staff to participate in joint efforts around messaging and marketing. Additionally, TRC will continue to coordinate "key utility implementor" contacts for sharing information about projects with the potential to participate in the utility-sponsored programs. For example, when LGEA projects are at their final stage, the Outreach Team coordinates with their utility counterparts to provide existing building retrofit program information. TRC has also begun direct coordination with utilities on LEUP and LGEA projects to prioritize the best interests of the customer.

Coordinate with NJCEP Marketing

The Outreach Team will support the BPU Marketing Team's marketing campaigns, both by responding to data information requests and by preparing program-specific plans. Collaboration will be critical as specific marketing plans are developed and implemented so that the Outreach Team can be prepared to support and provide the data needed.

The NJCEP branding and messaging that the Outreach Team uses will be consistent with the messaging of the marketing campaigns. The program benefits most from synchronized Marketing and Outreach coordination to best target NJCEP programs and provide equitable awareness of the programs. The Outreach Team will continue to host monthly meetings with the BPU Marketing Team and BPU Communications Team to understand their timelines and to prepare the program staff for the upcoming focuses and workload shifts.

Create, Develop, and Maintain Partnerships

Maintaining partnerships is key to ensuring that the Outreach Team and partners are aware of the other's initiatives and changes that occur. We will continue to build upon our existing partnerships and pursue new partnerships that include Overburdened Communities, targeted community organizations, and new trade specific membership organizations.

Sustainable Jersey

Coordination with Sustainable Jersey will continue to support its participants who are interested in NJCEP and offer program guidance to their Energy Team. Outreach efforts will focus on collaborating with the active Regional Hubs, co-presenting webinars, and participating in the Sustainable Jersey Energy Task Force Meetings to align NJCEP initiatives.

Additionally, the team will coordinate with Sustainable Jersey through monthly meetings to discuss upcoming events and inquiries. Training sessions will also be provided for Sustainable Jersey's Environmental Defense Fund interns and staff on the LGEA process and how to refer new construction opportunities to NJCEP.

County Improvement Authorities

County Improvement Authorities play a key role in business retention and attraction, offering financing opportunities, tax incentives, and collaboration with municipalities on local growth initiatives. Account Managers will maintain engagement with these authorities, seeking opportunities to promote NJCEP offerings and identify potential projects through meetings and events.

Investor-Owned Utilities

Collaboration with the State's utilities is critical to providing customers with a clear path for EE projects and incentives. The Outreach Team will strengthen these relationships, co-promote program offerings, and ensure utilities are informed of program changes. Account Managers will work closely with utility representatives to guide projects to the most suitable programs. We will continue to offer joint presentations with utilities to educate relevant audiences on the transition, program offerings, and other key topics, leveraging partnerships and conferences for broader outreach.

Organizations, State, and Federal Agencies

The Outreach Team actively participates in several key organizations and will explore additional memberships and partnerships to increase speaking engagements and promotional opportunities, such as newsletter articles and success stories.

The team will also maintain relationships with state and federal agencies, including coordinating projects with the U.S. Department of Agriculture, collaborating with the NJ Business Action Center on referrals and joint presentations, participating in Design Lights Consortium and ENERGY STAR outreach initiatives, and providing educational content to the New Jersey Institute of Technology's Clean Energy Learning Center.

Prepare the Market for Program Enhancements

The Outreach Team supports customers, contractors, Trade Allies, and other stakeholders through these program changes to meet program goals. Current efforts include training sessions, webinars, newsletter articles, and presentations at conferences and trade shows. The team engages directly with stakeholders that include customers, contractors, trade allies, and industry professionals through various channels, including in-person visits, virtual meetings, and email communications. Collaboration with the BPU Marketing Team ensures updates are reflected in public-facing materials, presentations, and website content.

Delivery

The Team

The Outreach Team typically consists of an Outreach Manager, an Administrative Coordinator, Account Managers, a Clean Energy Champion, staff promoting Program awareness, and a Market Analyst, all working closely with BPU Staff and identified market sectors.

Outreach Manager

The Outreach Manager coordinates with the BPU and the Outreach Team to implement this plan and prioritize the priorities of the Division of Clean Energy. The Outreach Manager oversees open and effective communication with the BPU and partner organizations and monitors regular reporting on KPIs and event follow-ups.

Administrative Coordinator

The Administrative Coordinator plays a key, office-based role in support of the larger outreach team. The coordinator manages event logistics, supplies literature and giveaways, maintains the

calendars of events and approvals, and processes purchasing. The role may require attendance at some events and presentations in support of Outreach Team activities.

Outreach Account Managers

Outreach Account Managers ("AM") are the cornerstone of the Outreach Team, tailoring engagement strategies to promote NJCEP programs and assist customers and Trade Allies with application submissions. They focus on specific programs, with each AM assuming a lead or assistant role such as managing outreach campaigns. The team also supports new program launches and broader awareness initiatives, assisting with contributing to the content and design elements of public facing collateral.

Expanded Program Awareness

Expanded program awareness focuses on supporting new program launches and increasing NJCEP brand recognition statewide. Dedicated outreach staff will assist the BPU in developing public-facing content and materials, including tasks like resuming the NJCEP Newsletter and contributing to the design of program fact sheets, case studies, slides, social media content, and sponsorship advertisements.

For FY26, the New Construction Programs will require additional public awareness efforts, which this team will support. The New Construction Program will need ongoing deliverables throughout the initial launch phases. The team will collaborate with NCP Partners and utilize project sites to expand awareness. Additional resources have been allocated for additional public facing program awareness to target potential applications for the New Construction Program.

CEC

The Clean Energy Champion (CEC) serves as a dedicated outreach role focused on increasing public awareness and equitable access to NJCEP programs. With an emphasis on engaging Overburdened Communities ("OBCs"), the CEC helps ensure these communities benefit from clean energy initiatives in alignment with state-level equity goals. Historically, reaching OBC residents through event attendance alone has been challenging. To enhance engagement, the CEC will implement additional outreach strategies in FY26, supplementing traditional event-based efforts with more targeted approaches.

In addition to its focus on OBCs, the CEC promotes general awareness of all NJCEP programs, including those administered directly by the BPU. The primary objective is to enhance brand recognition and drive program participation. To achieve this, the CEC will identify, organize, manage, and attend residential and community clean energy events across New Jersey, thereby ensuring broad and effective program visibility.

Market Analyst

This position focuses on evaluating the current construction market in the state, evaluating the market potential for program participation, and using market research to quantify program awareness and any program or outreach changes that would increase program awareness and participation.

Key Performance Indicators and Reporting

Key Performance Indicators

The Outreach Team measures its effectiveness through Key Performance Indicators (KPIs) outlined in and in Table 12 below. Monthly reports to BPU staff summarize progress, planned activities, and outreach efforts, including sub-metrics like event engagement and Local Government Energy Audit (LGEA) applications attributed to outreach. The team will continue working with BPU staff to refine reporting for accuracy and relevance.

Table 12: Outreach Key Performance Indicators

Outreach	Target
Application Enrollments: # of applications received attributed to outreach[34]	300
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	1,440
Events: Events such as conferences and trade shows attended promoting NJCEP included events attended by the CEC	140
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	70

These KPIs are informed by the previous fiscal year's performance and assume a continued hybrid outreach approach, combining virtual and in-person engagement. If conditions change, KPI targets may be adjusted accordingly to reflect shifts in outreach strategy and execution.

Reporting

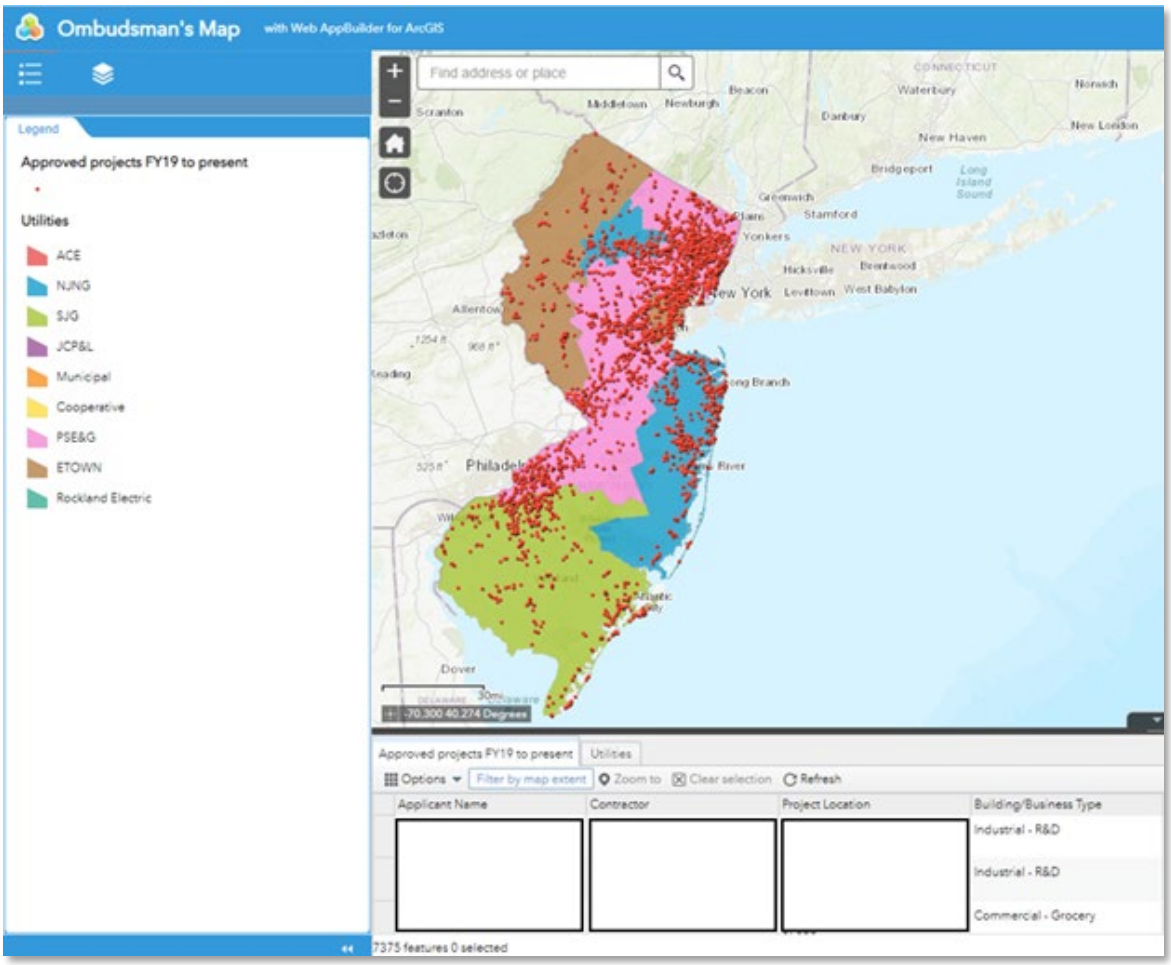
The Outreach Monthly Progress Report is the primary reporting tool. It contains a dashboard overview of KPI metrics and progress towards the goals. It highlights themes, events, and purchases completed throughout the month, as well as joint planning initiatives and partner collaboration. Additional reporting includes invoice back-up, a list of approved program projects, monthly call center summary, and updates made to the Office of the Ombudsman's GIS reporting system, described below.

GIS Reporting

A geographic information system ("GIS") reporting platform delivers monthly data on incoming projects, offering regional visualization for internal planning and inclusion in NJCEP quarterly reports to the BPU. The platform is accessible to Account Managers, BPU staff, and the BPU's Office of the Ombudsman. It can be updated with additional layers upon request and is used as an

[34] Many applications involve larger entities and/or larger projects that require multiple touch points prior to submitting an application.

outreach management tool, with maps available for BPU presentations. Data is updated monthly to reflect Outreach campaigns, opportunities, and project submissions.



The Outreach Team manages the Ombudsman's Office ArcGIS access to "layers" such as these shaded zones showing utility coverage and the red circles indicating NJCEP approved project data that has been filtered by the user using any number of data fields.

Rider A: Website

TRC will continue to host New Jersey's Clean Energy Program website.

A redesign of the website has been identified as a priority by the BPU. The Outreach Team looks forward to supporting those redesigning the site, and it will continue to provide feedback from interactions with trade allies and the public. An updated design will improve the user experience and facilitate customer and partner use of the site by making it easier for them to find the most frequently used documents, submit applications, and identify new content. The new website will, through the use of website analytics, provide a better user experience and logical points of engagement along the customer's journey.

Rider B: Outreach Pass-Through Budget

The Outreach Pass-through budget supports activities specifically related to implementing the Outreach tactics described in the Outreach Plan. All expenses are approved in advance by BPU Staff. Examples of expenses that support Outreach may include:

- Booth space at trade shows
- Event registration costs
- NJCEP promotional giveaways
- Sponsorship at events and local chamber of commerce meetings
- Advertisements at events attended by outreach staff
- Printing of program collateral
- Translation services for program information/collateral

Appendix A, C&I EE, NCP, and DER Incentive Caps and General Rules

Incentive Caps

Incentive caps have been established where appropriate to ensure that there is equitable access to the C&I EE, NCP, and DER programs ("App A Programs") for all qualifying customers. These caps have been established because in some cases a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most App A Programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost of measures installed or performed.[35]

General Rules

SBC

Unless specifically stated otherwise in the description of any specific one of the App A Programs, customers eligible for incentives under the App A Programs are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC. With the exception of the NCP, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous 12 months.

Prevailing Wage

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

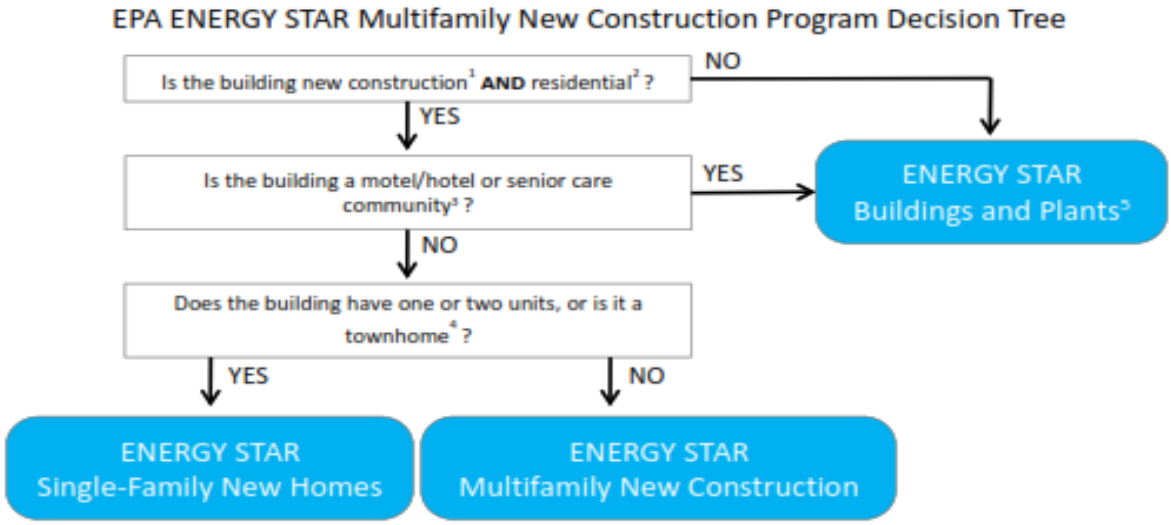
[35] Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Extensions

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six (6) months or one (1) year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in this Compliance Filing and in Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

Appendix B, Multifamily Decision Tree

Figure 1 ENERGY STAR Multifamily Decision Tree (May 2021)



NOTES:

1. New construction can include significant gut rehabilitations if the building is able to meet all the program requirements.
2. The primary use of the building must be for a residential purpose. In a mixed-use building, the dwelling units, sleeping units, and common space combined must exceed 50% of the building's square footage. Parking garage square footage is excluded from this calculation. Common space includes any spaces in the building that serve a function in support of the residential part of the building, that is not part of a dwelling or sleeping unit. This includes spaces used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, residential recreation rooms, and dining halls, as well as offices and other spaces used by building management, administration, or maintenance in support of the residents.
3. Assisted living and skilled nursing facilities that meet the definition of Senior Care Communities are not eligible for the MFNC program. Dormitories, residence halls, buildings with single-room occupancies, supportive housing, cohousing, and other non-senior assisted living facilities are eligible for the MFNC program.
4. Townhomes may choose to use the Multifamily New Construction Checklists as well, but they must use the ERI Path and Single-Family New Homes Reference Design. A townhome is defined as a single-family dwelling unit constructed in a group of three or more attached units in which each unit extends from the foundation to roof and with open space on at least two sides.
5. As of September 16, 2014, multifamily buildings, with at least 1 year of actual, whole building energy use data are eligible to earn the ENERGY STAR using EPA's Portfolio Manager. Portfolio Manager compares a multifamily building's measured performance against a database of similar buildings to generate a 1-100 score. Buildings that score 75 or above earn the ENERGY STAR. For more information on how multifamily buildings can earn the ENERGY STAR with Portfolio Manager please visit the eligibility criteria for the 1-100 ENERGY STAR score page.

