Agenda Date: 6/30/26
Agenda Item: 8B

STATE OF NEW JERSEY

Board of Public Utilities
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CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2027	)	ORDER
	)	DOCKET NO. QO26040124

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") 2027 ("FY27") Compliance Filings and Budgets for the New Jersey Clean Energy Program. This Order also considers and approves certain revisions to the FY26 True-Up Budget as detailed below.

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. Among other things, EDECA created the Societal Benefits Charge ("SBC") to fund programs for the advancement of energy efficiency ("EE") and Class I renewable energy ("RE") in New Jersey. EDECA also charged the New Jersey Board of Public Utilities with initiating proceedings and undertaking a comprehensive energy efficiency and renewable energy resource analysis ("Comprehensive Resource Analysis" or "CRA") in New Jersey.[1] The CRA would be used to determine the level of funding for Energy Efficiency ("EE") and Class I Renewable Energy ("RE") programs statewide. Collectively, these programs form New Jersey's Clean Energy Program. Over the past twenty years, the programs have significantly

[1] N.J.S.A. 48:3-60.

reduced energy usage, reduced greenhouse gas emissions, delivered clean, local sources of renewable energy, and resulted in billions of dollars of energy cost savings to New Jersey ratepayers.

The Clean Energy Act, L. 2018, c. 17 ("CEA") took several critical steps to improve and expand New Jersey's renewable energy programs and established ambitious energy reduction targets. The CEA requires 21% of the electricity sold in the State to be from Class I renewable energy sources by 2020, 35% by 2025, and 50% by 2030. Additionally, the CEA provides a platform to reform the State's solar program by making near-term structural changes to ensure that the program is sustainable over the long term and establishes a community solar energy program to allow low-income New Jersey residents to benefit from solar energy. Importantly, the CEA also established new energy savings targets of at least 2% annually for electric distribution companies and at least 0.75% for gas distribution companies, to be achieved in the prior three years within five years of implementation of their programs.

The Board initiated its first CRA proceeding in 1999 and issued the first CRA Order in 2001. The 2001 Order set funding levels, the programs to be funded, and the budgets for each of 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 2026.

Process Regarding Development of the Proposed FY27 Programs and Budget Filings

Coordination with Program Administrator

In April 2015, the Board, through the Department of the Treasury, Division of Purchase and Property (Treasury), issued RFP 16-X-23938 seeking proposals for a single Program Administrator to provide the services which were at the time being provided by Honeywell, TRC, and AEG (2015 RFP). On December 1, 2015, Treasury awarded the Program Administrator contract to AEG. Subsequently, on January 13, 2017, TRC Environmental Corporation acquired AEG's New Jersey operation, including the NJCEP Program Administrator contract, and assumed AEG's rights and obligations thereunder. TRC subcontracted portions of the work under its contract to CLEAResult Consulting, Inc. and Energy Futures Group, Inc. TRC has managed the programs since March 1, 2016, which marked the conclusion of the transition period set out in the RFP. Since October 2021, TRC has managed the programs without subcontractors.

In October 2024, the Board issued a request for quotation for Program Administrator services. On April 23, 2025, the Board awarded a two-year waiver contract for the NJCEP Program Administrator to TRC for continuation of program administrator services. The new contract started at the end of July 2025 and is projected to run until July 2027.

Stakeholder and Public Process

On May 14, 2026, via the BPU Listserv and NJCEP Website, the Board provided notice of a June 3, 2026 public hearing. On May 15, 2026, the Board released the following documents, posted to the NJCEP website, related to the proposed FY27 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 FY27 Budget ("FY27 Budget").[2] The covering emails and website postings requested comments by June 8, 2026 on these documents. At the June 3, 2026 public hearing, Staff presented the Proposed FY27 Budget, and oral comments were heard on the CRA Straw Proposal and the Proposed FY27 Compliance Filings and Budget. By email dated June 18, 2026, the New Jersey Department of Environmental Protection ("NJDEP") confirmed that: (a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY27 Funding Level set forth therein (as defined below); and (b) the NJDEP agreed with the Proposed FY27 Funding Level.[3]

Approval of CRA Straw Proposal

On June 30, 2026, 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 FY27 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 FY27 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 FY27 Budgets for the NJCEP

To determine the proposed FY27 Budget for the entire NJCEP, Staff did the following:

- Calculated the total funding per the CRA Order, comprised of the amount of new FY27 SBC funding;

- Estimated the amount of commitments made prior to FY27 that are in the pipeline of Board Approved projects/allocations and expected to carryforward into FY27. This includes amounts expected to be paid in or to remain committed through FY27. 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 FY27 SBC funding to arrive at a total proposed FY27 Budget of $796,099,206.

[2] In some cases, program budgets include funding from sources other than the SBC. In this Order, "FY27 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 FY27 SBC funds going towards State Energy Initiatives but which are outside the NJCEP programs administered by the Board.

[3] "Proposed FY27 Funding Level" and "FY27 Funding Level" refer to new SBC funding for fiscal year 2027, inclusive of State Energy Initiatives funding.

New Jersey Clean Energy Program – Fiscal Year 2027 Budget[4]

	Encumbered		Remaining Planned		
FY27 Program/Budget Line	*FY26 Carryforward - Board Approved*	*FY26 Carryforward - Committed*	*FY26 Carryforward - Pending Board Approval*	*FY27 Funding*	*Funds for FY27 Allocation (Pending Board Approval + FY27 Funding)*
Total NJCEP + State Initiatives	**28,877,038**	**294,828,624**	**127,728,544**	**344,665,000**	**472,393,544**
State Energy Initiatives	**-**	**-**	**-**	**155,439,000**	**-**
Total NJCEP	***28,877,038***	***294,828,624***	***127,728,544***	***189,226,000***	***316,954,544***
Integrated Energy Solutions	**283,977**	**145,661,019**	**27,182,989**	**58,341,205**	**85,524,194**
Grid Modernization and VPPs	**-**	**1,171,070**	**5,000,000**	**-**	**5,000,000**
Distributed Storage	**-**	**-**	**-**	**-**	**-**
Distributed Energy	**-**	**14,498,687**	**-**	**8,964,635**	**8,964,635**
CHP - FC	-	13,766,949	-	8,964,635	8,964,635
Microgrids	-	*731,738*	-	-	-
Distributed Solar	**283,977**	**2,564,166**	**261,136**	**4,247,251**	**4,508,387**
Electric Vehicle and V2G Programs	**-**	**127,427,097**	**21,921,854**	**45,129,319**	**67,051,173**
Plug In EV Incentive Fund	-	38,290,700	-	30,000,000	30,000,000
CUNJ Administrative Fund	-	4,033,412	-	8,000,000	8,000,000
CUNJ Residential Charger Incentive	-	4,731,431	-	1,000,000	1,000,000
EV Studies, Pilots, and Administration Support	-	-	-	-	-
Clean Fleet	-	20,856,808	4,000,000	6,000,000	10,000,000
Multi-Unit Dwellings (Chargers)	-	19,450,925	2,921,854	129,319	3,051,173
EV Tourism	-	28,063,820	-	-	-
School Bus V2G	-	-	15,000,000	-	15,000,000
MHD Depot	-	12,000,000	-	-	-
Grid Scale Resources	**3,304,650**	**3,895,170**	**800,000**	**-**	**800,000**
Transmission Scale Storage	**-**	**1,773,872**	**-**	**-**	**-**
Grid Scale Solar	**-**	**1,226,095**	**300,000**	**-**	**300,000**
Nuclear Power & Resource Adequacy	**3,304,650**	**895,204**	**500,000**	**-**	**500,000**
Energy Efficiency, Equity, and Bill Assistance	**13,867,147**	**126,806,815**	**92,878,259**	**90,597,187**	**183,475,446**
Equity and Low-Income	**5,000,000**	**6,844,028**	**14,022,018**	**60,000,000**	**74,022,018**
Residential Low Income Improvements	-	6,091,528	3,000,000	55,000,000	58,000,000
Community Energy Grants	-	752,500	8,022,018	-	8,022,018
Urban Heat Island Mitigation Grants	5,000,000	-	3,000,000	5,000,000	8,000,000
Residential Universal Bill Credit	**8,867,147**	**-**	**78,856,241**	**-**	**78,856,241**
C&I EE Programs	**-**	**29,979,238**	**-**	**9,970,985**	**9,970,985**
C&I Buildings	-	26,655,537	-	5,260,985	5,260,985
LGEA	-	3,323,701	-	4,710,000	4,710,000
New Construction EE Programs	**-**	**39,443,293**	**-**	**20,626,202**	**20,626,202**
State Facilities Initiative	**-**	**50,540,256**	**-**	**-**	**-**
Planning and Administration	**11,421,264**	**18,465,619**	**5,867,296**	**40,287,608**	**46,154,904**
BPU Program Administration	**-**	**-**	**-**	**10,400,000**	**10,400,000**
Marketing	**-**	**4,180,339**	**-**	**7,000,000**	**7,000,000**
CEP Website	**-**	**167,500**	**-**	**-**	**-**
Outreach and Education	**-**	**415,934**	**-**	**4,849,667**	**4,849,667**
Memberships	**-**	**-**	**2,114**	**117,950**	**120,064**
Program Evaluation/Analysis	**11,421,264**	**13,701,846**	**5,865,182**	**17,919,991**	**23,785,173**
Workforce Development	**-**	**-**	**1,000,000**	**-**	**1,000,000**

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

Proposed FY27 Budget for State Energy Initiatives

The State Energy Initiatives amount is set through the State budget, outside of the Board's control. In FY27, in accordance with the FY27 Appropriations Bill (S2027), the State Energy Initiatives budget is $155.4 million. This includes $140.1 million for NJ Transit, $15 million to the General Fund, and $350 thousand to the Department of Corrections.

Proposed FY27 Budgets for Integrated Energy Solutions Programs

The proposed FY27 budgets for Integrated Energy Solutions programs are shown in the preceding table; a brief description of each program is set forth below:

- *Grid Modernization and VPPs*: Funding for Grid Modernization and VPPs is carrying forward from the prior year to support the Grid Modernization administrator contract and to design a VPP program, pursuant to Governor Sherrill's priorities in EO2.
- *Distributed Storage*: Phase 2 of GSESP will incentivize distributed storage. In response to Governor Sherrill's EO2, Staff are moving quickly to launch a distributed storage program. GSESP Phase 2 is planned to be funded through sources other than the FY27 NJCEP budget.
- *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.
- *Microgrids*: Provides incentives to fund feasibility studies and engineering design for potential DER microgrids in the state
- *Distributed Solar:* This section funds professional services for the State's solar programs, including the cost of application processing by TRC, the Dual-Use Solar Pilot administrator contract, and the Net Metering reform contract. Solar program incentives are funded through sources other than the FY27 NJCEP budget.
- *Electric Vehicle and V2G Programs:* Encourages adoption of EVs by funding incentive payments for the purchase of light duty EVs and the development of EV charging infrastructure.

Proposed FY27 Budgets for Grid Scale Resources Programs

The proposed FY27 budgets for Grid Scale Resources programs are shown in the preceding table; a brief description of each of the RE programs is set forth below:

- *Transmission Scale Storage*: Supports the program administrator contract for GSESP Phase I, pursuant to P.L. 2025, c. 136. Governor Sherrill's EO2 explicitly prioritized the development of transmission-scale storage, and the Board issued GSESP awards to three projects for 355 MW of storage at the March 4, 2026 Board meeting. Program incentives are currently funded through Ørsted Settlement Funds and do not appear in the FY27 NJCEP budget.
- *Grid Scale Solar*: Supports the program administrator contract for the Competitive Solar Incentive (CSI) Program, pursuant to P.L. 2021, c. 169. Pursuant to EO2, the Board issued CSI awards to three projects for 24 MW of solar at the March 4, 2026 Board

meeting. Program incentives are funded through sources other than the FY27 NJCEP budget.

- *Nuclear Power & Resource Adequacy*: Supports the anticipated cost of the mandated Nuclear Feasibility Study, pursuant to P.L. 2025, c. 380.[5] Carries forward existing 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.

Proposed FY27 Budgets for Energy Efficiency, Equity, and Bill Assistance Programs

The proposed FY27 budgets for EE, Equity, and Bill Assistance programs are shown in the preceding table; a brief description of each program is set forth below:

- *Residential Low Income Improvements: Comfort Partners*: Provides for the installation of energy conservation measures at no cost to income-qualified customers through the Comfort Partners program. The funding provided for the Whole House Pilot Program ("WHPP") in prior years is being allocated to Comfort Partners to serve the goals of the Whole House program.
- *Community Energy Grants:* Supports municipalities by providing funding to create and implement community energy plans that will address the specific clean energy needs of their respective communities. In FY27, new funding will solely support implementation grants, while staff review the planning grants program to ensure it remains impactful.
- *Urban Heat Island ("UHI") Mitigation Grants*: Aims to mitigate the heat island effect in communities across New Jersey by funding community-driven strategies, particularly in OBMs, that improve the energy efficiency of community facilities and expand public cooling infrastructure, thereby reducing both extreme heat exposure and energy costs. The Board issued awards to 22 applicants at the March 18, 2026 Board meeting.
- *Residential Universal Bill Credit (RUBC)*: Addresses affordability by providing direct bill assistance to all ratepayers in New Jersey, pursuant to Governor Sherrill's EO1. The second round of RUBC was budgeted for in the FY26 True-Up and is expected to be released in FY27.
- *C&I Buildings*: Includes the LEUP and P4P – Existing Buildings programs, which incentivize EE measures in the C&I segment to reduce costs and energy usage. No new funding was provided for the Decarbonization Pilot in FY27, but existing awards will be paid out. The P4P program is no longer accepting new applications and will solely pay out existing awards.
- *LGEA*: Provides subsidized energy efficiency audits to municipalities, school districts, and non-profits.
- *New Construction Programs*: Supports the New Construction Program (NCP) and legacy programs (C&I NCP, RNC, P4P NC) that provide financial incentives to builders who construct new homes meeting the New Jersey Energy Star Homes standards, which exceed the requirements of existing energy codes.

[5] https://www.njleg.state.nj.us/bill-search/2024/A5517

- *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.

Proposed FY27 Budgets for Planning & Administration

The FY27 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:* Primarily funds Staff salaries and fringe benefits.
- *Marketing:* Includes funding for marketing initiatives.
- *CEP Website:* Includes funding for redesigning the Clean Energy Program website.
- *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.
- *Program Evaluation/Analysis:* Funds professional service contracts for administering NJCEP programs. In FY27, the line uses new and carryforward funding to support contracts pursuant to the Triennium, Benchmarking, the Utility Business Model Study, and Rutgers University Center for Urban Policy Research (RU CUPR) which supports several programs.

Proposed FY27 Budgets for Workforce Development

The Proposed FY27 budgets for BPU Initiatives are shown in the preceding table; a brief description of each of these initiatives is set forth below.