   New construction commercial facilities such as motels/hotels, nursing homes, and assisted-living facilities do not qualify under the Multifamily New Construction program, however, they may be eligible to earn the ENERGY STAR through the EPA's commercial and industrial programs. To learn more about how these and other existing commercial buildings can earn ENERGY STAR certification, please visit the Buildings and Plants page. To learn more about the new construction program for commercial buildings visit www.energystar.gov/DesignToEarn.

May 2021

Appendix C, Program Budgets for FY26

TRC FY26		*FY26 Cost Category Budgets*					
Program/Budget Line	***Total Budget***	***Administration***	***Sales, Marketing, Website***	***Training***	***Rebates, Grants and Other Direct Incentives***	***Rebate Processing and QA***	***Evaluation***
Total TRC	**$163,310,855**	**$10,816,989**	**$4,902,217**	**$45,500**	**$144,046,370**	**$3,499,779**	**$0**
EE Programs	**$136,668,469**	**$8,356,632**	**$365,460**	**$37,500**	**$125,883,475**	**$2,025,402**	**$0**
New Construction Program	***$69,204,679***	***$4,895,015***	***$121,820***	***$25,000***	***$62,697,488***	***$1,465,356***	***$0***
New Construction Program	$69,204,679	$4,895,015	$121,820	$25,000	$62,697,488	$1,465,356	$0
C&I EE Programs	***$67,463,790***	***$3,461,617***	***$243,640***	***$12,500***	***$63,185,987***	***$560,046***	***$0***
C&I Buildings	$60,390,071	$2,268,346	$121,820	$0	$57,789,487	$210,418	$0
LGEA	$7,073,719	$1,193,271	$121,820	$12,500	$5,396,500	$349,628	$0
Distributed Energy Resources	**$19,323,828**	**$941,580**	**$121,820**	**$0**	**$18,162,895**	**$97,533**	**$0**
CHP - Fuel Cell	$19,323,828	$941,580	$121,820	$0	$18,162,895	$97,533	$0
RE Programs	**$3,025,441**	**$1,518,777**	**$121,820**	**$8,000**	**$0**	**$1,376,844**	**$0**
Solar Registration	$3,025,441	$1,518,777	$121,820	$8,000	$0	$1,376,844	$0
Planning and Administration	**$4,293,117**	**$0**	**$4,293,117**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$4,293,117***	***$0***	***$4,293,117***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$4,293,117	$0	$4,293,117	$0	$0	$0	$0

Appendix D, Program Budgets for FY25

TRC FY25		*FY25 Cost Category Budgets*					
Program/Budget Line	***Total Budget***	***Administration***	***Sales, Marketing, Website***	***Training***	***Rebates, Grants and Other Direct Incentives***	***Rebate Processing and QA***	***Evaluation***
Total TRC	**$156,136,177**	**$11,147,275**	**$4,902,212**	**$100,000**	**$135,751,671**	**$4,235,019**	**$0**
EE Programs	**$116,216,017**	**$8,534,508**	**$365,457**	**$50,000**	**$105,527,058**	**$1,738,994**	**$0**
New Construction Program	***$60,404,447***	***$5,070,893***	***$121,819***	***$37,500***	***$54,304,775***	***$869,460***	***$0***
New Construction Program	$60,404,447	$5,070,893	$121,819	$37,500	$54,304,775	$869,460	$0
C&I EE Programs	***$55,811,570***	***$3,463,615***	***$243,638***	***$12,500***	***$51,222,283***	***$869,534***	***$0***
C&I Buildings	$47,479,975	$2,269,345	$121,819	$0	$44,910,310	$178,501	$0
LGEA	$8,331,595	$1,194,270	$121,819	$12,500	$6,311,973	$691,033	$0
Distributed Energy Resources	**$31,500,694**	**$942,579**	**$121,819**	**$0**	**$30,224,613**	**$211,683**	**$0**
CHP - Fuel Cell	$31,500,694	$942,579	$121,819	$0	$30,224,613	$211,683	$0
RE Programs	**$4,126,349**	**$1,670,188**	**$121,819**	**$50,000**	**$0**	**$2,284,342**	**$0**
Solar Registration	$4,126,349	$1,670,188	$121,819	$50,000	$0	$2,284,342	$0
Planning and Administration	**$4,293,117**	**$0**	**$4,293,117**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$4,293,117***	***$0***	***$4,293,117***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$4,293,117	$0	$4,293,117	$0	$0	$0	$0

Appendix E, Program Goals and Performance Metrics for FY26

NJCEP FY26 Energy Savings Goals: Portfolio Summary					
Program/Budget Line	***Annual MWH Savings***	***Lifetime MWH Savings***	***MW Savings***	***Annual MMBTU Savings***	***Lifetime MMBTU Savings***
Total TRC	90,721	1,560,370	11.9	246,434	4,668,280
EE Programs	52,716	895,402	6.7	150,764	2,994,088
C&I EE Programs	30,297	509,119	4.8	72,968	1,488,147
C&I Buildings	30,297	509,119	4.8	72,968	1,488,147
P4P EB	11,261	177,689	3.5	44,806	981,240
LEUP	19,036	331,430	1.4	28,163	506,907
LGEA	0	0	0.0	0	0
New Construction	22,419	386,283	1.9	77,796	1,505,941
NCP	0	0	0.0	0	0
RNC	4,155	83,100	1.0	59,739	1,194,768
C&I NC	15,229	254,682	1.4	9,554	169,765
P4P NC	3,035	48,502	(0.5)	8,503	141,408
Distributed Energy Resources	38,004	664,968	5.2	95,670	1,674,192

Appendix F, Cost-Benefit Analysis

Cost-effectiveness analysis compares the costs and benefits of EE and renewable energy measures, programs, and portfolios of programs. Estimates of both costs and benefits are relative to those that would otherwise have been incurred had "baseline" or "standard" equipment, building systems and/or energy using practices been purchased or remained in place. A measure, program, or portfolio is considered cost-effective if the benefit-cost ratio is 1.0 or greater.

TRC, in collaboration with the Center for Green Building of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, conducted a cost-benefit analysis ("CBA") for residential, commercial, and industrial NJCEP EE programs.

Cost-Benefit Tests

Benefit cost ratios for each of the five traditional cost-effective tests were developed. The five tests are: Participant Cost Test, Program Administration Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test and Societal Cost Test.[36] In addition, a benefit cost ratio was also developed using the New Jersey Cost Test.

Participant Cost Test: The measure of the quantifiable benefits and costs to the customer attributed to participation in a program. The participant benefits are equal to the sum of any participant incentives paid, any reductions in bills, and any federal or state tax deductions or credits. Participant costs include any out-of-pocket costs associated with the program.

Program Administrator Cost Test: The costs of a program as a resource option based on the costs incurred by the program administrator including incentive costs and excluding any costs incurred by the participant. The benefits are the avoided supply costs of energy and demand and the reduction in capacity valued at marginal costs for the periods when there is a load reduction. The costs are the program costs incurred by the administrator, the incentives paid to the customers, and the increased supply costs for the periods in which load is increased.

Ratepayer Impact Measure Test: Measure of what happens to customer bills or rates due to changes in revenues and operating costs caused by the program. The benefits equal the savings from avoided supply costs, including the reduction in capacity costs for periods when load has been reduced and the increase in revenues for periods in which load has increased. The costs are the program costs incurred by administration of the program, the incentives paid to the participant, decreased revenues for any periods in which load has been decreased and increased supply costs for any periods when load has increased.

Total Resource Cost Test: The costs of a program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. This test represents the combination of the effects of a program on both the participating and non-participating customers. The benefits are the avoided supply costs, federal tax credits, and the reduction in generation and capacity costs valued at marginal cost for the periods when there is a load reduction. The costs are the program costs paid by the utility and participants plus the increase in supply costs for the periods in which load is increased.

---

[36] California Standard Practice Manual. Economic Analysis of Demand-Side Programs and Projects. (October 2001).

Societal Cost Test: Attempts to quantify the change in the total resource costs to society as a whole rather than only to the utility and its ratepayers. Costs include all consumer, utility and program expenses. Benefits associated with the societal perspective include avoided power supply costs, capacity benefits, avoided transmission and distribution costs, and emissions savings. It has been assumed that wholesale electricity prices account for the national sulfur dioxide and nitrogen oxide allowance. Therefore, the societal cost test includes only emissions savings accrued from carbon dioxide. Federal tax credits are not included.

Triennium 2 New Jersey Cost Test: In accordance with the Board's Triennium 2 Framework Order, I/M/O the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, Docket Nos. QO19010040, QO23030150, & QO17091004 (May 24, 2023) ("Triennium 2 Framework Order"), the Triennium 2 New Jersey Cost Test ("Triennium 2 NJCT") is the State's primary test for determining the cost-effectiveness of EE and Peak Demand Reduction programs during Triennium 2. As explained in more detail in the Triennium 2 Framework Order's Attachment F, the NJCT includes all costs and benefits relevant to a portfolio of such programs that are reasonably quantifiable and align with the State's policy objectives.

The table below includes the results of the benefit cost modeling:

NJCEP FY26 Prospective Benefit Cost Analysis						
Program/Budget Line	***PCT***	***PACT***	***RIM***	***TRC***	***SCT***	***Triennium 2 NJCT***
Total TRC	2.1	2.3	0.8	0.9	1.3	1.9
EE Programs	2.8	1.9	0.8	1.1	1.6	2.4
C&I EE Programs	*2.8*	*1.9*	*0.8*	*1.1*	*1.6*	*2.4*
C&I Buildings	2.8	2.8	0.9	1.2	1.7	2.7
P4P EB	3.5	2.7	1.1	1.8	3.4	3.7
LEUP	2.6	1.9	0.7	0.9	1.5	2.2
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
New Construction	*3.3*	*1.5*	*0.6*	*1.1*	*1.7*	*2.5*
NCP	3.3	1.5	0.6	1.1	2.5	1.7
RNC	2.4	1.1	0.6	0.7	0.9	1.4
C&I NC	4.6	3.2	0.8	1.8	2.8	4.2
P4P NC	3.0	0.3	0.2	0.4	0.8	1.2
Distributed Energy Resources	3.2	9.5	1.0	1.6	2.3	3.5

Appendix G, Key Performance Indicators

TRC Managed Programs	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Lifetime Energy Savings (Source MMBtu)	LMI OBC Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve ($/Lifetime Source MMBtu)
Program Year 5	459,170	12.58	8,144,748	1,221,712	$ 16.34

PART 2 (Legacy Programs being transitioned to NCP)

Residential Energy Efficiency Program

Residential New Construction Program

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

The Residential New Construction ("RNC") Program is designed to increase the EE and environmental performance of residential new construction buildings (single and multifamily) in New Jersey. The RNC Program has the long-term objective of transforming the market to one in which a majority of residential new construction in the state is "net zero-energy" (i.e., extremely efficient buildings where low energy needs can be met by renewable energy generation).

The RNC Program strategy is to establish technical standards for energy efficient new construction in New Jersey utilizing nationally recognized platforms, including the EPA ENERGY STAR® Single Family New Homes Program ("SFNH"), EPA ENERGY STAR Multifamily New Construction ("MFNC") Program, and U.S. Department of Energy ("DOE") Zero Energy Ready Home ("ZERH") Program. The RNC Program then provides technical support and incentives to home energy raters, architects, trade allies, builders, and homebuyers to enable them to design, build, and purchase homes that comply with these standards.

Using an account management approach, the RNC Program recruits new and supports existing energy professionals who oversee the EE work completed by participating builders. There are two paths for energy professionals to participate: 1) as a Home Energy Rating System ("HERS") Provider approved by an EPA-Approved Verification Oversight Organization ("VOO"); and 2) as a Modeler approved by an EPA-Approved Multifamily Review Organization ("MRO"). Those approved through either path are generally, and in this Compliance Filing, referred to as "Raters" or "Rating Companies."

The RNC Program is focusing on the use of account managers to provide more direct support to the builders and the use of the Outreach Team to recruit new builder participants with an emphasis toward ZERH Program projects. The RNC Program also provides the necessary training to Raters, trade allies, and builders to ensure they understand the program rules/requirements, and have the skill set to meet the higher-than-code program standards to build homes that contribute to New Jersey's energy reduction efforts. Incentives are offered to partially offset the incremental construction costs associated with building higher efficiency homes and to generate interest and enthusiasm for the RNC Program among builders and homeowners.

Support for Energy Master Plan Goals

The RNC Program will support many of the 2019 EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 4.1 (Start the transition for new construction to be net zero carbon), especially through the NC Program's support for Zero Energy Ready Homes and Passive Houses.

Program Description

The RNC Program is market-based and relies on builders and Raters to build to nationally recognized platform standards, which are defined by core efficiency measures, energy modeling, rater and builder oversight, and checklists to ensure quality installation.

To participate in this RNC Program, HERS Raters must use modeling software approved by the Program to model savings, calculate the Energy Rating Index ("ERI") and metric million British thermal units ("MMBtu") incremental savings compared to the User Defined Reference Home ("UDRH").[37] To be approved, the software must be accredited by an EPA-Approved VOO and be capable of providing batch reporting, including building components for QA review of rating files and savings utilizing the UDRH.

There are a number of market barriers to efficiency investments in new construction in New Jersey. Key among these are:

1. Builders do not always see the value of the additional administrative procedures and associated costs of ENERGY STAR;
2. The higher incremental cost associated with the additional Rater administrative and field inspection requirements of a ZERH;
3. Builders and designers are not proficient with the energy code requirements that the RNC Program requires them to meet or exceed;
4. Conflicting motivations guiding design criteria and choices (i.e., builders who make design, procurement, and construction decisions do not pay the homeowners' operating costs associated with those decisions);
5. Lack of local market awareness regarding the benefits of efficiency and environmental performance on the part of consumers, builders, lenders, appraisers, realtors and others;
6. Limited technical skills on the part of some builders and their trade allies to address key elements of efficiency;
7. Lack of local consumer marketing on the benefits of owning an RNC Program-participating home to drive demand;
8. Limited awareness of the ZERH requirements, benefits, and incentives that are available to support that market segment; and
9. Inability of consumers, lenders, appraisers, and others to differentiate between efficient and standard new construction homes.

The RNC Program employs several key strategies to overcome these barriers including:

- Direct financial incentives to builders of homes that meet program standards;
- An incentive to offset the incremental Rater cost associated with certifying ZERH single-family, multi-single (i.e., townhome), and low-rise multifamily homes;
- Multiple pathways that allow participation across efficiency levels, entice new builders to the RNC Program, support the NJ construction market for energy code, and promote increased efficiency and quality-assurance with higher incentives;

[37] I.e., a baseline home which, among other things, is defined and used in the NJCEP Protocols to Measure Resource Savings.

- Utilization of nationally recognized EPA ENERGY STAR and DOE ZERH brand and website to help promote residential energy programs;
- Technical assistance to inform builders and their trade allies on details of the program pathways and how to comply with the rigorous performance requirements; and
- ENERGY STAR and ZERH certification, inspections, and testing through third-party rating companies that compete in an open market for services.

Program Participation Pathways

The following participation pathways provide New Jersey's builders and homeowners with a range of participation options to suit builders at different levels of experience with energy efficient construction techniques and homebuyers with varying interest and budgets. All are based on the presumption that the applicable IECC 2018/2021 or ASHRAE 90.1-2016/2019 energy code sets the minimum energy performance requirement for newly constructed homes and the basic requirement is that eligible buildings using the ERI pathway exceed the applicable energy code by 10% and that eligible buildings using ASHRAE modeling exceed the applicable energy code by 15%.[38] Therefore, they all result in energy performance that is better than that required by IECC 2018/2021 or ASHRAE 90.1-2016/2019, as applicable, depending on the home's permit date.

ENERGY STAR

Builders that enroll in either the SFNH or MFNC pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathway, including full inspection checklist requirements. This pathway includes the applicable version of ENERGY STAR SFNH and ENERGY STAR MFNC, depending on the date and eligibility determination per the EPA Multifamily Decision Tree (see Appendix B, Multifamily Decision Tree, of this Compliance Filing), as well as the date of the applicable building permit. The incentive structure within this segment will include a base incentive plus a performance incentive using MMBtu saved as compared to the applicable code UDRH as the indicator.

Zero Energy Ready Home ("ZERH")

This pathway recognizes a higher EE achievement in new home construction. Applicants must satisfy the requirements for the DOE ZERH certification following the applicable version of that program. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator.