- *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 FY27 Compliance Filings and Proposed FY27 Budget were submitted by American Council for an Energy-Efficient Economy ("ACEEE"), Bloom Energy Corporation ("Bloom"), ChargEVC-NJ, Energy Efficiency Alliance of New Jersey ("EEA-NJ"), Environment New Jersey (“Environment NJ”), Isles, Michael Winka, National Fuel Cell Research Center (“NFCRC”), New Jersey Coalition of Automotive Retailers ("NJ CAR"), New Jersey Natural Gas (“NJNG”), New Jersey Division of Rate Counsel ("Rate Counsel"), New Jersey League of Conservation Voters ("NJLCV"), New Jersey Utilities Association ("NJUA"), Northeast Chapter of the Combined Heat and Power Alliance (“CHP Alliance”), South Jersey Industries (“SJI”), Vote Solar, Waterspirit, and a coalition (“Coalition”) comprised of the following 18 members: Environment NJ, Action Together NJ, Coalition for Environmentally Responsible Economies (CERES), Clinicians for Climate Action NJ, EEANJ, Health Professionals and Allied Employees, Isles, Jersey Renews, National Resources Defense Council (NRDC), Newark Science and Sustainability, NJ Citizen Action, NJLCV, NJ Policy Perspective, NJ Progressive Equitable Energy Coalition (NJPEEC), NJ Sierra Club, NJ Sustainable Business Network, NJ Work Environment Council, Vote Solar, and Waterspirit.

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 Governor Sherrill's priorities and executive orders. 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.

Staff note that the process and schedule for commenting on the FY27 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: EEA-NJ commended the modest budget increase for the Comfort Partners Program but questioned the Board's cost-effectiveness analysis. EEA-NJ expressed concern that the Board claimed the program returned only $0.04 per dollar invested, which EEA-NJ described as specious compared to higher returns for similar services. EEA-NJ requested more transparency regarding the specific program aspects that adversely swayed that cost-effectiveness ratio.

Response: Staff appreciates EEA-NJ's support for the Comfort Partners Program and the opportunity to clarify the figure referenced.

First, Staff acknowledges an error in the figure cited. The $0.04 return per dollar represents the **annual** energy benefit, not the lifetime benefit. The correct **lifetime** energy benefit is approximately **$0.43** per dollar invested. Staff has issued a correction to ensure stakeholders are working with accurate information.

Second, it is important to clarify that this figure represents only the direct energy savings to participating households over the lifetime of installed measures—it is not a comprehensive cost-effectiveness test result. Traditional cost-effectiveness screening (such as the New Jersey Cost Test) would incorporate additional factors including, but not limited to:

- Non-energy benefits (health, safety, comfort improvements)
- Demand reduction and capacity benefits
- Environmental and societal benefits

The Comfort Partners Program serves income-qualified households and delivers significant value beyond energy bill savings alone. Staff recognizes these broader benefits, which is why the program continues to receive funding support despite a lower energy-only metric.

Comment: Michael Winka advocated for the BPU address customer needs in a more holistic manner by not directing customers to separate silos for different services, but to integrate processes and procedures to create a one stop shop. The commenter emphasized that the one stop shop should include integrated building shell improvements, high-efficiency HVAC, distributed solar, battery storage, EV and EV charging, and interactive efficient building for demand response and demand flexibility This approach demonstrates what the mission of the CEP should be which is to deliver all programs in an integrated approach. The commenter

explained that this integration transforms residential and commercial buildings into virtual power plants ("VPPs") that help manage distribution system demand more flexibly.

Response: Staff thanks Michael Winka for his comment and wants to point the commenter toward the VPP proceedings for engagement on the more holistic approach.

Comment: Waterspirit urged the Board to consider alternatives to PJM participation and to pursue energy solutions that protect water quality.

Response: Staff thanks Waterspirit for their comment and notes that the Clean Energy budget does not typically include contemplation of participation in an Regional Transmission Organization (RTO). Staff is interested in energy solutions that protect water quality and encourages the commenter to engage in dockets that have the potential to help there.

Budget

Comment: NJLCV noted that the approximately $796 million budget for FY27 represents a significant decrease from previous years. NJLCV recommended that the Board fully utilize available funding and ensure programs are resourced to meet demand. NJLCV encouraged the evaluation of whether additional staff and administrative resources are needed to overcome implementation barriers and accelerate project approvals.

Response: Staff acknowledges the $796 million NJCEP Budget for FY27 and notes that the Board is constantly evaluating where resources are needed to improve and accelerate projects. The reduced budget in FY27 is due to the amount of funds carrying forward, signaling that the NJCEP has spent down carryforward, making the budget appear smaller. NJCEP is collecting the same amount of new SBC funding that was collected in FY26 and prior years. As the DCE's workload has increased over the years, staffing has increased to address needs.

Comment: NJLCV expressed concern regarding the proposed $155 million diversion for State Energy Initiatives and stated that it is one of the highest levels in the program's history. NJLCV argued that using these funds for unrelated budget priorities undermines the program's mission to lower utility bills and improve grid reliability. NJLCV urged the Administration and Legislature to identify alternative funding sources for these initiatives to preserve the Clean Energy Fund for its intended purposes.

EEA-NJ maintained a firm position that the Clean Energy Fund should only support energy efficiency and clean energy deployment programs. EEA-NJ opposed the practice of re-directing $155 million to unrelated programs. EEA-NJ argued that the Clean Energy fund should not be used as a "grab bag" for excess state funding.

The Coalition asserted that the Board's ability to meet clean energy goals is hindered by a history of ongoing fund raids, which currently stands at $155 million, representing nearly half of the proposed $344 million in new funding for the FY27 Clean Energy Program. The Coalition warned that these raids are unsustainable, particularly as the expiration of Orsted settlement funds threaten the future of energy storage programs. The Coalition concluded that the Clean Energy Fund must receive its full $344 million annual allocation and be spent strictly for its intended purposes.

Response: Staff appreciates the comments submitted by NJLCV, EEA-NJ, the Coalition, and

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 FY27, in accordance with the FY27 Appropriations Bill, the State Energy Initiatives budget is $155.439 million.

Comment: NJLCV commended the additional program analysis provided this year but noted that the lack of side-by-side comparisons with prior years makes evaluation difficult. NJLCV found the timeframe between the public hearing and the comment deadline to be extremely limited. NJLCV recommended that future budget documents include comprehensive year-over-year comparisons and longer public comment periods to strengthen transparency and inclusion.

EEA-NJ expressed concern that the presentation of budget tables and supporting documentation was overly cumbersome and lacked transparency. EEA-NJ noted that the format made it difficult for stakeholders to evaluate proposed funding changes by comparing FY27 proposals with FY26 approved amounts. EEA-NJ requested that the Board provide clean, concise, top-down summaries showing total approved FY26 funding alongside proposed FY27 funding for each program.

Response: Staff acknowledges these concerns and notes that they prioritized creating a more in-depth CRA in FY27 to assess and share performance data on programs, and highlight the environmental benefits programs have achieved, pursuant to EDECA. Staff will consider the request for year-over-year comparisons and other modifications for future years. Staff take seriously stakeholders' need for sufficient time to review filings, but more time was not possible in FY27 given the scale of the new CRA. Staff will work to provide as much time as possible in future years.

Comment: EEA-NJ expressed concern regarding the proposed $40.8 million reduction in energy efficiency funding. EEA-NJ highlighted that the largest cuts affected Commercial & Industrial and New Construction programs. EEA-NJ urged the Board to identify barriers to participation and provide adequate staffing to achieve broader implementation instead of cutting budgets. EEA-NJ warned that those reductions would have negatively impacted the state's energy efficiency workforce. EEA-NJ also highlighted that there is a significant rebound in commercial real estate and the commercial energy efficiency programs will be more essential now than ever. EEA-NJ noted that energy efficiency typically returned $3 to $5 for every dollar invested, meaning those cuts could have led to over $204 million in lost benefits.

Response: Staff understands the concern around reductions to the EE budgets, given the financial and grid benefits those programs achieve. To provide context on the cuts cited by EEA-NJ, part of that is driven by the Large Energy Users Program Decarbonization Pilot, which had to be paused given funding availability. BPU plans to provide funding to pilot program customers to develop decarbonization plans, and NJCEP will assist them to identify alternate funding resources - including utility, DEP, and EDA programs – for the implementation of EE, EV, and storage in those plans.

However, part of the reduction cited is a year over year decrease, rather than a cut. That is because new funding was not provided for legacy programs that are being phased out (P4P, C&I NC, P4P NC, and P4P EB). These programs are only spending down existing awards. New funding for New Construction reflects current and anticipated demand for the program and the intention to support this newly launched and important program.

Comment: Rate Counsel stated that it does not support the use of SBC funds for workforce development, noting that existing government and private workforce development programs can

be leveraged to support the clean energy industry. Further, Rate Counsel noted that millions of dollars in workforce development funding are already available through the utilities' Triennium 2 energy efficiency programs, and that the clean energy industry has inherent economic incentive to train new recruits without additional ratepayer subsidies. Rate Counsel supported not allocating new funding in FY27 to workforce development.

NJLCV expressed appreciation for the $1 million allocation for clean energy workforce initiatives. NJLCV pointed out that the clean energy transition is expected to support 14,000 new green jobs by 2035. NJLCV encouraged increased future investments in training and apprenticeship programs to maintain New Jersey's position as a regional clean energy leader.

Response: Staff appreciates Rate Counsel's comments and NJLCV's support for workforce development initiatives. Staff acknowledges the projected growth in green jobs and the importance of ensuring New Jersey has the trained workforce necessary to meet future demand. Staff is committed to supporting workforce training and development as the clean energy sector continues to expand, including through apprenticeship programs.

Staff also agrees that existing government and private sector workforce development programs can and should be leveraged. Staff emphasizes that the goal is to leverage utility energy efficiency workforce development funds and recommends not allocating new funding in FY27 to workforce development while Staff works closely with the utilities to make this happen.

Staff remains committed to evaluating how workforce development investments can most effectively support both the industry and job seekers and welcomes continued stakeholder input on these programs.

Comment: Rate Counsel stated that the Board's budget process has produced the exact same annual SBC collection amount of $344,665,000 for a decade. Rate Counsel contended there was not a meaningful analysis of which programs are needed, whether any program is cost-effective, or whether New Jersey can meet its clean energy goals at lower cost. Rate Counsel stated that this is not only bad public policy but violates EDECA, which has required a meaningful multi-year review at least once every four years since 1999. Rate Counsel stated that the FY27 budget ignores the law, sound public policy, and the affordability concerns of the current moment, and should be rejected.

Response: Staff disagrees that there was no meaningful analysis of which programs are needed, given that in section II of the CRA, programs were tied either to legal requirements or larger Board priorities. Staff determined necessary funding levels for programs and had to revise some of those funding levels given the State Energy Initiatives that are set by the State Budget. Accordingly, the annual SBC collection amount will remain at $344,665,000. Additionally, Staff disagrees that there was not analysis of cost-effectiveness of programs. In fact, section III of the CRA, includes an analysis specifically evaluating and presenting information on the cost-effectiveness of programs, both from a financial and environmental perspective.

While Staff are reviewing the potential of returning to a multi-year CRA, the current annual approach to developing the CRA and Budget allows for greater stakeholder input and enables Staff to better assess changes that impact program needs. In 2012, the Board determined that the CRA should be completed annually to better align with the State's annual Budget process. Further, Staff considers a range of issues when crafting the Budget, including future obligations and revenue. Staff understands Rate Counsel's concerns and are exploring ways to make next year's CRA more comprehensive.

Comment: Rate Counsel stated that the Board's carryforward of increasingly large sums of SBC funds — from $165 million in FY21 to $451 million in FY27 — while continuing to collect $344.7 million in new SBC funds annually raises significant substantive due process concerns. Rate Counsel stated that the increasing surplus implies that funds are not being used for their defined purposes, calling into question whether continued SBC collection serves a legitimate government function and whether the SBC rate remains just and reasonable as required under N.J.S.A. 48:2-21(b).

Response: Staff disagrees that the amount of carryforward shows that the SBC funds are not being used for their defined purposes. Staff regularly works to improve the allocation of funding and minimize the amount of carryforward commitments, but commitments are a precursor to spending. $323.7 million is committed, meaning these funds are locked up and cannot be redistributed because they have been awarded or otherwise obligated in a purchase order, grant order, or waiver. The $344.7 million being collected in FY27 will fund new projects coming through the pipeline, new contracts to support programs, and existing obligations in multi-year contracts.

Comment: Rate Counsel stated that, in FY25, the NJCEP earned $38,199,729 in interest on an average retained balance of approximately $800 million — an amount not being used for program funding or returned to ratepayers. Rate Counsel stated that this interest should be returned to ratepayers, that the Board should report the amount of interest earned each year since the start of the Clean Energy Program, and that interest income should be clearly identified in the FY27 budget and deducted from the new funding request.

Rate Counsel also stated that interest may have accrued on the RUBC amount since it was identified in the FY26 True-Up budget and argued that the increased amount should also be refunded to ratepayers.

Response: Interest is accounted for by Treasury after the close of each fiscal year. Given comments on this topic in recent years, Staff will consider including estimates of interest in future initial budgets. However, this could create issues if actual interest falls short of estimates, so Staff will need additional time to assess the implications of this change.

Staff are committed to providing year over year data for stakeholders and the public on NJCEP programs, as it did in the FY27 CRA. Staff will consider the request on interest, but note that interest is already publicly reported in the annual True-Up budgets, which are available on the NJCEP website.

Comment: Rate Counsel recommended that the Board not approve the collection of any new SBC funds under the FY27 budget as proposed and instead establish an evidentiary process over the coming months that allows stakeholders to request additional materials, submit interrogatories, cross-examine Staff and consultants, and submit comments, after which the Board will be positioned to evaluate a potentially revised FY27 NJCEP budget based on a complete record.

Response: Staff disagrees that the Board should not approve new SBC funds for FY27. Doing so would inhibit the Board from planning and carrying out clean energy objectives, several of which are mandated by law, or directed pursuant to Governor Sherrill’s executive orders. Further, it would damage the State's credibility in the industry at a time when demand on the grid is increasing and clean energy projects are already facing obstacles. Staff provides 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 does respond to stakeholders.

Comment: Rate Counsel noted that transmission-scale storage in FY27 will rely on Ørsted Settlement funds ($60 million) rather than SBC collections. While they appreciate that ratepayer SBC funds will not be dedicated to these grid scale initiatives this year, they argued there is still a major structural financing shift that must be explained further if the BPU intends to use SBC funds once the Ørsted Settlement funds run out.

Response: Staff agrees that the Board will need to explore funding opportunities to maintain the funds required for the Garden State Energy Storage Program ("GSESP") once the Orsted settlement funds are depleted. Staff have included information in the CRA and filings stating that the NJCEP Budget will fund storage after depletion of the Ørsted Settlement funds. However, Staff will continue to drive this point in areas where it is appropriate.