Zero Energy Home +RE ("ZERH+RE")

This pathway has the same requirements as the ZERH pathway with the additional requirement that 100% of the building's modeled energy usage is met by RE systems installed prior to completion of the home. The incentive structure within this pathway will include a base incentive

[38] The details of the implementation of these requirements, including which version of which energy code and/or version of ENERGY STAR and/or US DOE ZERH applies to which projects, and of a 90-day transition period regarding implementation of the new energy codes (i.e., IECC 2021 / ASHRAE 90.1-2019), will be provided to stakeholders and the public through means other than the present Compliance Filing.

plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator. Incentives will be paid based upon the ERI before the addition of renewables. An additional fixed incentive for the renewable energy system will be awarded for a project meeting the ZERH+RE eligibility requirements.

Target Market and Eligibility

Newly constructed or substantially renovated (also known as gut rehabilitated) single-family (i.e., one- and two-family homes), multi-single (i.e., townhomes), multifamily buildings are eligible for RNC Program benefits so long as their utility bills include or will include contributions to the SBC. The target market for this RNC Program is homebuilders and Raters.

Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction ("MFNC") program may apply for NJCEP incentives through the RNC Program. Applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be satisfied to receive incentives.

For buildings and projects registered in this RNC Program, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as Appendix B, Multifamily Decision Tree, will be used to determine which ENERGY STAR Program will apply to the building or project.

Projects participating under this RNC Program are not eligible for participation or incentives under any other NJCEP program for any building envelope components, equipment, or appliances that were included as part of application to this RNC Program. However, a given substantial renovation project may be eligible for a utility-sponsored EE program, as well as for this RNC Program. In that case, the applicant would be able to choose which program it would utilize. However, the applicant could not have both programs cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Program Requirements

To qualify for the RNC Program, a home must meet ENERGY STAR SFNC or MFNC, DOE ZERH or ZERH+RE, requirements.

The technical details presented below address most program requirements. The full technical specifications for RNC Program compliance are available upon request. The ENERGY STAR and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by the EPA and/or the DOE and supersede requirements of this program.

ENERGY STAR SFNH

Meet or exceed all the applicable version of the EPA ENERGY STAR SFNH Performance Path standards including:[39]

- Meet or exceed the applicable version of the ENERGY STAR SFNH Energy Rating Index Target; and
- Complete the applicable version of all ENERGY STAR SFNH mandated checklists.

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards including:[40]

- Complete the applicable version of all ENERGY STAR SFNH Program and all ZERH checklists.

Zero Energy Ready Home + RE (ZERH + RE)

Meet or exceed all ENERGY STAR and ZERH requirements as described above.

Additional RNC Program Requirements:

- 100% of the building's modeled energy usage must be met by RE systems installed onsite prior to completion of the home.

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed the applicable version of the EPA ENERGY STAR MFNC performance path standards including:[41]

- Meet or exceed the applicable version of the ENERGY STAR MFNC following either the Energy Rating Index or ASHRAE pathways; and
- Complete the applicable version of all ENERGY STAR MFNC mandated checklists.

Incentives

The RNC Program incentive tables can be found in Appendix H, Residential Incentives (including Enhancements).

The incentives include a base incentive determined by building type, plus a performance-based incentive calculated using the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline, reference home defined by the applicable energy code. For all but MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFNC utilizing the ASHRAE pathway, the applicable code is ASHRAE 90.1. The IECC code reference home is a UDRH utilized in the rating software to compare the rated home to a home of the same dimensions, but with components meeting the applicable IECC code as determined by the date of the project's

---

[39] ENERGY STAR SFNH: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

[40] Zero Energy Home Standards https://www.energy.gov/eere/buildings/zero-energy-ready-home

[41] Multifamily New Construction Standards: https://www.energystar.gov/newhomes/homes_prog_reqs/multifamily_national_page#site-built

building permit. The ASHRAE reference building is incorporated in the EPA-approved rating software. The building component values used in the UDRH are included in the NJ Protocols to Measure Resource Savings.

Urban Enterprise Zone ("UEZ") / Affordable Housing / Low- and Moderate Income Enhanced Incentive

The RNC Program will offer bonus incentives for eligible homes located in UEZs that are, or will be, Affordable Housing, and/or that are, or will be, occupied by those of LMI.

ZERH Rater Incentive

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single (i.e., townhome) homes that the Rater is successful in obtaining ZERH or ZERH+RE incentives.

Cooperative Marketing

The Cooperative Marketing Incentive offers cost-sharing for pre-approved advertising placed by contractors participating in the RNC Program. The cost sharing is for 25% of the cost of event booth spaces and 50% of the cost of other types of advertising. Those other types of advertising include print (newspaper, magazine, newsletter), yellow pages, direct mail, television, radio, web banner (digital), signage, billboard, and social media. In addition, other types of advertising may be approved on a case-by-case basis if the applicant can demonstrate its relative cost-effectiveness and benefits to NJCEP. The FY cap per contractor is $50,000. Contractors seeking to utilize the Program should contact coop@NJCleanEnergy.com.

Planned Program Implementation Activities

The following program implementation activities will be undertaken. The RNC Program will:

- Implement the changes and updates described above;
- Continue to review applications and, on a first-in-time basis, issue Commitment Letters that indicate, among other things, the amount of program funds committed to projects whose applications demonstrate their eligibility for the program as long as funding is available;
- Continue to process incentives for completed projects meeting program requirements;
- Utilize the Outreach Team to recruit new builder participants with an emphasis on ZERH projects;
- Actively engage with DOE, Raters, and builders to identify challenges of participating in the ZERH pathway; and
- Work with Board Staff and/or the Board's other contractors to identify a more consumer-friendly term for ZERH.

Quality Control Provisions

Market-based delivery of rating services and certifications requires an effective set of standards for quality assurance. The responsibility for builder quality and ENERGY STAR and/or ZERH Certification rests with Raters, ratings providers, DOE, and EPA-approved VOOs, and MROs. It is incumbent upon the program to ensure that a robust system for identifying and communicating quality issues exists to manage the credibility of the savings and associated incentives offered.

To maintain a robust rating marketplace, TRC will perform inspections and conduct oversight processes on Raters and projects. Quality Assurance activities will continue to be performed by TRC based on the track record of Raters and builders measured through program inspections.

In addition to reviews for data completeness on all checklists, forms and applications, on-site inspections, and technical review of building and Rater files will be required based upon the demonstrated proficiency of the builders and Raters. Inspection requirements will be adjusted based upon the track record of the program participants. Initial inspection rates for new builders and rating companies will be above average and will decrease as they demonstrate proficiency in proper building techniques and in understanding the qualifying requirements of the program.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Commercial and Industrial Energy Efficiency Programs

General Overview

The NJCEP C&I EE Programs are designed to help New Jersey's businesses use electricity and natural gas more efficiently. Efficiency in electricity and gas usage will promote competition and increase industry success ensuring job retention and creation. There is also an environmental benefit to electricity and gas usage efficiency. Each individual C&I Program is described in more detail in the relevant subsections below.

The C&I Programs are designed to:

- Provide information on how to meet and exceed current energy code requirements so buildings operate more efficiently thereby minimizing operating costs;
- Encourage customers to choose high efficiency options when undertaking construction or equipment upgrades (i.e., when customers normally construct buildings or purchase building systems equipment);
- Support market transformation by providing information and incentives to help customers and designers make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices; and
- Stimulate commercial and industrial customer investments in EE that will support the growth of the industries that provide these products and services.

The C&I Programs address the key market barriers that make it challenging for developers, designers, engineers, and contractors to routinely incorporate EE in their projects, including:

- Lack of familiarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower initial cost and lack of procedures for considering lifetime building operating costs during decision-making;
- Compressed time schedules for design and construction;
- Aversion to risk involved with specifying technologies less familiar to the local design community despite the proven reliability of efficient technologies and designs; and
- Priorities for engineers, designers, and contractors that often do not align with incentive structures and EE considerations.

The C&I Programs employ a set of offerings and strategies to address the market barriers noted above and to achieve market transformation in equipment specification, building/system design, and lighting design. These include:

- Program emphasis on intervention during customer-initiated construction and equipment replacement events that are a normal part of their business practice;
- Coordinated and consistent outreach to C&I customers, especially large and centralized players, such as national/regional accounts, major developers, etc.;
- Consistent incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels;

- Information and technical support provided to customers and designers to make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices;
- Information and technical support provided to customers and designers to facilitate compliance with New Jersey's new commercial energy code, as well as future upgrades to that code; and
- Programs designed to meet the needs of a diverse set of customers, including non-profit entities, local governments, and businesses of all sizes.

Unless specifically stated otherwise in the following program descriptions, customers eligible for incentives under New Jersey's C&I EE Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC. With the exception of the new construction segment, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous twelve months.

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

C&I Buildings: C&I New Construction

"SmartStart"

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

The C&I New Construction ("SmartStart NC") Program was part of the original suite of C&I programs available through the NJCEP.

The SmartStart NC Program's primary goals are to induce C&I customers to choose high efficiency equipment rather than standard efficiency equipment when they are making purchasing decisions. This is accomplished by providing incentives and information on a wide range of high efficiency alternatives. Prescriptive Incentives— where dollar amounts are fixed for specific categories of equipment— are offered where one-for-one, business as usual replacements are typical. The Prescriptive Incentive applications are labeled by technology, such as lighting and HVAC, and defined as equipment most commonly recommended for energy efficient projects with well-established energy savings. Custom incentives are offered for non-standard equipment, complex systems, and specialized technologies that are not easily addressed through prescriptive offerings. Customers are provided a discrete yet flexible application process with the ability to submit one or multiple applications for any size project. The transparency of incentives aids customers in making informed decisions, while assisting EE professionals to better solicit a prospective EE project.

Support for EMP Goals

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Description

The SmartStart NC Program offers both prescriptive and custom incentives for the broad range of C&I customers who are in the market to purchase EE measures. On September 6, 2022, the State of NJ adopted the ASHRAE 90.1-2019 energy code for all commercial and industrial buildings. NJCEP utilizes this code in determining performance requirements and incentive eligibility.

The SmartStart NC Programs will include the following offerings:

- ***Prescriptive Efficiency Measure Incentives*** that provide fixed incentives for EE measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment) taking into consideration market barriers, changes in baselines over time, and market transformation objectives. Eligible measures are listed in Appendix I, *Part 2 Incentive Caps and General Rules* below.
- ***Custom Measure Incentives*** for more complex and aggressive efficiency measures. The process for calculating custom measure incentives is performance-based, which may

include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer's authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. For measures that appear to have no clear baseline per energy code or recognized industry standard, the Program Manager will work with the applicant to define an appropriate baseline. The Program Manager has the discretion to determine the reasonableness of project costs for proposed technologies based on industry standards and other market research. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers, and other non-prescriptive measures proposed by the customer. Technologies not explicitly listed as custom (per the filing and/or Program Guide) will be reviewed for eligibility and are subject to approval at the discretion of the Program Manager. More details regarding this process can be found below in this Compliance Filing under the *Custom Measure Incentive Guidelines* section and in this Compliance Filing's Appendix I, Part 2 Incentive Caps and General Rules *Custom Measures* section.

Customers or their contractors must submit an application for the type of equipment they have chosen to install. The application should be accompanied by a related worksheet (where applicable), a manufacturer's specification sheet for the selected equipment, and one month of the most recent electric/natural gas utility bill. The Program Manager may also require additional utility bills if such bills are relevant to its review of any given application. To qualify for incentives, customers must be contributors to the SBC that corresponds to their incentive (e.g., must contribute to the SBC electric fund if applying for an electric incentive). For example, customers applying for lighting incentives must provide an investor-owned utility ("IOU") electric bill identifying SBC contribution. Similarly, an IOU gas bill identifying SBC contribution is required for natural gas saving measures such as gas heating. Program representatives will then review the application package and approve it, reject it, and/or advise of additional upgrades to equipment that will save energy costs.

Target Markets and Eligibility

The C&I New Construction Program targets commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public school construction, other new building construction, and substantial renovations (also known as gut rehabilitations).[42] The program may be used to address economic development opportunities and transmission and distribution system constraints. It is primarily geared towards the mainstream C&I market, as opposed to programs that target specialized markets such as the Large Energy Users Program and, the Local Government Energy Audit Program. Applicants to the program must be contributors to the SBC.

[42] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Incentives

The tables in Appendix I, Part 2 Incentive Caps and General Rules list the incentives for the C&I New Construction Program. The incentives vary by size, technology, and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Custom Measure Incentive Guidelines

The program utilizes a performance-based approach to determine incentives for custom equipment. Established incentive caps for the program are the lesser of:

- $0.16/kWh and/or $1.60/therm based on estimated annual savings;
- 50% of total installed project cost; or
- buy down to a one-year payback.

The program will allow a single facility with multiple utility accounts to submit a proposed custom project under one application. A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure, including a detailed description of the technology, installed project cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are reflected in the final savings values. As is clearly described in the program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency ("CEE"), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions. The Program Manager will provide contractors with program spreadsheets that include standard formats for reporting program savings, as well as standard incentive calculations.

As a general matter, the preference is to avoid repeated custom measure applications. Accordingly, the Program Manager will generally consider the possibility of developing and proposing a prescriptive standard and incentive once it has received three or more custom applications for the same measure.

Account/FY Cap:

In addition to any other caps described elsewhere in this Compliance Filing, SmartStart incentives will also be capped at a maximum of $500,000 per electric account and $500,000 per natural gas account, in each case, per FY.

C&I New Construction Application Deadlines

To be eligible for related incentives, an application for custom measures must be submitted to the Program Manager prior to the installation of any equipment and applications for all other measures must be submitted within 12 months of equipment purchase. Documentation confirming the date

the equipment was purchased, such as a material invoice or purchase order, must be provided to the Program Manager.

Notwithstanding the above, all applicants are strongly encouraged to obtain the Program Manager's approval and an incentive commitment prior to commencing installation or construction. Customers implementing projects without the Program Manager's approval risk having their project deemed ineligible for incentives.

Delivery Methods

As new technologies are introduced and prices for measures change, sometimes in response to program offerings, Program Managers will continuously monitor technologies and costs and adjust program incentives accordingly. The Program Manager will propose adjustments to program offerings based on program experience, the results of any evaluations, program and market studies, as well as other state/regional market research, and current pilot/demonstration projects.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all C&I program participants. All applications received are reviewed to confirm compliance with eligibility requirements. Additionally, all technical information submitted in support of the application is reviewed to confirm measure qualification and to verify the incentive calculation. Applicant-supplied information and Program Manager-performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

A sample percentage of applications will be randomly selected for inspections and Quality Control file reviews. The specific percentages by program are outlined in the individual program guideline documents. Inspections include a site visit to verify customer eligibility and energy efficient measure technical specifications that result in a verification of the incentive calculation. A field inspection report is prepared and maintained in the project file for future verification.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: Pay for Performance - New Construction

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

The Pay for Performance – New Construction Program ("P4P NC") is intended to encourage developers and design professionals to look for ways to optimize design, operation, and maintenance of new construction and substantial renovation projects in order maximize energy and energy cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy use and costs of the proposed design compared to a code compliant baseline. A portion of project incentives is tied to actual building performance to emphasize to building owners the critical value of addressing operational practices. The P4P NC Program aligns with other rating authorities such as LEED and ENERGY STAR.

Support for EMP Goals

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Description

The P4P NC Program takes a comprehensive, whole building approach to EE in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.[43] The program provides tiered incentive levels correlated to the modeled energy and energy cost savings as demonstrated in the proposed design and includes a performance component to reflect the value that effective building operation has in determining energy use. This market-based program relies on a network of partners selected through a Request for Qualifications process. Once approved, partners may provide technical services to program participants. Although partners work under contract with building owners, acting as their "energy expert", they are required to strictly follow program requirements. Partners will be required to develop a Proposed Energy Reduction Plan ("ERP") for each project. The Proposed ERP details a set of recommended measures that will achieve the minimum performance target. Partners will then provide an As-Built ERP, along with a Commissioning Report to demonstrate that recommended measures are installed and functioning. Lastly, the partner will benchmark the building following one year of operation to document how well the building is operating relative to the As-Built ERP.

[43] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Participants will be required to work with an approved partner to develop the Proposed ERP and facilitate the incorporation of the recommended EE measures. The submitted Proposed ERP must include a package of EE measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2019.[44] The minimum performance target will be measured in terms of energy cost and source energy savings, which is consistent with Appendix G of ASHRAE 90.1-2019, EPAct Federal Tax Deductions and LEED NC.

Partners are required to develop whole building energy simulations using approved simulation tools. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1, Section 11 or Appendix G of ASHRAE 90.1 or as approved by the Program Manager. The program follows Appendix G of ASHRAE 90.1-2019 to demonstrate that the proposed design meets or exceeds the minimum performance target.

Appendix G of ASHRAE 90.1-2019

Under this path, the partner will model a baseline and proposed building using Appendix G of ASHRAE 90.1-2019. Appendix G of ASHRAE 90.1-2019 uses a common baseline building approach that will remain the same for all future iterations of ASHRAE 90.1 and is roughly equivalent to ASHRAE 90.1-2004, Appendix G. Program Guidelines and tools will outline/calculate equivalent savings values relative to Appendix G of 90.1-2019. Measures must be modeled as interactive improvements to Appendix G of ASHRAE 90.1-2019.[45]

Each project must have at least one measure addressing *each* of the following building systems: envelope, heating, cooling, and lighting (e.g., increased insulation, improved HVAC efficiency, lighting power density below code requirements, etc.). Buildings that are not heated (e.g., refrigerated warehouse) or not cooled (e.g., warehouse) will not be required to have a measure addressing the missing building system. Measures are defined as components that exceed ASHRAE 90.1-2019 requirements.

Core and Shell vs. Tenant Fit-Out Considerations

Generally, P4P NC projects are required to evaluate the whole building design. Further, if a P4P NC application is submitted to the Program, that same building(s) cannot also submit applications to other programs. An exception to this rule may apply to eligible projects pursuing Core & Shell separate from tenant fit-out improvements, which may fall into one of two scenarios below.

Scenario 1: Core & Shell and Tenant Fit-out are combined **-** In this scenario, all aspects of the design (whole building) must be included under a single P4P NC application and treated as a single project following all Program Guidelines, as typical. This may apply where:

- Developer is funding and constructing both Core & Shell and Tenant Fit-out; or

---

[44] Energy Target is rounded down to two significant figures e.g., 0.0487 is rounded to 0.04 or 4%.

Note also that applications for projects that submit documentation they received their construction/building permits under ASHRAE 90.1-2016 will have their P4P NC applications processed using ASHRAE 90.1-2016 as their baseline.

[45] For the avoidance of doubt, as so outlined, modeled or calculated, they must meet the minimum performance target set out above in this Program Description.

- High performance systems are specified and funded for the tenant space separate from Core & Shell, but the building owner and tenant have come to an agreement to include both scopes of work under a single project.

Scenario 2: Core & Shell Separate from Tenant Fit-out - This scenario applies when the Core & Shell work is known, but the tenant space development is unknown and/or is funded separately. In this case, the Core & Shell is treated as a separate project from the Tenant Fit-out and a building may apply for P4P NC for either Core & Shell or Tenant Fit-out(s), but not both. The determining factor depends on which scope will include design and construction of the central HVAC system, in which case:

- P4P NC incentives will apply to all conditioned square footage of the building serviced by the central HVAC in the project's scope of work;
- The project scope applying for P4P NC (e.g., Core & Shell or Tenant Fit-out) must be able to meet all requirements for P4P NC on its own;
- Any Tenant Fit-out or Core & Shell work not included in P4P NC (and connected to a non-residential electric/gas account paying into the SBC) may seek incentives through the C&I Prescriptive or Custom Measure programs for eligible equipment.

A project may apply to the program at any point during the design phase. Projects that have begun construction may still apply so long as measures have not been purchased prior to receipt of the program application. Any measures installed prior to approval of Proposed ERP are done so at the project's risk. In the event the equipment selected does not qualify for an incentive, it will be removed from the Proposed ERP. Projects that cannot identify efficiency improvements that meet the above requirements will be referred to the appropriate C&I Buildings Program(s).

See Program Guidelines at www.njcleanenergy.com for additional modeling considerations.

Target Market and Eligibility

The P4P NC Program is open to new C&I construction projects with 50,000 square feet or more of conditioned space. The Program Manager has the discretion to approve projects that are within 10% of the minimum 50,000 square foot threshold. Projects may include a single building meeting square footage requirements or multiple buildings provided those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time period.[46] Multiple buildings that are grouped into one program application are viewed as a single project that is eligible for one set of program incentives and all incentive caps apply to the group of buildings.

Due to the comprehensive design of this program, projects may not apply for incentives in other NJCEP programs while enrolled in P4P NC for the same facility(ies). All eligible measures must be considered in P4P NC, with the exception of on-site generation (e.g. CHP program). Exceptions

[46] For the purpose of tracking technical reviews and site inspections, each building addressed within a multi-building ERP may be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

also apply to Core & Shell and/or Tenant Fit-out projects as set out in the foregoing paragraphs. Additional exceptions may be considered by the Program Manager on a case-by-case basis.

Multifamily Buildings

The P4P NC Program accommodates certain types of multifamily buildings. Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction (MFNC) program may apply for NJCEP incentives through the RNC Program; applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be *satisfied* in order to receive incentives. Please see Appendix B, Multifamily Decision Tree, for further guidance on multifamily program eligibility.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the P4P program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P NC application. The 50,000-square-foot participation threshold will be met through this aggregation (including common area and in-unit). The minimum performance target (as well as all other program requirements) will also be determined on an aggregated basis. Only one set of incentives will be paid per project and all incentive caps apply.

Partner Network

Existing approved P4P NC Partners will need to complete online re-training on a regular basis as determined by the Program Manager in order to remain an approved partner in the program. The Program Manager may offer select partners one-on-one training on projects to ensure success in the program, as well as kick-off meetings upon project enrollment. Depending on program demand, the Program Manager may provide subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.1-2019.

Program Offerings and Incentives

The P4P NC Program's incentive structure was conceived to encourage the design and achievement of comprehensive energy savings and are, therefore, released in phases upon satisfactory completion of each of these three program milestones:

1. Submittal and approval of a Proposed ERP with proposed design meeting all program requirements;
2. Submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP. Changes between proposed and as-built design must be accounted for at this point, although as-built project must still meet all program requirements; and
3. Submittal of ENERGY STAR Portfolio Manager benchmark based on first year of operation with score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining *ASHRAE Building Energy Quotient (bEQ) In-Operation* Certification with equivalent score as set by Program Guidelines. Additional certification for compliance may be considered by Program Manager.

Incentives are paid based on the rate schedule in the table below. At the customer's written request, incentive payments may be assigned or directed (including re-assignment or re-direction) to either the customer, the partner, or other designated representative.

Table 13: P4P NC Incentive Schedule

	Cost or Source Energy Reduction from 90.1-2019 Baseline	Incentive by Building Type Per Square Foot	
Minimum Performance Requirement	15% Multifamily 5% All other	Industrial/High Energy Use Intensity	Commercial and Multifamily
Incentive #1 Proposed Energy Reduction Plan	+ 0 - <2% (Tier 1)	$0.10	$0.08
	+ 2 - <5% (Tier 2)	$0.12	$0.10
	+ 5% or greater (Tier 3)	$0.14	$0.12
	Max	$50,000.00	
	Pre-Design Bonus	$0.04	
	Max	$20,000.00	
Incentive #2 As-Built Energy Reduction Plan and Cx Report	+ 0 - <2% (Tier 1)	$1.00	$0.80
	+ 2 - <5% (Tier 2)	$1.20	$1.00
	+ 5% or greater (Tier 3)	$1.40	$1.20
Incentive #3 Building Performance		$0.40	$0.35

- Incentive #1 is contingent on moving forward with construction and must be supported by required program documentation (e.g., signed Installation Agreement). The Program Manager, in coordination with the Division of Clean Energy, may waive this contingency in extreme situations where construction is halted due to economic or other external factors. If a project is cancelled after the receipt of Incentive #1, the incentive amount shall be returned to NJCEP. If the Incentive #1 payment is not returned to NJCEP, the customer/partner will not be eligible in the future for another Incentive #1 payment for the same facility.
- The total of Incentives #1, #2, and #3 combined shall not exceed $2,000,000 per project, assuming both electric and natural gas measures are recommended and implemented. Should only electric measures or only gas measures be recommended and implemented, then the total of Incentive #1, #2, and #3 combined shall not exceed $1,000,000 per project. The foregoing would place a $1,000,000 per project cap on electric-only facilities.
- Certain circumstances may impact an incentive amount after a commitment has been made:
    - Increase or decrease in project square feet may increase (budget permitting) or decrease the incentive;
    - Significant modifications to the approved scope of work, including addition and removal of a measure, may impact the overall project savings causing a project to move between incentive tiers. Incentives will be adjusted up (budget permitting) or down, accordingly; and

- Generally, any required adjustments will also include under or overpayment of incentives already paid.

Incentive #1 Pre-Design Bonus (Integrative Process): Projects that are in pre-design or schematic design may be eligible for a higher Incentive #1. The goal is to incentivize applicants to think critically about their building design from an EE standpoint early in the process when changes are easier to make, thereby supporting high-performance, cost-effective project outcomes. To qualify, the partner will need to work with the applicant beginning in pre-design and continuing throughout the design phases. They will perform a preliminary "simple box" energy modeling analysis before the completion of schematic design that explores how to reduce energy loads in the building and accomplish related sustainability goals by questioning default assumptions. They will then document how this analysis informed building design decisions relative to owner's project requirements, basis of design, and eventual design of the project. This submittal shall be submitted after application approval, but prior to the Proposed ERP. Although pre-construction inspections are not routinely performed in this program, TRC may inspect projects applying for this bonus.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all P4P NC Program projects. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of measure qualification and incentive calculation. Applicant supplied information and project technical data are entered into the database. Electronic files are created for all documents and for ongoing project correspondence. The Program Manager reviews submitted ERPs.

The Program Administrator quality control staff will perform pre- and post-construction inspections, will regularly conduct pre-approval technical reviews of ERPs, and will perform file reviews on a sampling of applications prior to incentive payments. The selection of inspections and reviews will be based on a pre-determined, random sampling percentage.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

C&I Buildings: Customer Tailored Energy Efficiency – New Construction

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

This program supplements the current New Jersey C&I incentive programs by offering a streamlined approach to developing and implementing EE projects for mid-to-large customers. The key features of the program:

- Allows customers to bundle multiple prescriptive and custom measures into one application with one project delivery approach;
- Customers can receive incentives for qualified advanced and emerging EE technologies that are not currently addressed under SmartStart;
- Technical assistance incentives offered to help minimize the soft costs associated with developing an EE project;
- Leverages existing EE professional networks;
- Larger customers with multiple measures can access incentives for their targeted EE projects without enrolling in a whole-building program; and
- Performance verification to engage customers after their project is complete to ensure persistence of savings.

The goals of the program are to:

- increase participation among mid to large customers;
- increase the amount of energy saved per project for participating customers;
- understand from participating customers whether assistance beyond measure incentives will facilitate the installation of EE projects;
- promote the installation of advanced lighting controls in conjunction with high efficiency LED luminaires; and
- collect information and data that can inform program changes or new program designs in the future.

Support for EMP Goals

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 4.1 (Start the transition for new construction to be net zero carbon).

Program Implementation Description

The program was developed and launched in FY18 in response to customer concerns regarding the application process for projects involving completion and submission of multiple SmartStart applications. It will be promoted through traditional methods, the C&I Outreach Account Managers, and EE professionals.

The program process is as follows:

1. **Outreach and Recruitment** – The CTEEP NC will be included in any C&I customer outreach conducted by the Account Managers. Information about it will be placed on the web site and shared with the Ombudsman's office and trade allies who can assist in promoting the pilot to their customers.

2. **Enrollment** - The enrollment application will allow the Program Management team to assess the opportunities, the status of the potential project, and to schedule a Scoping Session meeting where the Case Manager performs a needs assessment to determine whether the customer requires additional assistance such as referral to technical expertise, financial assistance, internal sales, or benchmarking.

3. **Energy Efficiency Plan Development** - Upon application acceptance, the customer works with its technical experts to develop the EEP.

4. **Incentive Commitment** - Upon acceptance of a complete EEP, the Program Manager will commit incentives as defined by the EEP and program requirements. The incentive commitment will be valid for twelve (12) months. The Program Manager may extend the initial expiration period in two, six (6) month intervals.

5. **ECM Installation** – The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.

6. **Performance Verification** – The performance verification submission applies to custom measures only. A customer will receive the final 10% of custom measure incentives consistent with the schedule defined below.

Target Markets and Eligibility

The target customer size is 50,000 square feet.

Additional criteria that will be considered for inclusion:

- Customers with complex operations and/or unique energy usage profiles who would most benefit from custom assessments of efficiency opportunities;
- Customers whose efficiency opportunities, barriers to investment, and/or business needs suggest they may benefit from support beyond just financial incentives (e.g. technical analysis, financial analysis, etc.);
- Customers with projects requiring multiple applications under existing program offerings; and
- Customers who are good candidates for installation of new, innovative, or advanced efficiency technologies.

Program Offering and Incentives

Financial incentives offered to customers of the CTEEP NC will be the same as those available through the existing prescriptive and custom program offerings. However, for ease of customer participation, the financial incentives will be bundled into a single "package" application. The

total incentive available for any project will be equal to the sum of the incentives available through the existing prescriptive and custom program offerings for the measures installed. For ECMs possessing both prescriptive and custom features, the Program Manager will have discretion to determine if some or all of the EE benefits will be eligible under the custom incentive structure.

Prescriptive Measures:

- Measures meeting the requirements of the current SmartStart Building Program will receive the established incentive (including any applicable enhancements) under that program.

Custom Incentives:

- $0.16 per kWh
- $1.60 per therm
- 50% of project cost
- Buy-down to 1-year payback
- Same enhanced incentives as for the current SmartStart Building Program

Technical Assistance:

In addition to measure incentives, where initial design costs are a barrier to the pursuit of projects that appear to be promising, the Pilot may offer customers an additional incentive towards design assistance or technical support provided by an independent[47] third party design professional. Incentives will be available for up to 50% of the cost of the design/technical assistance up to a maximum of $10,000 upon approval of the NJCEP Program Manager, with half of the incentive payable upon proof of construction kick-off and the remainder upon installation of the recommended measures.

Incentive cap:

The same caps in SmartStart Program apply here, including the $500,000 per utility account cap; however, the Technical Assistance incentive does not count towards this incentive cap.

[47] Independent in this case means the design professional does not sell or represent products that are being considered for installation.

Payment Schedule

Incentive payments are made along the life of a project as outlined below.

Project material/labor invoices will signify projected completion followed by a post-inspection as deemed appropriate.

Table 14: CTEEP NC Schedule of Payments

Schedule of Payments			
Type of Incentive	**Milestone 1 Construction Kick-Off**	**Milestone 2 Substantial Completion**	**Milestone 3 Performance Verification**
Technical Assistance Incentive	50%	50%	-
Base Incentives – Prescriptive	-	100%	-
Base Incentives – Custom	-	90%	10%

Milestone 1: The EEP is approved and construction contracts are in place.
Milestone 2: All work is installed and new equipment and systems are generating energy savings. Multiple payments may be provided.
Milestone 3: Performance Verification is complete. Multiple payments may be provided. This milestone may occur between 3-6 months after substantial completion.

Program Standards

- **Prescriptive measures** must meet the minimum requirements of the SmartStart Buildings program.
- **Custom measures** must meet or exceed current SmartStart Custom requirements (with the exception of minimum energy savings requirements) or the MPS for the LEUP.
- **Advanced Lighting Control Systems** must be listed on the Design Lights Consortium's Qualified Products List.
- **Emerging Technologies** must meet current building codes or industry standards, as applicable.

Limitations/Restrictions

- Renewable and power storage technologies including, but not limited to, photovoltaics, fuel cells, battery storage, and microturbines are not eligible.
- Combined heat and power systems are incentivized under New Jersey's Combined Heat and Power program and are not eligible for CTEEP NC incentives.
- Previously installed measures (i.e., any measures installed prior to enrollment) are not eligible.

- Measures that do not save energy (kWh or therms) are not eligible. Customers may install measures that exclusively reduce operating costs and/or energy/demand costs, but they may not be included in the CTEEP NC EEP.
- Operations & Maintenance and behavioral measures are not eligible. Behavioral measures include those where equipment is adjusted to improve performance or change energy use. Behavioral measures may include boiler clean and tunes, commissioning of existing equipment, thermostat adjustment, or seasonal equipment removal.

Quality Control Provisions

All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Inspection protocols for custom measure projects will require a pre-determined percentage of pre- and post-inspections. Pre-inspections may be waived after successful completion of a Scoping Session.

TRC will utilize the Contractor Remediation Procedures as necessary or appropriate to address significant performance or other problems.

Appendix H, Residential Incentives (including Enhancements)

Residential New Construction

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

Table 15: RNC Financial Incentives per Unit for ENERGY STAR New Construction Programs, Zero Energy Ready Home, and Zero Energy Home + RE

Program	Single Family (1 & 2 Family Homes)	Townhome (as defined by EPA)	Multifamily (as defined by EPA)
Energy Star	$1,000 per home + $30 per MMBtu saved	$500 per home + $30 per MMBtu saved	$500 per unit + $30 per MMBtu saved
ZERH (Zero Energy Ready Home)	$4,000 per home + $30 per MMBtu saved Rater Incentive: $1,200 per home	$2,500 per home + $30 MMBtu saved Rater Incentive: $1,200 per home	$1,500 per unit + $30 per MMBtu saved
ZERH + Renewables	$6,000 per home + $30 per MMBtu saved Rater Incentive: $1,200 per home	$4,000 per home + $30 per MMBtu saved Rater Incentive: $1,200 per home	$2,250 per unit + $30 per MMBtu saved
UEZ/Affordable Housing Bonus	+$500 per home	+$500 per home	N/A

Notes:

1. The above $30/MMBTU is based on savings before any savings from Renewable Energy. MMBtu is the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline reference home, defined by the applicable energy code as described in more detail in the New Jersey Clean Energy Program Protocols to Measure Resource Savings

2. Building types are determined using the EPA MFNC Program Decision Tree, located at this Compliance Filing's Appendix B, Multifamily Decision Tree.