Comment: Rate Counsel stated that the Grid Scale Solar budget of $1.5 million is described only as being for "administrative contracts" with no performance metrics or information regarding the performance of administrator contracts for the CSI. Rate Counsel further stated that the Nuclear Power and Resource Adequacy budget of $4.7 million provides no basis for the requested funds and requests that funding should be clearly delineated to show stakeholders how much funding is going toward the new study in comparison to the offshore wind contracts.

Response: Staff provided performance metrics where applicable. Staff disagree that there is no basis for the requested Nuclear Power and Resource Adequacy funding. Information on budgets for certain procurements are not disclosed prior to the competitive procurement process to ensure the most cost-effective contract is procured.

Comment: The Coalition called for increased Board staffing levels funded outside of the Clean Energy Fund to ensure the effective use of available resources. The Coalition urged the Board to prioritize the long-term rate-lowering benefits of clean energy investments over universal, short-term bill credits. The Coalition argued that to fulfill the goals of Gov. Sherrill, full funding is required and that there is an expansion of staff slots to achieve better results for clean energy programs.

Response: Staff agrees that long term clean energy investment should be prioritized and are committed to implementing long term investments through the NJCEP programs. With that, Staff also acknowledge the immediate, pressing need for ratepayer relief, and, to follow compliance with EO1, are working to implement REAP and RUBC bill credits. Lastly, the Board acknowledges the recommendation to increase staffing and look forward to expanding the Clean Energy staff.

SBC Allocation

Comment: NJNG and SJI opposed the DCE's proposal to shift the SBC cost allocation methodology. Both noted that natural gas customers bear approximately $117 million in NJCEP costs in FY26, and that under the proposed methodology, that share could nearly double by 2031. SJI contrasted this with electric allocations, which would decline from approximately $227.8 million in FY26 to $118.1 million in FY31. Both stakeholders argued this will create a significant reallocation of SBC costs from electric customers to gas customers without a commensurate increase in program usage or benefits for gas customers.

NJNG claimed that the proposal would unfairly benefit deliverable fuel customers, who bear no

responsibility for recovering program costs tied to their heating burden yet receive benefits from programs oriented toward supporting the electric system.

SJI stated that because natural gas accounts for a larger share of total energy volume but a smaller share of revenues, the proposal would systematically transfer costs from electric customers to gas customers as the transition progresses, and expressed concern that this outcome would disproportionately impact natural gas customers without a clear policy justification grounded in equity or cost causation principles.

Response: The Board appreciates the commenters' concern about principles of cost causation and fairness but disagrees that the change in methodology is unfair. First, the existing framework places the burden on electric customers at a time when electricity demand is high and expected to increase. Without the change in approach, in FY27 a similar transfer of costs would occur from gas towards electricity because of the difference in price development, without a commensurate increase in program usage or benefits to electric customers. Second, the argument that delivered fuel customers would benefit from the shift in allocation is valid, but applies in the reverse to current customers of municipal electric utilities, who also do not contribute to the SBC. It is worth noting here that delivered fuels are some of the most expensive ways to heat a home, and a significant part of the customers are low-income.

Comment: SJI stated that the proposal to cut electric bills by adding to gas bills does not improve overall energy affordability because ratepayers generally use electric and gas. SJI argued that the current revenue-based SBC allocation framework is a stable, transparent, and well-established approach that effectively aligns cost recovery with billing structures. SJI noted that 75% of New Jersey residents and businesses currently use natural gas and that thousands of new customers join their systems annually, which they claimed is because gas remains cheaper and is reliable. SJI highlighted that natural gas is over three times less expensive than electric heat per unit of energy delivered and that the gas system carries about triple the energy of the electric system when comparing summer electric peak to winter gas peaks. SJI pointed out that the Board has acknowledged overall household cost burdens remain comparable under both approaches, and stated that this makes such a significant redesign unwarranted.

Response: As Staff acknowledged in the draft CRA, the overall share of SBC costs borne by households under the new methodology should be "comparable" to the share under the current methodology. However, by detaching SBC collection from revenue, the new methodology protects ratepayers from fuel price volatility and therefore provides at least some affordability benefit. Staff also acknowledges the argument that the current framework is relatively stable. However, as demand for electric continues to increase, the concern is that the current framework will exacerbate those increases and, therefore, be less stable. The change in methodology is intentionally designed to occur gradually over five years, to further mitigate instability.

Comment: SJI argued that the decarbonization benefits of the new approach are minimal or non-existent and that decarbonization goals should not be advanced through SBC allocation. SJI stated that allocation methodology governs cost recovery, not policy outcomes, and should not be used to indirectly influence fuel choice. SJI argued that the proposed "slight nudge" in favor of decarbonization will not cause customers to embrace electrification because ratepayers are overwhelmingly concerned with their electric costs and because gas remains orders of magnitude cheaper than alternatives, including electric per unit of energy delivered.

SJI referenced the 2021-22 NJ DEP boiler proposal where electric alternatives were found to be 3 to 5 times more expensive than gas counterparts and were pointed out to produce more

emissions in the foreseeable term because much of the current electricity is provided by fossil fuel plants. SJI warned that pushing people off gas in favor of electric could result in residents paying more and causing more emissions at least until carbon-free power generation goals are realized.

Response: Staff appreciates SJI's reasoning but points out that the current framework of revenue-based allocation is not policy-neutral. The high demand for electricity is expected to continue, regardless of the Board's policy decisions and the State's decarbonization goals due to external factors including data center demand growth and electrification in other sectors of the economy. Accordingly, while the shift to an energy value framework might only be neutral on households, it could still help avoid further increases for electric customers, particularly as demand for electricity increases. Since much of the SBC funds go towards decarbonizing/electrification/etc. projects, the "slight nudge" towards electrification helps the value of those SBC dollars go further, so the collection methodology actually is an appropriate tool. Further, there remain other reasons for making this shift as detailed above.

Comment: SJI stated that transparent communications are needed for ratepayers to understand the proposed SBC allocation policy and recommended the Board use its own communication channels to educate customers on the matter. SJI explained that as gas-only utilities, they do not ordinarily communicate with customers about matters beyond gas service, whereas the Board's purview includes both gas and electric utilities.

Response: Staff appreciates the recommendation to use its own channels to communicate this change to ratepayers and plans to do so.

Comment: Rate Counsel noted the proposed change in SBC cost allocation methodology in the FY27 CRA. They stated that this constitutes a fundamental ratemaking exercise that requires formal notice-and-comment rulemaking under the New Jersey Administrative Procedure Act and the standard established in Metromedia, Inc. v. Director, Division of Taxation, 97 N.J. 313 (1984). Rate Counsel stated that the Division of Clean Energy has not provided draft regulations, expert testimony, legal justification, or associated rate calculations for all customer classes for all utilities to support this proposed change.

Response: Staff disagrees that this policy shift amounts to the type of change that would require a formal rulemaking. The current cost allocation methodology was not adopted via a formal rulemaking, and while Staff acknowledges this new allocation methodology could represent a cost shift for some individual customers, there are many other factors impacting an individual customer's SBC responsibility, such as the total funding level, energy prices, etc. Furthermore, stakeholders were invited to comment on the proposed change, which will be implemented over the course of five years. These comments as well as the Board's responses are detailed above.

Benefit-Cost Analysis

Comment: Rate Counsel commented that TRC does not report or reference any of its assumptions in its filing and that, given the extremely short comment period, it should not be incumbent upon stakeholders to locate underlying data.