Appendix I, Part 2 Incentive Caps and General Rules

Incentive Caps

Incentive caps have been established where appropriate to ensure that there is equitable access to the Programs included in Part 2 of this Compliance Filing ("Part 2 Program") for all qualifying customers. These caps have been established because, in some cases, a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most Part 2 Programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost[48] of measures installed or performed.

General Rules

SBC

Unless specifically stated otherwise in the description of a Part 2 Program, customers eligible for incentives under the Part 2 Programs are defined as electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC; for the C&I Programs, the customers must also be non-residential. With the exception of the RNC and the New Construction sub-programs, applicants to any of the Part 2 Programs must be contributors to the SBC within the previous twelve (12) months.

Prevailing Wage

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by applying to the program and receiving program incentives.

[48] Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Extensions

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six (6) months or one (1) year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in this Compliance Filing and/or in the Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

C&I New Construction Incentives

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

Custom Measures

- Performance incentives of $0.16/kWh and $1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback, subject to enhancement, where applicable, pursuant to the table immediately below. Based on estimated savings as approved by the Program Manager.
- Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency ("CEE"), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions.

Table 16: C&I Custom Measure Incentives

Equipment Type	Incentive Cap	Incentive Amount
Custom Measures	First-Year Savings Cap	Electric Savings: $0.16/kWh Gas Savings: $1.60/therm
	Project Cost Cap	50% of Total Installed Project Cost
	Buy-Down Cap	Amount to buy-down to 1-year payback

Electric Chillers

- **Note:** - The manufacturer's published chiller efficiency must be determined using the Air-Conditioning, Heating and Refrigeration Institute ("AHRI") 550/590 test procedures and at the AHRI standard evaporator and condenser temperatures. If an applicant has a water-cooled centrifugal chiller that is designed to operate at other than the AHRI standard conditions the procedure in Standard 90.1-2019, Section 6.4.1.2.1 may be used by the applicant to adjust the manufacturer's published efficiency at non-AHRI conditions to the efficiency at AHRI standard conditions. The applicant will need to provide the

manufacturer's non-AHRI ratings, as well as the calculations for the chiller efficiency at AHRI conditions.

- Electrically operated comfort cooling air-cooled and water-cooled chillers are eligible for incentives under the prescriptive path. Chillers for process cooling (e.g., manufacturing, data center, food storage or processing, etc.) loads may apply for an incentive under the custom path.
- Performance Incentives apply for each 0.1 EER above the Incentive Minimum EER or for each 0.01 kW/ton below the Incentive Minimum kW/ton.
- Proposed equipment must exceed minimum program efficiency requirements for Path A (constant speed) IPLV and Path B (variable speed) Full Load.

Table 17: C&I Electric Chiller Incentives

Equipment Type	Capacity	New Construction			
		Constant Speed		Variable Speed	
		Base $/ton	**Performance $/ton**	**Base $/ton**	**Performance $/ton**
Air Cooled Chiller	tons < 150	$10.00	$3.50	$45.00	$4.00
	tons ≥ 150	$10.00	$2.75	$46.00	$4.00
Water Cooled Chiller, Positive Displacement	tons < 75	$6.50	$2.25	$20.00	$2.50
	75 ≤ tons < 150	$10.00	$2.00	$21.50	$2.00
	150 ≤ tons < 300	$8.50	$2.00	$21.50	$2.00
	300 ≤ tons < 600	$7.50	$2.25	$18.50	$2.00
	tons ≥ 600	$15.00	$2.00	$22.00	$2.00
Water Cooled Chiller, Centrifugal	tons < 150	$12.00	$2.25	$12.00	$2.75
	150 ≤ tons < 300	$5.00	$2.00	$15.00	$2.50
	300 ≤ tons < 400	$4.00	$2.00	$10.00	$2.00
	400 ≤ tons < 600	$4.00	$2.00	$12.50	$2.00
	tons ≥ 600	$4.00	$2.00	$12.50	$2.00

Table 18: C&I Electric Chiller Minimum Efficiency Requirements

Equipment Type	Capacity	Constant Speed		Variable Speed		Constant Speed		Variable Speed	
		Incentive Minimum Full Load kW/ton	Qualifying IPLV kW/ton	Qualifying Full Load kW/ton	Incentive Minimum IPLV kW/ton	Incentive Minimum Full Load EER	Qualifying IPLV EER	Qualifying Full Load EER	Incentive Minimum IPLV EER
Air Cooled Chiller	tons < 150					10.3	13.7	9.7	16.12
	tons ≥ 150					10.3	14.0	9.7	16.42
Water Cooled Chiller, Positive Displacement	tons < 75	0.735	0.60	0.78	0.49				
	75 ≤ tons < 150	0.706	0.56	0.75	0.48				
	150 ≤ tons < 300	0.647	0.54	0.68	0.431				
	300 ≤ tons < 600	0.598	0.52	0.625	0.402				
	tons ≥ 600	0.549	0.50	0.585	0.372				
Water Cooled Chiller, Centrifugal	tons < 150	0.598	0.55	0.695	0.431				
	150 ≤ tons < 300	0.598	0.55	0.635	0.392				
	300 ≤ tons < 400	0.549	0.52	0.595	0.382				
	400 ≤ tons < 600	0.549	0.50	0.585	0.372				
	tons ≥ 600	0.549	0.50	0.585	0.372				

Gas Cooling

- For gas chillers, full load efficiencies are determined in accordance with AHRI 560; however, part load efficiencies are not rated.

Table 19: C&I Gas Absorption Chiller Incentives

Equipment Type	Size Range	Min Efficiency	Incentive
Gas Absorption Chiller	< 100 tons	> 1.1 Full Load COP	$450/ton
	100 to 400 tons		$230/ton
	> 400 tons		$185/ton

Table 20: C&I Regenerative Desiccant Unit Incentives

Equipment Type	Requirement	Incentive
Regenerative Desiccant Unit	Must be matched with core gas or electric cooling equipment.	$1.00/CFM of process air flow

Electric HVAC

- To be eligible for an incentive, the equipment must exceed the requirements in the tables below.
- For systems < 65,000 British thermal units ("Btu") per hour ("Btu/h"), if the equipment is rated using SEER2 efficiency units, SEER2 shall be used to determine eligibility. Otherwise, the SEER rating may be used.
- For systems < 65,000 Btu/h, if equipment is rated using HSPF2 efficiency units, HSPF2 shall be used to determine eligibility. Otherwise, the HSPF rating may be used.

Table 21: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive $/Ton
			SEER/ SEER2	EER	IEER	
Unitary HVAC Split System	< 65,000	1	15.2 / 14.4			$92
		2	17.4 / 16.5			$105
Unitary HVAC Single Package	<65,000	1	15.2 / 14.4			$92
		2	17.4 / 16.5			$103
Unitary HVAC Single Package or Split System	≥ 65,000 and < 135,000	1		11.5	15.0	$73
		2		12.5	16.1	$79
	≥ 135,000 and < 240,000	1		11.5	14.2	$79
		2		12.0	16.1	$89
Central DX AC	≥ 240,000 and < 760,000	1		10.5	13.2	$79
		2		11.0	14.2	$85
	≥ 760,000	1		9.7	12.5	$72
		2		10.0	13.4	$77

Table 22: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency					Incentive $/ton
			SEER/ SEER2	HSPF/ HSPF2	EER	IEER	COP	
Air Source Heat Pump Split System	< 65,000	1	15.4 / 14.6	9.1 / 7.7				$92
		2	16.6 / 15.8	9.2 / 7.8				$100
Air Source Heat Pump Single Package	< 65,000	1	14.4 / 13.7	8.2 / 6.9				$92
		2	15.6 / 14.8	8.5 / 7.1				$100
Air Source Heat Pump Split System and Single Package	≥ 65,000 and < 135,000	1			11.5	14.1	3.5	$73
		2			12.1	14.8	3.6	$77
	≥ 135,000 and < 240,000	1			11.5	13.5	3.4	$79
		2			11.7	15.0	3.4	$82
	≥ 240,000	1			9.5	12.5	3.3	$79
		2			9.7	14.2	3.3	$82

Table 23: C&I Water Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive $/Ton
			EER	COP	
Water to Air, Water Loop Heat Pump	< 17,000	1	12.4	4.3	$20
		2	14.0	4.8	$23
	≥ 17,000 and < 65,000	1	13.3	4.3	$30
		2	15.0	4.5	$34
	≥ 65,000 and < 135,000	1	13.3	4.3	$40
		2	15.0	4.5	$45

Table 24: C&I Single Packaged Vertical AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive $/Ton
			EER	COP	
Single Packaged Vertical AC - SPVAC	< 65,000	1	11.2		$10
		2	11.8		$12
	≥ 65,000 and < 135,000	1	10.2		$10
		2	10.7		$12
	≥ 135,000 and < 240,000	1	10.2		$10
		2	10.7		$12
Single Packaged Vertical Heat Pump - SPVHP	< 65,000	1	11.2	3.4	$10
		2	11.8	3.5	$12
	≥ 65,000 and < 135,000	1	10.2	3.1	$10
		2	10.7	3.2	$12
	≥ 135,000 and < 240,000	1	10.2	3.1	$10
		2	10.7	3.2	$12

Table 25: C&I Ground Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive $/Ton
			EER	COP	
Ground Source Heat Pump	< 135,000	1	14.4	3.2	$40
		2	18.0	3.6	$50
Groundwater Source Heat Pump	< 135,000	1	18.4	3.7	$40
		2	22.0	3.9	$48

Table 26: C&I Packaged Terminal AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/hr)	Minimum Efficiency		Incentive $/Ton
		EER	COP	
Packaged Terminal AC	< 7,000	12.0		$20/ton (all cooling capacities)
	≥ 7,000	12.0		
	≥ 8,000	11.7		
	≥ 9,000	11.4		
	≥ 10,000	11.1		
	≥ 11,000	10.8		
	≥ 12,000	10.5		
	≥ 13,000	10.2		
	≥ 14,000	9.9		
	≥ 15,000	9.6		
Packaged Terminal Heat Pump	< 7,000	12.0	3.4	
	≥ 7,000	12.0	3.4	
	≥ 8,000	11.7	3.3	
	≥ 9,000	11.4	3.3	
	≥ 10,000	11.1	3.2	
	≥ 11,000	10.8	3.2	
	≥ 12,000	10.5	3.1	
	≥ 13,000	10.2	3.1	
	≥ 14,000	9.9	3.0	
	≥ 15,000	9.6	3.0	

Table 27: C&I Electric HVAC Controls Incentives

- Hospitality/institutional buildings with more than 50 units are not eligible for Occupancy Controlled Thermostats for Hospitality/Institutional Facilities incentive.

Equipment Type	Controlled Unit Size	Incentive
Occupancy Controlled Thermostats for Hospitality/Institutional Facilities	Any capacity	$75 per occupancy-controlled thermostat
A/C Economizing Control	< 4.5 tons	$85/control

Gas Heating

Table 28: C&I Non-Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Non-Condensing	Hot Water	< 300 MBtu/h	85% AFUE	$0.95/MBH; Min $400
		≥ 300 and < 1,000 MBtu/h	85% Et	$1.75/MBH
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	$1.40/MBH; Min $400
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	$1.20/MBH
		> 1,500 and ≤ 2,500 MBtu/h	81% Et	$1.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	$1.00/MBH
	Steam, natural draft	< 300 MBtu/h	82% AFUE	$1.40/MBH; Min $300
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	$1.00/MBH
		> 1500 and ≤ 2,500 MBtu/h	81% Et	$0.90/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	$0.70/MBH
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 29: C&I Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Condensing	Hot Water	< 300 MBtu/h	88% AFUE	$1.35/MBH; Min $1,000
			93% AFUE	$2.00/MBH; Min $1,000
		≥ 300 and < 1,000 MBtu/h	92% Et	$2.00/MBH; Min $1,000
			95% Et	$2.20/MBH; Min $1,000
		≥ 1,000 and ≤ 2,500 MBtu/h	92% Et	$1.85/MBH
			95% Et	$2.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	92% Ec	$1.55/MBH
			95% Ec	$2.00/MBH
		> 4,000 MBtu/h		Treated under Custom Measure Path

Table 30: C&I Gas Furnace and Infrared Heater Incentives

Equipment Type	Capacity	Requirement	Minimum Efficiency	Incentive
Gas Furnace	All Sizes	ENERGY STAR® Qualified, 2.0% Fan Efficiency	≥ 95% AFUE	$400
			≥ 97% AFUE	$500
Gas Infrared Heater	≤ 100 MBtu/h	Low intensity infrared heater with reflectors. For indoor use only.	n/a	$500
	> 100 MBtu/h			$300

Table 31: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2019 Table 6.8.3-1.

Equipment Type	Pipe Diameter	Incentive
Domestic Hot Water Pipe Wrap Insulation	≤ 0.5 inch diameter piping	$1/linear foot
	> 0.5 inch diameter piping	$2/linear foot

Gas Water Heating

Table 32: C&I Gas Water Heating Incentives

Equipment Type	Water Heater Type	Size (Input Rate)	Min Efficiency	Incentive
Gas Water Heaters	Gas-fired, Storage	≤ 75 MBtu/h *(consumer)*	≥ 0.64 UEF	$1.75/ MBtu/h
			≥ 0.85 UEF	$3.50/ MBtu/h
		>75 MBtu/h and ≤ 105 MBtu/h *(residential duty commercial)*	≥ 82% Et or ≥ 0.64 UEF	$1.75/ MBtu/h
			≥ 90% Et or ≥ 0.85 UEF	$3.50/ MBtu/h
		> 105 MBtu/h *(commercial)*	≥ 82% Et	$1.75/ MBtu/h
			≥ 92% Et	$3.50/ MBtu/h
	Gas-fired, instant (tankless)	< 200 MBtu/h *(consumer)*	≥ 90% Et or ≥ 0.90 UEF	$300/unit
		≥ 200 MBtu/h *(commercial)*	≥ 90% Et	$300/unit
	Gas-fired, Water Booster Heater	□ 100 MBtu/h	n/a	$35/ MBtu/h
		> 100 MBtu/h	n/a	$17/ MBtu/h

Table 33: C&I Low-Flow Fixture Incentives

- Public lavatory faucet aerators are not eligible for incentives.

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	1.5 GPM or Less	$10/showerhead
Low Flow Faucet Aerator	1 GPM or Less	$2/aerator

Variable Frequency Drives

- Motor Size (HP) Controlled per VFD is the cumulative motor HP controlled by each VFD.
- Controlled Motor HP less than the listed range of eligible values are ineligible for incentives.
- Controlled Motor HP more than the listed eligible values should use the C&I Custom program.
    - For all VFD measure except air compressors, the maximum controlled threshold is 50HP. VFDs controlling more than 50HP, except related to air compressors, will be reviewed through the custom measure path.
    - For new air compressors with VFDs, prescriptive incentives will be provided for units up to 200HP. VFDs controlling air compressor motors exceeding 200HP will be reviewed through the custom measure path.
- If the controlled HP falls in between the HP listed on the VFD incentive table, the incentive is based on the lower controlled HP listed.

Table 34: C&I VFD Incentives

Equipment Type	Motor Size (HP) Controlled per VFD	Incentive
Variable Frequency Drives	0.5	$50
	1	$75
	2	$100
	3	$200
	4	$300
	5	$900
	7.5	$1000
	10	$1,100
	15	$1,200
	20	$1,300
	25	$1,400
	30	$1,500
	40	$2,500
	50	$3,000
	60	$3,500
	75	$4,000
	100	$5,000
	200	$7,000

Table 35: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Air Compressor	25 HP ≤ 200 HP	Must be installing VFD on new air or water cooled, single or double stage, oil lubricated or oil free twin rotor screw air compressors outfitted with VFDs (providing compressed air for typical plant air use). Only one VFD controlled air compressor will be eligible for an incentive for each compressed air system.

Performance Lighting

- Performance Lighting incentives are available for eligible indoor light fixtures and outdoor fixtures where electricity usage is billed through the applicant's meter in new construction and substantial renovations of existing buildings. Substantial renovations of areas within existing buildings are also eligible only if existing lighting is completely removed.[49]
- Proposed lighting design must demonstrate lighting power density ("LPD") lower than specified by ASHRAE 90.1-2019 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and Table 9.2.3.1 of ASHRAE 90.1-2019.
    - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 37: C&I DLC® Certified Indoor Horticultural LED Fixtures.
- Proposed lighting design must predominantly consist of LED fixtures and lamps qualified by DesignLights Consortium® or ENERGY STAR®.