Response: As previously and similarly stated in the response to similar comments regarding the FY24, FY25, and FY26 TRC CBAs, Staff disagrees. 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 (e.g., 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, Docket Nos. QO19010040, QO23030150, & QO17091004 (May 24, 2023), and the level of detail and support historically contained in Board-approved Compliance Filings.

CRA

Comment: Rate Counsel commented that the FY27 CRA does not explain why Solar Registration applications processed per year dropped from 20,596 in FY23 to 317 in FY24 — a change by a factor of 5,551 percent.

Response: The correct number of Applications Processed in FY24 is actually 20,321, not 371. The number in the subject draft CRA was the result of a data entry error that a process improvement should prevent in the future.

Comment: Rate Counsel claimed that the FY27 CRA provides no description or basis for the $48.9 million Program Evaluation and Analysis budget.

Rate Counsel stated that the FY27 CRA provides no description or basis for the C&I Buildings budget and does not break down funding between the Large Energy Users Program and Pay-for-Performance Program.

Rate Counsel stated that the FY27 CRA provides no description or basis for the $60.1 million requested for New Construction Energy Efficiency Programs and does not provide references or supporting information for claimed energy or emissions savings.

Response: Staff believes that a description of each program and the underlying statutory authority was outlined in section II of the FY27 CRA. Additionally, program performance metrics were provided when applicable. Performance metrics were not available for Marketing, Outreach and Education, and Memberships.

Staff acknowledges that a breakdown in funding between LEUP and P4P was not provided. Historically, these programs have been rolled together in the public display of the budget given that they are focused on EE measures for C&I buildings. The FY27 budget for LEUP is $21,783,347 and the FY27 for Pay-for-Performance is $10,133,175.

For New Construction, a breakdown of funding is provided between carryforward and new funding. As stated in the CRA, the NCP is a new streamlined program for developers and it is a priority of the Board to fund and operate this program to achieve emissions savings in buildings as they are being constructed.

On energy and emissions savings, Staff included information on methodology in the draft release of the FY27 CRA. However, Staff are providing more detail in comment responses and are revising the methodology section to include more detail for stakeholders.

Comment: Rate Counsel acknowledged the need for program oversight but stated that administrative spending approaching or exceeding funding levels for corresponding substantive programs raises serious questions regarding administrative efficiency, duplication, and whether SBC funds are being utilized primarily for customer benefit rather than program bureaucracy.

Rate Counsel requested detailed staffing, contractor, consulting, and overhead breakdowns supporting these allocations prior to dedicating ratepayer SBC funds to them.

Rate Counsel stated that the FY27 CRA provides no description or basis for the $10.4 million BPU Program Administration budget beyond noting that staffing levels have increased, with no information provided on the number of staff by year or the statutory and programmatic obligations driving the increase.

Rate Counsel further stated that no description or basis is provided for the $11.2 million Marketing budget, the $5.3 million Outreach and Education budget, or the $120,064 Memberships budget, and that no performance metrics are proposed for any of these line items.

Response: On Rate Counsel's claim that there is no justification for funding requests, Staff disagrees given that the FY27 CRA lays out program accomplishments and the goal of continuing to produce energy savings, emissions reductions, and financial savings for ratepayers. Descriptions of the Program Evaluation and Analysis budget are on pages 33-34 of the FY27 CRA, noting initiatives such as the Utility Business Model Study and Triennium-related Evaluation activity, which support mandatory utility-run EE programs.

While the total funding across these areas is substantial, it should be noted that this funding supports all of DCE's efforts either through administrative contracts, funding for salaries, staff resources like memberships, or marketing of the DCE's programs. For example, the $10.8 million in BPU Program Administration covers the cost of DCE staff, which work on all the DCE's programs, even those not supported by the NJCEP Budget. For this reason, it is incorrect to suggest that administrative funding is on par with programmatic funding.

Comment: Rate Counsel argued that the FY27 CRA does not provide enough evidence or justification for budget requests across the suite of NJCEP program. Rate Counsel argued that there are no existing program or performance data for some programs such as the Grid Scale Resources, Grid Modernization and VPPs, Distributed Storage, and Energy Efficiency, Equity, and Bill Assistance. Rate Counsel requested the Board provide justification and basis for program budgets and provide performance data and detailed plans for spending. Overall, Rate Counsel argued that the FY27 budget materials do not provide the necessary information necessary for stakeholders or the Board to assess the past effectiveness and the potential effectiveness of currently proposed programs and budget.

Response: Staff understands the need to provide information on effectiveness and program performance. However, Staff disagree that insufficient information was provided. The FY27 CRA provides a 5-year review of performance data for programs where it was available. For programs where it was not available, Staff noted that was the case. For example, the Grid Modernization program recently launched and does not have performance data. Similarly, the VPP program is expected to launch in FY27. Staff are committed to providing performance data in future years as it becomes available.

Staff are reviewing ways to provide forward-looking metrics. Largely, the goal of programs is to award the new money in their budgets each year. Given the current environment, Staff worked in FY27 to propose a budget that meets programs' expected needs and capabilities.

Comment: Rate Counsel stated that the FY27 CRA does not provide references or supporting information regarding SFI electricity, natural gas, or emission savings and is missing data for many years.

Response: The Clean Energy Program designed an SFI workbook to be completed after a project has been built using the TRM protocols. This workbook was not introduced until after the utility program transition occurred. As a result, earlier projects did not have the reporting requirement built into the project scope and is not included. Clean Energy maintains the workbooks while State Energy Services monitors the facility energy use post-implementation.

Comment: The Coalition suggested that the CRA process and documents should be more user-friendly and transparent for stakeholders. The Coalition noted that the current cost-benefit analysis fails to fully capture the broad grid and ratepayer benefits of electrification. Rate Counsel stated that the TRC benefit-cost analysis covers only some NJCEP programs and urges Staff to provide similar analyses for all programs or explain why a benefit-cost analysis is not applicable.

The Coalition stated that the new budget table format makes year-over-year comparisons difficult due to a lack of prior-year data and inconsistent categories. The Coalition also points out that the FY27 Budget Table in the CRA is different to the one provided in the BPU webpage. Accordingly, the Coalition requested a more comprehensive and standardized budget table to allow for a clear assessment of programmatic impacts.

Response: Staff appreciates this feedback and the acknowledgement that NJCEP programs have broad benefits to the grid and ratepayers. In FY27, Staff prioritized creating a more in-depth CRA in FY27 to assess and share performance data on programs and highlight the environmental benefits programs have achieved, pursuant to EDECA. The Budget table in the CRA intentionally included an extra “Total” column in order to provide additional level of detail for stakeholders, consistent with prior years. However, in FY27, Staff excluded this column in the formal Budget Table and Budget Order, given that it includes obligated funding that is not available for allocation. Accordingly, Staff added the “Funds for FY27 Allocation” column to highlight funds that are new or available for the Board to allocate.

Staff acknowledges that the cost-effectiveness chart in the FY27 CRA does not account for every type of benefit that DCE programs have, nor does it include every line in the NJCEP Budget. Staff focused on program metrics that are most directly measurable such as direct financial benefits to participants and emissions reductions in order to provide stakeholders with a more firm basis to understand the costs and benefits of the programs. On the program lines included, the analysis includes all programs funded through the NJCEP budget that are not administrative contracts.

However, Staff will continue to adapt the assessment of program costs and benefits, as well as review the presentation of the budget table in future CRAs.

Market Transformation

Comment: NJUA recommended deferring market transformation concepts to a separate proceeding where they can be properly vetted through stakeholder input. NJUA warned that the current CRA proposal for market transformation could negatively impact successful energy efficiency programs already in place. NJUA asserted that program requirements for market transformation should be established through Triennium 3 proceedings rather than the FY27 CRA.

NJNG expressed support for increased emphasis on market transformation within the State's energy efficiency programs but raised procedural and substantive concerns about the FY27 CRA's proposed market transformation structure. NJNG noted that the proposed framework was not previously presented to utilities or other stakeholders and warned that implementing it could disrupt successful Triennium 2 programs and interfere with Triennium 3 development. NJNG recommended that market transformation program design be addressed in the Triennium 3 proceeding, where it was originally identified as a new opportunity, rather than through the FY27 CRA. NJNG also raised concerns about the draft incentive design, stating that proposed incentive levels decline prematurely, falling as low as 20% of incremental cost in phase two, which may discourage customers from investing in higher-cost efficiency measures and reinforce continued reliance on less efficient equipment. NJNG suggested that deferring market transformation to Triennium 3 would allow for more deliberate stakeholder development.

Response: Staff appreciates the comments from NJUA and NJNG. While market transformation can be discussed in other forums and proceedings, its inclusion in the CRA is necessary pursuant to EDECA.[6] Additionally, the CRA discusses a general approach for market transformation applied to all Clean Energy programming and is not intended to establish binding requirements. The approach recognizes resource acquisition as a part of the market transformational effort. The energy efficiency portfolio was not explicitly called out to implement new market transformational elements in Triennium 2. Currently, the energy efficiency portfolio remains largely resource acquisition and is compliant with the general approach outlined in the CRA for FY27. Regarding the declining incentive levels in phase two (Early Adoption), the range suggested was between 40% and 80% of incremental measure cost. Staff welcomes deliberations with stakeholders in the formulation of proper incentivization levels and new programmatic offers.

Comment: EEA-NJ highlighted that New Jersey's clean energy economy is currently among the best in the nation, a status supported by the 2025 ACEEE State Scorecard. EEA-NJ expressed concern that the proposed market transformation framework in the CRA Appendix may lead to funding pullbacks that threaten the adoption of critical technologies. EEA-NJ argued that using "pricing optimization metrics" and saturation rates to gauge market maturation would require repetitive surveillance that might not accurately reflect the state's market. EEA-NJ pointed out that the proposed saturation rate calculation (a ratio of target technology purchases divided by total unit sales) is problematic because retailers and suppliers are not currently required to disclose this data to state agencies. EEA-NJ noted that the ability of residents to buy technologies online or in neighboring states further prevents the Board from seeing the totality of the market accurately.

Response: Staff thanks EEA-NJ for their comment. The proposed market transformation framework suggested that incentive levels are based on several key factors and would not rely on a single metric when setting incentive levels for any given program year or program cycle. For single measure rebates, the key factors were incremental measure cost, in-service rates, realization rates, net-to-gross ratios, and industry standard practice. For project-level rebates, the key factors were scope of project intervention, measure selection, return on investments, net-to-gross ratios, and industry standard practice. In energy efficiency, these key metrics are localized observations and estimates for New Jersey determined through studies that are part of the evaluation, measurement, and verification ("EM&V") framework for energy efficiency

[6] See N.J.S.A. 48:3-60(a)(3).

programs and shared with stakeholders.

As market transformational elements are introduced more broadly into clean energy programs, additional market surveillance and goal setting processes will be necessary. Key elements were introduced for stakeholder consideration. While most of our technologies remain in Phase 2 (early adoption), some technologies will move to Phase 3 (market maturity). As that happens within our planned program cycles, tracking metrics will be discussed and considered in the context of specific programmatic offerings.

Comment: EEA-NJ stated that reductions in subsidies under the market transformation strategy would not translate into reductions to the Societal Benefits Charge that funds the Clean Energy Program. EEA-NJ suggested that if the Board decides to continue with the market transformation strategy, funds not spent on subsidies should be reinvested into energy efficiency programming to ensure that New Jersey remains a national leader. EEA-NJ strongly cautioned against using these newly freed funds for residential bill credits.

Response: Staff welcomes deliberations with stakeholders in the formulation of proper incentivization levels and new programmatic offers, as well as related discussions about how to best use funds not spent on subsidies to support affordability for ratepayers while sustaining clean energy programs.

Grid Modernization and VPPs

Comment: The Coalition expressed support of investments in a resilient grid, peak demand reduction, and the expansion of energy efficiency and clean transportation programs. The Coalition maintains that the primary mission of the Clean Energy Fund is to incentivize technologies that reduce emissions and provide long-term grid benefits.

Response: Staff appreciates the commenter's support. The Grid Modernization Forum has been established as a "spearhead" in bringing key industry stakeholders together with the distribution system EDC experts to develop the evolution path for achieving maximum DER hosting and participation. The financial incentives applied to spur private *adoption* of various emerging clean technologies is being driven by specific programs administered by the BPU, whereas the Grid Modernization initiative aims to *transform* the host distribution system and its underlying business processes into a mechanism to fully utilize these interconnected technologies. The aim of this grid modernization is to enable more flexibility and capacity without resorting exclusively to capital infrastructure investment which further burdens ratepayers, while simultaneously encouraging even more clean technology adoption with receding levels of subsidization.

Comment: NJLCV requested clarification on whether grid modernization will receive funding from alternative sources like offshore wind lease settlements, stating that the significant reduction in this category is inconsistent with New Jersey's clean energy goals. NJLCV encouraged robust investments in modern grid infrastructure to support renewable energy integration and improve system resilience.

Vote Solar commented that prioritizing grid modernization and local generation is the best defense against volatile regional markets.

Environment NJ highlighted the importance of VPPs in reducing peak demand and improving grid resilience.

Response: Staff thank the commenters for their comments. Funding for Grid Modernization and VPPs is currently being funded through the SBC but Staff will consider utilizing other funding methods if available and necessary. Staff agrees with the importance of prioritizing grid modernization and VPPs. Grid Modernization is foundational to enabling the maximum use of interconnected DER, which besides countering currently high wholesale market cost burden offers a fundamental cost-effective means of supporting distribution system reliability, fuller system utilization and flexibility, and expanded hosting capacity.

Distributed Energy

Comment: Michael Winka proposed the creation of a new hybrid program for Distributed Energy Resources ("DER") that allows them to function as both behind the meter ("BTM") and in front of the meter ("FTM") at the same location. The commenter stated that while current workflows align with retail and wholesale markets, a new utility business model is needed where customers are paid for grid services they provide to the distribution system but also pays the distribution utilities for the service the distribution utility provides. The commenter asserted that the delivery of BTM and FTM DER programs should be integrated so that a customer's site can supply on-site needs while also providing excess services to the local grid.

Response: Phase 2 of the GSESP will focus on distribution system-level storage (as compared to Phase 1, which focuses on transmission-level storage). Phase 2 is expected to be divided into capacity blocks that will be issued sequentially. Capacity Block 1 is expected to focus on incenting only behind the meter energy storage projects. The program design for subsequent blocks remains under development but is expected to consider both FTM and BTM projects. The commenter's proposal will be considered during the further development of the program.

Comment: Michael Winka argued for a local distribution energy market that operates entirely within the distribution system, which he believes would be more economically and energy efficient than the wholesale bulk transmission level. The commenter suggested this market would be similar to the wholesale level but would function without the need for wholesale bulk services. The commenter noted that electricity is used locally from where it is generated at the distribution level, justifying this new market structure.

Response: Staff encourages the commenter to follow the VPP Docket No. QO26030099 and submit comments and proposals there.