Table 36: C&I Performance-Based Lighting Incentives

Equipment Type	Incentive Cap	Incentive Caps
Performance-Based Lighting	Design Wattage Cap	$1/Watt over the LPD baseline per qualified area

Table 37: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures Qualified Products List[50]	Indoor Horticultural Facilities Operating ≥ 3000 hours/year	≥ 500 Watts	$250/fixture
		< 500 watts	$150/fixture
	Indoor Horticultural Facilities Operating < 3000 hours/year	≥ 500 Watts	$200/fixture
		< 500 watts	$50/fixture

[49] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

[50] https://www.designlights.org/.

Food Service Equipment

Table 38: C&I Dishwasher Incentives

- Equipment must be qualified by the current version of ENERGY STAR® or CEE.

Equipment Type	Description	Incentive
Commercial Dishwasher	Under Counter	$400 per unit
	Door Type	$700 per unit
	Single Tank Conveyor	$1,000 per unit
	Multiple Tank Conveyor	$1,500 per unit

Table 39: C&I Cooking Equipment Incentives

- Equipment must be qualified by the current version of ENERGY STAR, CEE, or ASTM criteria defined in the table at the end of this section.
- Commercial Fryers: Multiple vat configurations are paid per qualifying vat.

Equipment Type	Description	Incentive
Commercial Combination Oven/Steamer	Electric	$1,000 per oven
	Gas	$750 per oven
Commercial Convection Oven	Electric	$350 per oven
	Gas	$500 per oven
Commercial Rack Oven	Single oven (Gas)	$1,000 per single oven
	Double oven (Gas)	$2,000 per double oven
Commercial Griddle	Electric	$300 per griddle
	Gas	$125 per griddle

Table 40: C&I ENERGY STAR® Refrigerator and Freezer Incentives

- The refrigeration system must be built-in (packaged).
- Cases with remote refrigeration systems do not qualify.
- Must meet ENERGY STAR Version 4.0 specification.

Equipment Type	Refrigerator/Freezer Internal Volume	Incentive
ENERGY STAR® Commercial Glass Door Refrigerator	< 15 ft^3	$75 per unit
	≥ 15 to < 30 ft^3	$100 per unit
	≥ 30 to < 50 ft^3	$125 per unit
	≥ 50 ft^3	$150 per unit
ENERGY STAR® Commercial Solid Door Refrigerator	< 15 ft^3	$50 per unit
	≥ 15 to < 30 ft^3	$75 per unit
	≥ 30 to < 50 ft^3	$125 per unit
	≥ 50 ft^3	$200 per unit
ENERGY STAR® Commercial Glass Door Freezer	< 15 ft^3	$200 per unit
	≥ 15 to < 30 ft^3	$250 per unit
	≥ 30 to < 50 ft^3	$500 per unit
	≥ 50 ft^3	$1,000 per unit
ENERGY STAR® Commercial Solid Door Freezer	< 15 ft^3	$100 per unit
	≥ 15 to < 30 ft^3	$150 per unit
	≥ 30 to < 50 ft^3	$300 per unit
	≥ 50 ft^3	$600 per unit

Table 41: C&I ENERGY STAR® Ice Machine Incentives

- Ice machines must be tested in accordance with the Air Conditioning and Refrigeration Institute (ARI) Standard 810.
- Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed, and fragmented ice makers.
- Only air-cooled machines (self-contained, ice making heads, or remote condensing) qualify.
- The entire ARI tested ice making system must be purchased.
- Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit.
- The efficiency specifications for the two qualifying tiers are equivalent to ENERGY STAR® or Super-Efficient. ENERGY STAR® ice machines must meet ENERGY STAR® Version 3.0 specification.

Equipment Type	Ice Harvest Rate	Incentive
ENERGY STAR® Commercial Ice Machine	101–200 lbs/day	$50 per unit
	201–300 lbs/day	$50 per unit
	301–400 lbs/day	$75 per unit
	401–500 lbs/day	$75 per unit
	501–1000 lbs/day	$125 per unit
	1001–1500 lbs/day	$200 per unit
	Greater than 1500 lbs/day	$250 per unit
Super-Efficient Ice Machine	101–200 lbs/day	$100 per unit
	201–300 lbs/day	$100 per unit
	301–400 lbs/day	$150 per unit
	401–500 lbs/day	$150 per unit
	501–1000 lbs/day	$250 per unit
	1001–1500 lbs/day	$400 per unit
	Greater than 1500 lbs/day	$500 per unit

Table 42: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	• Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. • Must have a cooking energy efficiency of 55 percent or greater in steam mode and 76 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. • Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
	Gas	• Must have a cooking energy efficiency of 41 percent or greater in steam mode and 56 percent or greater in convection mode, utilizing ASTM F2861. • Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861. • Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
Commercial Convection Oven	Electric	• Must have a tested heavy load (potato) cooking energy efficiency of 71 percent or more, utilizing ASTM F1496. • Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. • Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 46 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F1496.
Commercial Rack Oven	Gas	• Single rack ovens must have a tested baking energy efficiency of 48 percent or greater and a total energy idle rate of 25,000 Btu/h or less, utilizing ASTM F2093. • Double rack ovens must have a tested baking energy efficiency of 52 percent or greater and a total energy idle rate of 30,000 Btu/h or less, utilizing ASTM F2093.
Commercial Griddle	Electric	Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.
	Gas	Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.

Note: The incentives identified above in this Appendix I, Part 2 Incentive Caps and General Rules may be reduced with the approval of the Division of Clean Energy.

Charge Up New Jersey

Fiscal Year 2026 Compliance Filing

June 30, 2025

(this page intentionally left blank)

Table of Contents

I. Introduction

This Fiscal Year 2026 ("FY26") Compliance Filing provides the program description for the Charge Up New Jersey Program (the "Program"), administered by the New Jersey Board of Public Utilities ("BPU" or the "Board") and its Division of Clean Energy ("DCE"). The Charge Up New Jersey Program was developed in accordance with S-2252, L. 2019, c. 362, codified at N.J.S.A. 48:25-1 to -11 ("EV Act"), and amending, in relevant part, N.J.S.A. 48:3-60(a)(3), which directed the Board to establish and implement a program to incentivize the purchase or lease of new light-duty plug-in electric vehicles ("EV") in the State of New Jersey, as well develop an incentive for residential, at-home EV charging equipment.

II. Program Purpose and Strategy Overview

The Program was mandated by the signing of S-2252 into law on January 17, 2020, by Governor Murphy. The Program has been developed in three phases. Phase One of the Program enabled New Jersey residents who purchased or leased an eligible EV between January 17, 2020, and December 15, 2020, to apply for an incentive post-purchase. Phase Two provided an incentive at the point of sale. The vehicle incentive is supported by the 10-year, non-lapsing Plug-in Electric Vehicle Incentive Fund in the amount of $30 million annually, funded by the societal benefits charge ("SBC"). Phase Three, launched in July 2022, provides the Electric Vehicle Charger Incentive. This FY26 Compliance Filing covers Phases Two and Three of the Program.

The FY25 Program launched in two-phases, first on July 10, 2024 with a flat rate incentive, and then on September 17, 2024, an additional incentive for lower income applicants was introduced. The increased income-based incentive, Charge Up+ is not available retroactively if an applicant purchased or leased an eligible vehicle prior to the introduction of the additional incentive.

Phase One – The Post-Purchase Vehicle Incentive: Phase One of the Charge Up New Jersey Program covered individuals who purchased or leased an EV from January 17, 2020, through December 15, 2020. The post-purchase portal closed on March 15, 2021. During Phase One, applicants applied directly to the Center for Sustainable Energy ("CSE" or "Program Administrator") for the incentive at the official Program website, following the purchase or lease. Incentives were processed on a first-come, first-served basis by the Program Administrator and issued to eligible applicants in a single payment via check. All incentives were subject to availability of funds. Applications were to be filed by March 15, 2021, and approved applicants were paid an incentive based on the Terms and Conditions of Year One of the Program. Some applicants, due to the availability of funding, were paid at the start of FY22.

Phase Two – The Point-of-Sale Vehicle Incentive: In the summer of 2021 Phase Two launched, following Board approval. Phase Two was designed to further simplify the process for applicants, so that the applicant benefits from the incentive at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive is applied in full directly at the time of the point-of-sale ("POS") or transaction, and all documentation is facilitated by the salesperson or representative at the dealership or showroom. The incentives are paid by the Program Administrator to the dealership or showroom to reimburse them in full for the incentives paid to consumers.

The total amount of the FY25 Charge up New Jersey Program was approximately $33 million, which included $3 million in estimated carryforward funding from FY24. In addition to the $30 million allocated from the Clean Energy Fund, an additional $20 million was appropriated from the State General Fund to support the program. For FY26, the Governor's office dedicated $50 million from the Clean Energy Fund to support the program.

Phase Three – The Electric Vehicle Charger Incentive: P.L. 2019, c. 362 authorized the BPU to develop and launch an incentive of up to $500 for at-home, residential EV charging equipment, funded through the SBC. As a result of feedback received during the stakeholder process for the Charge Up New Jersey Program, the Phase Three

incentive amount was established at $250 when Phase Three launched in July 2022 during FY23. The FY25 budget was estimated at $4.5 million, which included an estimated $3.5 million in carryforward funding from FY24 for this program. For FY26, Staff is proposing a total budget of $5,750,000, comprised of $1,424,971 in new funding and $4,325,029 in carryforward funds.

III. Program Description

The intent of the Charge Up New Jersey Program is to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State and assist New Jersey residents with making the switch to driving electric, consistent with N.J.S.A. 48:25-4(a). The FY26 Charge Up New Jersey Program ("FY26 Program") addresses the key market barrier of vehicle cost by offering a financial incentive at the point-of-sale – the time at which the applicant takes possession of the vehicle. Eligible applicants that have purchased or leased an eligible vehicle on or after the launch of the FY26 Program can receive the incentive at the time of the transaction at participating New Jersey dealerships or showrooms ("Dealerships or Showrooms"). Eligible FY26 Program applicants that have ordered an eligible vehicle on or after the launch of the FY26 Program can receive the incentive at the time they take possession of the vehicle and complete the sales or lease transaction. Specifically, they will receive their incentives as a line-item deduction on their purchase or lease contract that directly reduces the price they pay for the vehicle. The Dealership or Showroom will then apply for reimbursement from the Program Administrator who will process such applications on a first-come, first-served basis and reimburse Dealerships and Showrooms for the cost of the incentives they provided to eligible recipients.

The FY26 Program will follow the guidelines set by the EV Act and utilize best practices from similar incentive programs in other states.

The EV Act set goals for the State related to transportation electrification. It established the Plug-in Electric Vehicle Incentive Fund and mandated the Board to establish and implement an incentive program for new light-duty plug-in EVs. It also granted the Board the authority to establish and implement an incentive program for at-home, residential EV charging equipment. See N.J.S.A. 48:25-4 and N.J.S.A. 48:25-6. The following State goals are related to transportation electrification for light-duty vehicles, as described in N.J.S.A. 48:25-3:

1. There must be at least 330,000 registered light-duty, plug-in EVs in New Jersey by December 31, 2025, and at least 2 million EVs registered in New Jersey by December 31, 2035.
2. At least 85% of all new light-duty vehicles sold or leased in New Jersey shall be plug-in EVs by December 31, 2040.

The BPU advances this Program with the aim of fulfilling these State goals and propelling the State toward transportation electrification, while also decreasing greenhouse gas emissions.

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The Program seeks to support New Jersey residents who purchase or lease an eligible EV by providing an incentive at the POS. Applicants must meet the following requirements in order to be eligible to receive the vehicle incentive. The eligibility requirements will be checked by the dealer or showroom representative prior to completing the transaction to ensure the applicant meets the criteria to receive a POS incentive.

The applicant must:

1. Be a resident of the State of New Jersey at the time of vehicle purchase or lease, which will be verified via

a current New Jersey Driver's License. Only a New Jersey Driver's License is eligible for residency verification. Utility bills, tax documentation, and other items with the applicant's address will **not** be accepted.

   a. Active-duty military members stationed in New Jersey, with permanent residency in another state, **will** qualify. Current military orders will be accepted as proof of residency documentation.
   b. The Charge Up New Jersey Program is limited to individuals only. Businesses and other commercial entities, non-profits, governments, and public entities are **not** eligible for this incentive.

2. Remain a resident of the State of New Jersey for at least two (2) years after the purchase or lease of the eligible EV that receives an incentive under the Program. This requirement does not apply to customers with permanent residency in another state who qualified for the incentive because they were active-duty military members stationed in New Jersey at the time they ordered, purchased, or leased their vehicle.
3. Acknowledge that the entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of the FY26 Point-of-Sale Program, and in the State of New Jersey at a participating Dealership or Showroom.
   a. Vehicles ordered in advance of the launch of the FY26 Point-of-Sale Program will not be eligible for an incentive. Notwithstanding the above, in the event that the FY25 Program does not close until June 30, 2025, vehicles ordered or purchased during the FY25 Program may be eligible for an incentive in the FY26 Program if the purchase or lease is completed during the FY26 Program.
   b. A vehicle ordered, purchased, leased, and/or delivered out-of-state is not eligible for the incentive, including vehicles ordered online and delivered outside of the State; any vehicle ordered online must be delivered in New Jersey to qualify for the incentive.
   c. New Jersey residents, or active-duty military members stationed in New Jersey, who place an order with a participating New Jersey Dealership or Showroom to deliver a vehicle in New Jersey will be deemed to have placed that order in New Jersey regardless of whether they were physically in the State at the time.
4. Agree that the Program Administrator will deem a purchase or lease completed when the purchaser or lessee of the vehicle has executed and signed a purchase contract, lease, or security agreement. The applicant must commit to not modifying the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
5. Retain ownership, or an active lease agreement, and registration of the vehicle with the New Jersey Motor Vehicle Commission for a minimum of thirty-six (36) consecutive months immediately after the vehicle purchase or lease date. Customers who lease their vehicle must ensure that their original lease agreement explicitly lists a term of 36 months or longer.
6. Acknowledge that applicants may receive only up to three (3) vehicle incentives from the Program throughout the 10-year period that the Program is active.
7. To be eligible for the Charge Up+ increased income-based incentive, applicants must meet the above requirements and submit tax documentation to the Program Administrator verifying that their most recent tax filing Modified Adjusted Gross income ("MAGI") met the following requirements before the dealership submits an application in the applicant's behalf for the order, purchase, or lease of an eligible vehicle:
   - Maximum MAGI of $75,000 for single tax filers;
   - Maximum MAGI of $112,500 for head of household tax filers; and
   - Maximum MAGI of $150,000 for joint tax filers.
   - An applicant claimed as a dependent on another taxpayer's state and/or federal income tax returns is not eligible for the Charge Up+ additional incentive.

Vehicle Eligibility

Eligible vehicle models are listed on the website. Pursuant to the EV Act, an eligible vehicle for the Program is defined as:

- A new light-duty plug-in electric vehicle with a Manufacturer Suggested Retail Price* ("MSRP") below $55,000;
- The entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of the FY26 Point-of-Sale Program;
- The order date shall be defined as the date which the customer places a down payment of any sort on the vehicle;
- Purchased or leased in the State of New Jersey at a participating Dealership or Showroom; and
- Registered in New Jersey to a New Jersey resident (or active-duty military stationed in New Jersey).

*In order to maintain a consistent and standardized approach to the MSRP cap under the Program:

- The MSRP and its impact on incentive eligibility will be taken into account only up to the point-of-sale. Any additions made to the vehicle thereafter that would otherwise alter the value of the vehicle will not alter the vehicle's eligibility for an incentive under the Program.
- The MSRP cap **will include** all line items on the purchase or lease agreement which relate to the value of the vehicle itself (including but not limited to battery upgrades, autonomous upgrades, wheel and tire packages, audio, and infotainment system).
- The MSRP cap **will not include** maintenance or vehicle care packages, additional vehicle accessories (i.e. first aid kits, floor mats, cargo nets, etc.), destination and delivery charges, tax, registration fees, title fees, and documentation fees since these line items do not relate to the value of the vehicle itself, but rather to the logistics, care, and maintenance of the vehicle.

Incentives for Eligible Vehicles

Staff of the BPU ("Staff") is primarily focused on structuring the Program's incentive amount to encourage buyers or lessors who might otherwise not have considered an EV due to cost concerns. Staff recognizes that the Program should prioritize "incentive-essential" customers; therefore, in FY25, the incentive structure provided an additional incentive to low-and –moderate income qualified applicants. In FY26, the program structure continues to focus on "incentive-essential" customers. This structure is a result of reviewing best practices in other states, as well as feedback gained through the stakeholder process. The resulting incentive tiers will result in the most EVs on the road and retain the spirit of the EV Act.

As such, eligible electric vehicles, up to an MSRP of $55,000, will have a fixed incentive of $1,500. Those income qualified applicants, as identified in the Applicant Eligibility requirements, will be eligible for an additional incentive in the amount of $2,500. Applicants who wish to claim the Charge Up+ additional income-based incentive will be required to pre-qualify with the Program Administrator by providing tax documentation verifying their MAGI or providing proof of participation in an approved public income-verified program. Orders, purchases and leases made before the official introduction of Charge Up+, the increased income-based incentive, are not eligible for this additional incentive.

Incentives that are reserved at the time of order must have the same MSRP at the time of order and the time of the purchase or lease transaction.

Dealerships and Showrooms are expected to calculate the correct incentive, including verifying that a low-or-moderate income participant has received pre-qualification for the additional income-based incentive by the Program Administrator before applying it. Neither the BPU nor Program Administrator are responsible for

miscalculated incentive amounts. Dealerships and Showrooms shall be responsible for verifying eligible vehicle models on the program website. Vehicle models not listed on the website are not eligible for an incentive. Dealerships and Showrooms shall acknowledge that the vehicle's Original Equipment Manufacturer ("OEM") must submit a request form to the BPU to add new vehicle years, makes, and models to the program website. Dealerships and Showrooms may reach out to the Program Administrator for clarification regarding the MSRP and incentive amount prior to finalizing the vehicle transaction.

Ineligible vehicles under the Program include:

- Aftermarket plug-in hybrid EVs ("PHEV");
- Pre-owned plug-in EVs;
- EV conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood or low speed EVs;
- Electric motorcycles, as well as other two or three wheeled EVs;
- Any vehicles purchased or leased outside the State of New Jersey;
- Any vehicles purchased, ordered, or leased prior to the launch of the FY26 Program;
- Any PHEV purchased, ordered or leased on or after January 1, 2023;
- Any vehicle not on the approved eligibility list on the program website, including year, make, and model;
- Any vehicle ordered, purchased, or leased after the FY26 Program has officially paused and the BPU has proceeded to evaluate Program funding; and
- Any vehicle ordered, purchased, or leased after the FY26 Program has officially closed.

V. Program Requirements

Application Process

Phase One – The Post-Purchase Program: Eligible applicants for the Post-Purchase Program purchased their vehicles between January 17, 2020, and December 15, 2020. The application period for the Post-Purchase Program closed on March 15, 2021. FY26's Charge Up Program does not include a post-purchase incentive.

Phase Two – The Point-of-Sale ("POS") Program: Dealerships and Showrooms must enroll to participate in the Program by providing dealership and showroom contact and Automated Clearing House ("ACH") information via the dedicated Program website in advance of the Program's launch. Upon verification of information submitted through the enrollment application, representatives will gain access to a log-in portal to submit applications and check the status of existing applications on behalf of their customers. CSE provides dealerships with training on the incentive reimbursement application process and Program requirements.

For an individual to receive the incentive, they must purchase or lease an eligible EV from a participating Dealership or Showroom in the State of New Jersey. Dealership representatives will verify vehicle and applicant eligibility at the POS. After verifying eligibility, the representative will be required to reduce the contracted purchase or lease price by the full incentive amount. The incentive must be reflected as a clearly identifiable line item deduction in the contract. The representative will upload the required documentation to the Program application portal. Required documentation for each incentive application includes:

- New Jersey vehicle registration;
- Signed and executed vehicle contract;
- Proof of New Jersey Driver's License or Military Orders; and a

- Signed copy of the Program Terms and Conditions.*

Applicants who wish to claim the additional income-based incentive will be required to pre-qualify with the Program Administrator by providing tax documentation verifying their most recent tax filing MAGI. An applicant claimed as a dependent on another taxpayer's state and/or federal income tax returns is not eligible for the Charge Up+ additional incentive regardless of their income. Required documentation can include, but is not limited to:

- Tax return transcript from current or previous years;
- Alternate Proof of Income including W2's, Wage and Income Transcript, or other IRS documents;
- Bank statements or other documents for proof of income; and
- A document proving that the applicant is receiving public assistance from an approved program, if applicable. A list of approved programs is listed on the Program website.

These document requirements may also apply to the applicant's household members to ensure a complete financial picture has been presented.*

*At the time a representative applies for an incentive through the Program portal, the most current version of the Terms and Conditions will apply. In addition, an electronic signature will be accepted and considered valid for the acknowledgement and signing of the Program Terms and Conditions.

Funding will be reserved upon application submission. Dealers shall submit incentive applications through the Dealer Web Portal at https://chargeup.njcleanenergy.com. Dealerships and Showrooms may reserve funds at time of order and have fourteen (14) days from time of order to submit their application to reserve funding. If a dealership or showroom elects not to reserve funding at the time of vehicle order, they must notify the customer in writing that while eligible for the Charge Up Incentive, no funds shall be reserved until the purchase or lease transaction, at which point funding may not be available. Dealerships and Showrooms will have fourteen (14) calendar days from the purchase or lease transaction date to apply for a reimbursement of the incentive from the Program. Applications started more than fourteen (14) calendar days after the vehicle transaction is completed will be blocked from submitting an application. Once an application is started, representatives will have fourteen (14) calendar days to complete the application and submit for review by the Program Administrator. The BPU will reserve the incentive funds once the application is submitted. If the application is cancelled due to inactivity or improper documentation, the representative will need to reapply. The representative will work directly with the CSE to submit or resubmit required documents, as necessary, to meet Program requirements. Approved applications will be batched at least monthly for ACH payment issued directly to the Dealerships or Showrooms.

If the Program Administrator announces that the Program will close due to expending all available funds, there will not be an opportunity to reserve funds for orders made outside of the normal fourteen (14)-day window.

Applicant Responsibilities

Point-of-Sale applicants must obtain the incentive directly from the participating Dealership or Showroom via a deduction of the full incentive amount on their purchase or lease contract before the Program closes. Incentives will not be issued post-purchase or post-lease or after the Program has closed. Applicants must adhere to the Vehicle Eligibility and Applicant Eligibility requirements defined in Section IV above and agree to the Program Terms and Conditions in place at the time of application submission.

Applicants who wish to claim the Charge Up+ additional income-based incentive will be required to pre-qualify with the Program Administrator by providing tax documentation verifying their MAGI. This documentation may include tax transcripts, IRS Wage & Income Forms, proof of participation in another eligible income-verified program, or other IRS documents to ensure a complete financial picture has been reviewed for the applicant. The additional incentive will not be applied post-purchase, which means that pre-qualification must occur prior to the

vehicle's sale or lease. Applicants who submit a pre-qualification application but purchase a vehicle before approval are in violation of the Terms and Conditions and will not receive the additional income-based incentive regardless of whether they would have otherwise been eligible.

Dealership Participation Requirements

Participating Dealerships and Showrooms shall only apply incentives to eligible applicants and vehicles in accordance with Terms and Conditions. Participating Dealerships and Showrooms must notify eligible customers of the existence of the incentive and the enhanced incentive at the point-of-sale. Participating Dealerships and Showrooms must communicate to customers that the line-item deduction on the purchase or lease contract is a function of the Charge Up New Jersey Program. Participating Dealerships and Showrooms must deliver vehicles to customers prior to completing applications for purchased and leased vehicles. No further actions, such as additional charges, vehicle mark-ups, payment contingencies or holds, shall be taken against the customer for the incentive. The full incentive is to be applied at the point-of-sale, and the Charge Up+ additional income-based incentive requires applicants to pre-qualify prior to purchase or lease. The enhanced incentive requires applicants to pre-qualify prior to purchase or lease. Incentives may not be held until the application is approved, nor issued as a check after the transaction is completed. Participating Dealerships and Showrooms may not recover the value of the incentive from a customer in the event that an application is cancelled due to Dealership or Showroom error or penalty.

(Example: The Program Administrator denies an incentive reimbursement application because the Dealership or Showroom submitted/completed the application past the fourteen (14) calendar day deadline, or any other deadline established by the Program Administrator in accordance with the Terms and Conditions. In this scenario, the Dealership or Showroom is prohibited from clawing back or attempting to claw back the value of the incentive from the customer.)

In order to ensure consumer confidence in the Program and prevent price gouging, dealers must provide fair, transparent pricing details. Price markups that diminish the value of the State's incentive for the consumer are not permitted. Dealers may not include mark-ups or market price adjustments for which there is no specific line item or additional underlying value. The Program Administrator may therefore deny any incentive reimbursement application when the total pre-incentive price paid by the customer exceeds the MSRP without justification. For example, the Program Administrator may deny an incentive reimbursement application for a vehicle sold above MSRP when there are no line items demonstrating that the customer received additional product or service options in exchange for paying a pre-incentive price that exceeds MSRP. The Program Administrator may likewise deny an application when line-item charges for additional product or service options appear to significantly exceed their typical market value.

Dealerships and Showrooms shall be required to provide weekly order data and estimated delivery dates to the Program Administrator. Dealers are encouraged to collect all supporting documentation required for an incentive at the time of order.

Dealerships and Showrooms that violate the Terms and Conditions risk denial of incentive reimbursements to which they would otherwise be entitled. CSE may bar such Dealerships and Showrooms from continuing to participate in the FY26 Program and/or future program years.

Reservation of Incentive Funds at time of Order

In order to boost consumer confidence in the Program, the Program Administrator provides an opportunity for Dealerships and Showrooms to reserve funding at the time of order. Applications must be started within fourteen(14) calendar days of order.

If Dealerships or Showrooms do not intend to reserve funding at the time of order, they must provide written notice to the applicant that eligible vehicles will remain eligible for the incentive at the time of purchase or lease, pending availability of Program funds.

Dealerships and Showrooms that do not enter orders must provide updates to the Program Administrator regarding the number of pending orders as outlined in the Terms and Conditions.

For vehicles that reserve funding at the time of order, the MSRP at the time of order must match the MSRP at time of purchase or lease.

If the Program Administrator announces that the Program will close due to expending all available funds, there will not be an opportunity to reserve funds for orders made outside the normal fourteen (14)-day window.

Failure to Adhere to Program Requirements

If a vehicle for which an incentive payment was issued is sold, returned, or traded in, a lease is transferred or assumed by another party, or the applicant leaves the state prior to the expiration of the minimum ownership period or lease agreement in or the minimum post-purchase or lease residential period, the purchaser or lessee may be required to reimburse the Program. Exemption from the thirty-six (36)-month period in Section IV(5) or the two (2)-year residential requirement in Section IV(2) may be allowed if necessitated by unforeseen or unavoidable circumstances, such as military relocation outside the State of New Jersey, death of an applicant, or determination by the Program Administrator that the vehicle has been totaled.

To qualify for an exemption, applicants will be required to submit a written request to the Program Administrator (CSE) and include official documentation demonstrating proof of one of the above-noted circumstances. CSE will review all submitted exemption requests and respond with either an approval, denial, or request for additional documentation within fourteen (14) days of submission. All exemption requests will be stored with the original application in the incentive processing platform. To request an exemption for a special circumstance other than those listed above, an applicant can submit a written request explaining the circumstances along with any official corresponding documentation. The Program Administrator will review the appeal request with BPU to determine if the requirements for an exemption have been met.

Changes to the Program

In the event the federal government establishes a new incentive or tax credit for EVs effective during the FY26 Program, Board Staff may reduce the amount of the Program incentive by up to fifty (50) percent to ensure the efficacy and solvency of the Program without reducing the sum of all available incentives to eligible applicants.

Appeal Process

Dealerships, Showrooms, or applicants must email their appeals to BPU Staff at EV.Programs@bpu.nj.gov within forty-five (45) calendar days of the date the Program Administrator notified them that it was denying their application or reimbursement application. The written appeal must set forth the basis for the appeal by describing the relevant issue(s) in detail and explaining why the applicant or Dealership or Showroom believes BPU Staff should grant the appeal. Dealerships' and Showrooms' and applicants' written appeal must include their contact information, a copy of the FY26 Program application or reimbursement application they submitted, and a copy of

the required documents submitted with the application.

Appeals will not be granted in cases where an applicant fails to establish strict adherence to the FY26 Terms and Conditions unless an applicant establishes to the satisfaction of BPU that an exemption to the FY26 Terms and Conditions is warranted. Applicants filing an appeal on the grounds of exceptional circumstances must state the same in their appeal, must fully describe the basis of any claims, and provide any necessary documentation to support the claims. For appeals that allege exceptional circumstances, BPU in its sole discretion shall determine: (1) whether the stated reason for the exemption rises to the level of exceptional circumstances; and (2) whether the exceptional circumstances raised and successfully supported by an applicant justify granting the appeal.

BPU Staff will review the submitted documentation and respond as soon as possible. BPU Staff will acknowledge receipt of appeals within five (5) business days of submission. If, after five (5) business days, an applicant or a Dealership or Showroom has not received an acknowledgment, they should contact the BPU at EV.Programs@bpu.nj.gov. After acknowledging receipt of an appeal, BPU Staff will review the submitted documentation and provide a substantive response as soon as possible.

False Statements

An applicant, Dealership, Showroom, or vehicle manufacturer providing a false statement in any of the information submitted to the FY26 Program may be criminally liable in accordance with applicable state or federal statutes. Any such false statement could result in incentive denial or incentive reimbursement denial and/or removal from the Charge Up New Jersey Program for a Dealership, Showroom, or vehicle manufacturer and a finding of ineligibility beyond FY26 for an applicant.

Incentive Application Submission

The Program Administrator will process all eligible incentive reimbursement applications. The Program Administrator will directly reimburse the Dealership or Showroom for the cost of providing the incentive once the Program Administrator determines that the applicant was eligible to receive it.

Ineligible Vehicles

Vehicles ordered, purchased, or leased prior to the FY26 Program's launch date are not eligible for an incentive. Vehicles ordered, purchased or leased after the FY26 Program has closed are not eligible for an incentive if a reservation was not submitted in accordance with terms and conditions of the Program. Dealerships and Showrooms shall be responsible for making this point clear at the time the vehicle is ordered or purchased and shall require the vehicle buyer or lessee to provide written acknowledgement that this information was disclosed to them.

Dealership or Showroom Location, FY26 Program Registration, Vehicles Offered, and Timing of Application Submissions

To participate in the point-of-sale program, a Dealership or Showroom must be located in the State of New Jersey and offer new, incentive-eligible vehicles for purchase or lease. In addition, dealerships and showrooms must register with the Program Administrator and enroll in the FY26 Program to be recognized as an eligible New Jersey Dealership or Showroom capable of offering the incentive at the point-of-sale ("Dealers," or "Dealership or Showroom").

Dealers or showrooms shall submit incentive reimbursement applications through the Dealer Web Portal at

https://chargeup.njcleanenergy.com. Dealers or showrooms shall have fourteen (14) calendar days from the Vehicle Transaction Date to submit the application, including the required documents outlined in the Terms and Conditions. The BPU will reserve the incentive funds once the Dealer submits the application. The Program Administrator will cancel any applications not submitted and/or updated within fourteen (14) calendar days of the Vehicle Transaction Date, and the BPU will release any funds reserved for the canceled application. The Program Administrator will notify the Dealer of the cancellation via email. Dealers or showrooms are responsible for ensuring that they receive and review these email communications.

VI. Electric Vehicle Charger Incentive

Phase Three of the Program, the Electric Vehicle Charger Incentive, launched in July 2022.

Applicant Eligibility

Applicants must meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive ("Charger Incentive") offered by the Program. The eligibility requirements will be checked by the Program Administrator.

- Proof of New Jersey Residence; and
- A Valid NJ EV registration showing a residential address in New Jersey.
    - One charger incentive per NJ address (including one per apartment in a Multi-Unit Dwelling); and
    - Each applicant (tracked by their New Jersey Driver's License) may receive up to two (2) charger incentives throughout the duration of the 10-year Charge Up New Jersey Program, but no more than one per address. Applicants may only receive one (1) charger incentive per EV registration (tracked by VIN number).

Equipment Eligibility

EV Charging station funding programs that are managed by BPU require grantees to utilize a Network Service Provider that can satisfy certain requirements ("Compliant Network Service Provider"). Under the Charger Incentive of the Charge Up New Jersey Program, only a new Level-Two EV charger capable of capturing data (also known as a "smart" or "networked" charger) intended for residential use that has been pre- approved by the State of New Jersey, is ENERGY STAR certified, and uses a Compliant Network Service Provider is eligible for an incentive. The pre-approved eligibility list of chargers that meet these requirements shall be provided on the Charge Up website and shall be updated regularly. Applicants agree to comply with all data sharing requirements as directed by the Program.

Incentives for Eligible Equipment

The Charger Incentive will utilize the same platform as Phase One of the Charge Up New Jersey vehicle incentive and operate as a post-purchase incentive. The incentive amount will be $250. The incentive will not cover the associated installation costs, permitting fees, etc., though utilities may offer incentives to install the "make ready" infrastructure for residential chargers. The incentive amount may not exceed the purchase price of the charger. To be eligible for the incentive, applicants would need to upload scanned copies of all required documents.

Required Documentation

- Proof of purchase and installation of an eligible Level-Two smart charger, either a digital or scanned hard

copy, with the date of purchase clearly visible;

- Scanned photo of the serial number on the charging equipment itself; and
- New Jersey Driver's License as proof of residence and a unique identifier and a valid New Jersey EV registration showing a residential address in New Jersey.

Waiver Process

- Upon Board Staff's determination that an applicant has shown good cause to waive the requirements set forth in Section VI, the Program Administrator shall have the authority to grant exceptions to the program parameters for the Electric Vehicle Charger Incentive.

VII. Call Center Coordination

The Program Administrator, CSE, maintains a call center for the Program, which employs thirty (30) individuals trained in processing light-duty EV incentives. The call center has a dedicated toll-free phone number and program specific email for applicant inquiries. The CSE has been working closely with the New Jersey Clean Energy Program main call center in order to create a seamless pathway for customer inquiries and Program information.

VIII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all Program participants. Staff at the CSE will verify and ensure all applications for adherence to eligibility requirements and technical information contained within this FY26 Compliance Filing. Applicant and representative information, supplied via the secure program platform, will be housed in the program database, and electronic files will be maintained containing all application documents. The State Contract Managers for the Program will perform internal quality assurance reviews on monthly program reports.

The CSE has guiding program documentation, including Standard Operating Procedures, Implementation Manuals, and quality control procedures to ensure that a rigorous standardized process is adhered to by all incentive processing specialists. The State Contract Managers for the Program will evaluate the CSE's quality control activities based on the processes documented in an approved Program Management Plan.

New Jersey's Clean Energy Program
FY 2026 Program Descriptions and Budgets

Utility Residential Low Income

Comfort Partners Program

Proposed Program Description and Budget

June 30, 2025

Residential Low-Income Program
"New Jersey Comfort Partners"

The Residential Low-Income Program known as Comfort Partners ("Comfort Partners" or "Program"), managed by Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), New Jersey Natural Gas Company ("NJNG"), Elizabethtown Gas Company ("Elizabethtown"), Rockland Electric Company ("RECO"), Public Service Electric & Gas Company ("PSE&G"), and South Jersey Gas Company ("SJG") (collectively referred to as "Utilities"), is primarily designed to reduce the high cost of energy and lower energy bills by maximizing lifetime energy savings (kWh and therms) per dollar spent. This Program is also designed to improve energy affordability for low-income households through energy education, efficiency, and conservation. In addition to these goals, Executive Order 316 ("EO 316") has a broad directive to provide "maximum support for building electrification, with a primary focus on the needs of low- and moderate-income customers" which this Program is intended to support.[1] To achieve these objectives, several market barriers must be overcome. Key among these are: (1) lack of information on either how to improve efficiency or the benefits of efficiency; (2) low-income customers do not have the capital necessary to upgrade efficiency or even, in many cases, keep up with regular bills; (3) low-income customers are the least likely target of market-based residential service providers due to perceptions of less capital, credit risk, and/or high transaction costs; (4) split incentives between renters and landlords; and (5) the presence of health and safety barriers that prevent energy efficiency work from being completed. The Program addresses these barriers through:

- Direct installation of cost-effective energy efficiency measures;
- Comprehensive, personalized customer energy education and counseling; and
- Installation of health and safety measures, as appropriate.

Target Market and Eligibility

The Program targets low-income households in New Jersey. The target population is characterized by high-energy burdens, which is the percent of a household's median annual income that is used to pay for electricity and gas bills. Program participation is prioritized by energy use, with the goal of serving highest energy users first.

The Program is available to households with income at or below 250% of the federal poverty level. The NJ Comfort Partners Working Group and Staff are reviewing the potential for transitioning from the use of federal poverty level to state median income in Fiscal Year 2026 to align with NJ energy assistance programs, most notably USF, which was recently changed from federal poverty levels to state median income. Aligning the income eligibility criteria for USF and Comfort Partners would potentially streamline customer enrollment across Programs. Households located within a Low-Income

[1] Executive Order No. 316 (Feb. 15, 2023).

designated census tract, as designated by the Federal Financial Institutions Examination Council ("FFIEC") mapping tool, or a NJ-designated overburdened community ("OBC")[2] may also qualify via the income self-certification process detailed in the Location Based Eligibility section of this document. Customers who receive aid from the following social safety net programs, Temporary Assistance to Needy Families ("TANF"), Section 8 Housing, Supplemental Nutrition Assistance Program ("SNAP"), Federal Supplemental Security Income ("SSI"), General Assistance ("GA"), may also be categorically eligible. In the event that the qualification criteria for these assistance programs change, participation may not automatically qualify a resident for participation in Comfort Partners.

To be eligible, a participant must be an existing customer of a publicly owned utility with a separately metered electric or natural gas account and live in a single-family or multi-family residential building with no more than fourteen units, and the residence must be their primary home. Households in which the customer of record is a tenant are eligible, with landlord authorization, to install selected measures. Customers who heat with fuel oil or propane will be considered for inclusion in the building electrification and decarbonization pilot. Fuel oil and propane customers that are not good candidates for the Program will be referred to the Department of Community Affairs' Weatherization Assistance Program ("WAP") for services in conjunction with a memorandum of agreement between Comfort Partners and WAP. Customers who heat with fuel oil where WAP cannot reasonably provide critical services, such as repairing or replacing oil fired heating systems, may be considered for conversion to natural gas by Comfort Partners. In addition, customers who receive natural gas service from an investor-owned New Jersey natural gas utility and electric service from a municipal electric company will be eligible for all Comfort Partners electric and natural gas saving services. Ineligible customers are referred to either WAP, a Utility-led Moderate Income Home Weatherization Program, or a Utility-led Home Performance with Energy Star ("HPwES") Program for services.[3] Referrals are made between Comfort Partners and WAP for measures not performed by either entity (e.g., WAP may refer customers to Comfort Partners for evaluation of central air conditioning and freezer replacements).

Location-Based Eligibility

In an effort to reduce barriers to enrollment in the Program, the Comfort Partners Working Group ("Working Group") utilizes location-based eligibility ("LBE"). LBE removes the burden of income verification and creates more trust with interested, yet hesitant, potential customers. This approach can create marketing/outreach efficiencies, achieve savings in less time, reduce administrative costs, and improve cost effectiveness.

Customers residing within the geographical boundaries of a low-income census tract or low-income OBC are eligible to participate in Comfort Partners without providing income verification documentation. Customers self-certify their income by signing a program income verification statement. All other program eligibility rules remain in effect and must

[2] As defined in N.J.S.A. 13:1D-158.

[3] News sources indicate that USEPA may be eliminating the ENERGY STAR program. The Board is closely monitoring this situation and will consider appropriate revisions to Comfort Partners if and as appropriate.

be verified by the vendor. If fraud is suspected, implementation vendors follow the current Comfort Partners Procedures Manual suspected fraud guidelines.

Offerings and Customer Incentives

The measures considered for each home include: efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of energy efficient thermostats; insulation upgrades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair, and/or replacement; and other measures as needed. Removing barriers to installing energy efficiency measures – such as repair or replacement of a broken window, repair of a hole in a wall and/or roof, mold remediation or the installation of rain gutters, and other health and safety related measures – may be considered on a case-by-case basis.

Failed or failing heating and/or cooling systems can be replaced for efficiency and/or health and safety reasons on a case-by-case basis. In the event of insufficient funding, or if a participant's home requires more treatment than the Program is designed to deliver, the Working Group will attempt to maximize and leverage available resources by entering into discussions with WAP, or refer to Utility Moderate Income offerings. The goal of such discussions will be to determine the Department of Community Affairs' or the Utility Moderate Income offering's ability to install heating systems and perform other needed work for energy efficiency and/or health and safety reasons.

Measure Selection

Energy efficiency measures, as described above, and other reasonable repairs required to install those measures may be installed in each home. In addition, the Program evaluates homes in order to consider repairing and installing items that may not directly save energy but are necessary for installing energy-saving measures or needed to improve the health and safety of the residents. Examples of the type of work that is conducted include, but are not limited to, the remediation of mold/moisture, lead and asbestos, rodent/bug infestations, structural damage, collapsing ceilings, roof repairs, electrical repairs, major plaster repair, sewer leaks/backup, and major chimney problems including incorrect flue design. For instance, repairing a roof before installing attic insulation, would fall under this category. These health and safety measures are available to all participants, and are capped at $7500 per project.

Cost-effectiveness is assessed on a site-specific basis, excluding health and safety and home repairs. All installed measures and energy education services are provided free of charge. The selection of measures designed to reduce heating and cooling is guided by a spending calculation based on past energy consumption, which is a guide for contractors, not an absolute or prescriptive target or cap. If the site needs are greater than the calculated spending guideline, the contractor confers with the appropriate utility after documenting

reasons for requesting to exceed the spending guideline. In cases where there is more than one utility manager that must be contacted for approval, each utility will decide to what extent additional work can be performed.

Any refrigerator or freezer older than its useful economic life, as defined in the current NJ Technical Reference Manual, is eligible for free replacement with a new energy-efficient model, which meets current ENERGY STAR efficiency standards.

The cost-effective installation of energy-efficient lighting products is based upon the wattage and the estimated average daily run time for the existing lamp. Domestic hot water and other custom measures are installed according to Program guidelines.

The costs associated with health and safety and home repairs, such as the repair of a roof, are excluded from the cost effectiveness test used to determine measure eligibility.

Delivery Methods

Electric and natural gas utilities with overlapping service territories jointly deliver efficiency, health and safety, and education services so that customers receive both natural gas and electric efficiency measures simultaneously. Selection of Program delivery contractors and Program delivery costs are shared between the participating natural gas and electric utilities.

The Program will continue its efforts to address mold/moisture remediation, roof repairs, electrical repairs, and asbestos. Remediation is considered on a case-by-case basis with the implementation contractors who contract directly with the appropriate organizations, or approved subcontractors, following Utility approval.

As of Fiscal Year 2024, the Utilities are fully transitioned to the web-based system, eTrack+. PSEG Services Company serves as the Contract Administrator for the agreement with that vendor. The projected costs of that vendor and for administrative services offered by PSEG Services Company will be paid for by PSE&G and are included in PSE&G's administrative budget in Appendix A.

Quality Assurance Provisions

A minimum of 20% of randomly selected, treated homes are subject to verification and inspection by an independent contractor(s) hired by the Utilities. Quality assurance processes are continually reviewed and updated as necessary.

Program Procedures

The Program procedures, specifications, and guidelines are outlined in the Comfort

Partners Procedures Manual. Those involved in the Program, including Utility representatives, contractors, and BPU Staff, must utilize this manual to guide their work within the Program.

Specifications within the manual tell installers how to install a given measure, but are not intended to provide all the information needed to do a job properly or to determine whether a given measure should be installed. The measure selection procedures provide guidance to installers regarding the decision-making process for installing a measure and the rationale behind it.

The manual can be amended at any time as proposed by the Working Group, Comfort Partners approved contractors, or BPU Staff; however, **any changes to the manual must be approved by BPU Staff before being implemented.**

Budgets

Appendix A provides a detailed budget for the Program. Allocation of costs in different cost categories may appear inconsistent among Utilities. As an example, PSE&G covers the cost of statewide printing of Comfort Partners materials as well as the development, maintenance, and support of eTrack+. The Program spending allowance guidelines continue to be evaluated for Comfort Partners to be consistent with other low-income State weatherization programs.

The Utilities will request BPU Staff to review budget modifications as outlined in Docket No. EO13050376V ("February Order").[4] No budget modification shall be deemed approved until BPU Staff notifies the Utilities of approval. Budget modifications will be subject to all pertinent language reflected in the February Order, which includes the following:

1. Funds may be reallocated between Utilities and line items within the Program budget provided the overall Board-approved Program budget remains unchanged, and the overall statewide administrative costs for the Program are not increased;

2. Up to 10% of the Program budget may be reallocated within the Program during any 60-day period; and

3. The Program budget may be reduced if it appears unlikely that the Program budget will be exhausted. The Program budget may be determined to be underperforming, after a review of commitments, Program goals, participation levels, performance trends and other relevant factors. The Program budget reductions shall be limited to 10% within any 60-day period. The Program budget shall not be reduced by more

[4] In re the Clean Energy Programs and Budget for Fiscal Year 2014; Revised Fiscal Year 2014 Budget and Delegation of Limited Budget Authority, BPU Docket No. EO13050376V, Order dated February 4, 2014.

than 25% within any 180-day period.

Goals and Energy Savings

Goals

In the Fiscal Year 2026 Comfort Partners Program Compliance filing, the target for the number of electric service customers to be served and committed is 4,523 on a twelve-month basis from July 1, 2025 through June 30, 2026. The target for the number of natural gas service customers to be served and committed is 4,178 on a twelve-month basis from July 1, 2025 through June 30, 2026.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest Technical Reference Manual.[5] Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 3,521 MWH of electric and 26,700 MMBTU of natural gas during Fiscal Year 2026, with a lifetime savings of approximately 39,504 MWH of electric and 475,538 MMBTU of natural gas.

Appendix A

Fiscal Year 2026 Comfort Partners Budget

July 1st 2025 - June 30th 2026 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	$3,809,328.00	$282,560.00	$67,838.00	$65,888.00	$3,258,119.00	$134,923.00	$0.00	$0.00
JCP&L	$6,673,061.00	$530,203.00	$139,353.00	$113,853.00	$5,637,634.00	$252,018.00	$0.00	$0.00
PSE&G- Elec	$10,652,582.00	$888,648.00	$326,208.00	$275,208.00	$8,810,405.00	$352,113.00	$0.00	$0.00
RECO	$408,400.00	$70,584.00	$15,584.00	$15,584.00	$279,208.00	$27,440.00	$0.00	$0.00
NJNG	$7,648,665.00	$286,249.00	$152,249.00	$145,582.00	$6,812,440.00	$252,145.00	$0.00	$0.00
Elizabethtown	$3,843,199.00	$273,706.00	$65,811.00	$66,196.00	$3,267,485.00	$170,001.00	$0.00	$0.00
PSE&G-Gas	$24,856,025.00	$2,073,512.00	$761,152.00	$642,152.00	$20,557,612.00	$821,597.00	$0.00	$0.00
SJG	$5,039,763.00	$360,646.00	$94,033.00	$91,296.00	$4,315,715.00	$178,073.00	$0.00	$0.00
TOTAL	$62,931,023.00	$4,766,108.00	$1,622,228.00	$1,415,759.00	$52,938,618.00	$2,188,310.00	$0.00	$0.00
PSE&G - Combined	$35,508,607.00	$2,962,160.00	$1,087,360.00	$917,360.00	$29,368,017.00	$1,173,710.00	$0.00	$0.00

[5] The latest version of the Technical Reference Manual is pending Board approval.

BPU and DPMC Designated Project List
State Facilities Initiative Funds FY26[i]

Agency	Contract	BPU Funding Commitment	Detail
Ag	Pabil Bug Lab	$5,200,000.00	HVAC
DCA	Ashby Bldg.	$5,150,000.00	HVAC
DHS	Ancora Psychiatric Hospital	$5,510,000.00	ECMs
DHS	Greenbrook Regional	$3,195,000.00	ECMs
DHS	Trenton Psychiatric Hospital	$2,620,000.00	ECMs, Switch Gear Upgrades
DHS	Kohn Training Center	$687,000.00	Lighting, Chillers
DHS/Treasury	Hagedorn	$60,000.00	Lighting/Utility Tunnels
DOH	Northern Medical Examiner	$150,000.00	Lighting/Controls
DMAVA	NG Armory	$3,000,000.00	Go Green Retrofit Pilot
DOC	NJ State	$3,000,000.00	Feeder Upgrades
DOE	Katzenbach School	$3,500,000.00	HVAC, VAV
DOL	Labor Bldg.	$1,300,000.00	HVAC
JJC Law & Public Safety	JJC Johnstone Campus	$1,350,000.00	HVAC

JJC Law & Public Safety	JJC Johnstone Campus	$1,565,000.00	PLC upgrades
JJC Law & Public Safety	NRI-RSC	$400,000.00	Building envelope upgrades
LPS	Weights and Measures	$100,000.00	ECMs
NJSP	Troop C/Techplex	$1,800,000.00	HVAC/Chiller
NJ Transit	Hilton Garage	$10,000,000.00	EV Infrastructure
NJDEP	DEP HQ	$4,467,000.00	Controls Upgrade
NJDEP	Parks Upgrades	$2,200,000.00	ECMs
OIT	OIT Hub	$700,000.00	Data Center lighting
Treasury	Justice Complex	$200,000.00	Lighting upgrades
Treasury	State Library	$80,000.00	Lighting upgrades
Treasury	State Facility Under 250 kw	$729,000.00	Lighting upgrades
Treasury	Roebling building	$120,000.00	Lighting upgrades
BPU	Energy Tracking System	$500,000.00	Energy Management

[i] Table may not sum to line item due to timing differences, such as carryforward of project funds and payments. Funds for previously committed projects have been reallocated based on updated schedules and priorities.