Comment: Michael Winka suggested retooling the TCDER Microgrid Program to develop and test these new distribution services and markets beyond just resiliency. The commenter recommended that Electric Distribution Companies ("EDCs") pay microgrids for grid services provided, while microgrids pay for the use of the EDC system. Michael Winka pointed out that this structure avoids the duplication of electric grid infrastructure in accordance with NJSA 48:3-77.1. The commenter noted that such microgrids could evolve to provide energy, capacity, voltage, and frequency regulation services and would pay a fee similar to the generators in the wholesale market in order to access the distribution system for their VPP

Response: Prior experience with the design phase of the TCDER program has shown multiple challenges such as:

- Microgrid customers would experience higher costs than Business as Usual for building and operating the microgrid, which impedes their development.
- The cost of interconnecting the microgrid cannot be fully borne by the microgrid

customers. Microgrid developers often seek to rate-base interconnection and grid upgrade costs, which is at odds with the cost causer pays principal.
- Utilities are generally reluctant to ascribe grid-related benefits to microgrids.
- Microgrids remain dependent, at least in part, on natural gas for local generation. Use of this fossil fuel remains a headwind.

In this era of protecting ratepayers from increased costs, funding a TCDER program is not a priority at this time.

Comment: The CHP Alliance, Bloom, and NFCRC commented that the CHP-FC funding level should not be reduced by the proposed $10,000,000 as compared to FY26. Both the CHP Alliance and NFCRC emphasized that the CHP-FC is one of the most essential programs for reducing energy usage and reducing the budget for CHP-FC would hurt ratepayers. The CHP Alliance highlights the high reduction in CO_2 and that CPH systems can be modified to operate on low and non-emitting fuel sources. The CPH Alliance also notes that CPH is a key component of the DOE roadmap for energy efficiency. NJNG commented that it was concerned that the budget may be too limited to support meaningful market adoption during FY27. NFCRC also expressed concern that removal of the Manufacturer Diversity Cap and adjustment of the per project incentive cap level will result in more applications and projects to implementation, which would expend the budget too quickly.

Response: First, the FY27 Total Budget for CHP-FC is $22,731,584, an amount greater than, not reduced against, the same line item for FY26 of $19,323,828. Staff is not sure what led the commenters to conclude there was a reduction in funding level. Further, based on historic program participation and forecasting, Staff and TRC expect the FY27 Total Budget for CHP-FC to be sufficient to cover forecasted demand for the program.

Staff concurs with Bloom's comment that on-site generation can assist in alleviating capacity shortages that are currently driving increase in wholesale electric rates. However, Staff notes that the CHP/FC budget has not been fully expended in recent years, and as noted above, Staff believes the proposed budget is sufficient to cover forecasted demand for the program. If enough projects submit applications to fully utilize the budget, consistent with past practice Staff can revisit the budget during the annual True-Up process and consider recommending additional funds, if funds in other programs are not fully utilized.

The Manufacturer Diversity cap was originally implemented to prevent any single technology or manufacturer from monopolizing the funds allocated to the program budget. However, based on recent experience, no manufacturer has reached its cap in the past several years and Staff no longer believes the cap is needed.

Comment: Bloom and the NFCRC commented that linear generators should not be included within the definition of a "fuel cell." They argued that they instead should be treated as their own category of on-site generation in that linear generators are significantly different from fuel cells because linear generators use an oscillating mechanical-electromagnetic process to convert fuel into electricity while fuel cells produce electricity through an electrochemical reaction with a fuel source.

Response: Staff sees the merit in this comment and has revised the draft Compliance Filing to render linear generation as its own category of CHP-FC while treating it substantially the same as in the proposed Compliance Filing. However, the revised draft that will be presented to the Board for review will also contain some technical revisions that conform to the foregoing, e.g.,

clarifying that linear generation projects do not need to include provision for at least one stack upgrade.

Comment: NJNG commented that it supports the incorporation of linear generation within CHP-FC in that it appropriately eliminates unnecessary market constraints, expands technology optionality, and better aligns with Governor Sherrill's Executive Order 2's objective to accelerate DER deployment.

Response: Staff appreciates the support.

Comment: Rate Counsel commented that the CHP-FC program is over 25 years old and that Staff have not explained why it has not yet overcome market barriers. Rate Counsel also commented, as it has in the past, that the Board should limit eligibility to non-fossil-fueled facilities. Finally, it urged Staff to apply the Market Transformation rubric to determine whether the program should be wound down.

Response: It is not unusual for some valuable energy technologies such as solar to continue to encounter market barriers for many years, particularly for measures where the primary barrier is first cost. CHP and FC projects provide significant local benefits, including transmission and distribution benefits, and a reduction in capacity requirements. This is of particular value given the recent increases in retail electric rates driven in large part by forecasted capacity shortages.

Similar to Staff's response to similar comments in the past, Staff appreciates Rate Counsel's reservations about incentivizing a fossil fuel technology, but notes that, in general, projects in the CHP-FC program demonstrate overall efficiencies greater than and emissions lower traditional power projects in the PJM region. The projects result in energy and GHG reductions at a customer's site and provide resiliency benefits, and CHP overall scores well on benefit-cost analyses. Staff plans to continually reevaluate all programs, including this one, and will take Rate Counsel's recommendations into consideration as part of that ongoing reevaluation. Finally, Staff notes that there is currently very little renewable fuel available in NJ which would severely limit the potential for on-site generation and the resultant benefits noted above if the program were to exclude fossil fuels.

Comment: Rate Counsel commented that Staff committed in June 2024 to investigate siting impacts of CHP and FC facilities on overburdened communities ("OBCs"), but has not provided any additional information. Rate Counsel also urged the Board to establish siting requirements to minimize adverse impacts on such communities. Rate Counsel further commented that the proposed continuation of subsidies for FC projects with annual system efficiencies as low as 40 percent, while CHPs are subject to a 60 percent minimum efficiency threshold, represents an unjustified discrepancy that should be eliminated

Response: The State-led programs are being closely monitored and impact and process studies are being prioritized based on the impact to the overall energy efficiency portfolio. In FY27, Staff will conduct a preliminary analysis of siting CHP and fuel cell systems in OBCs to address the need for establishing siting requirements to minimize the impact in these communities. Since inception of the program in 2013, the installed projects have had average efficiencies of 75% for CHP and 52% for fuel cells. In FY27, Staff will consider uniform efficiency requirements for CHP and FC based on their performance.

Electric Vehicle and V2G Programs

Comment: ChargEVC-NJ maintained that state support must continue to target the primary barriers of consumer education, range anxiety, and vehicle affordability. ChargEVC-NJ recommended that the Clean Fleet program and the Plug in EV Incentive Fund be resourced to the maximum extent possible to directly address affordability. ChargEVC-NJ noted that electric vehicles, which are paid for mostly by the private sector, can act as mobile storage or "batteries on wheels" to leverage private investment against public funds. ChargEVC-NJ suggested that proactive planning and managed charging will allow these vehicles to put downward pressure on rates.

Response: Staff thanks ChargEVC-NJ for their comments and suggestions. Staff consistently monitors and evaluates program participation data, and market to adapt programs accordingly so as to address key adoption barriers. Additionally, Staff has diligently worked to adapt ongoing outreach and marketing efforts to reach New Jersey residents. Staff agrees that EVs, at scale, have significant energy storage and power flow management capacity which can become a significant grid resource.

Staff recognizes that there are significant opportunities to shift EV residential and MUD loads to times with lower demand without compromising vehicle functionality.

Staff notes that proactive planning has always been an element in the Board's programing. By Order dated October 20, 2020, the Board established Light-Duty ("LD") EV charging MFRs ("LD MFRs") which built a framework for charger deployment, managed charging, make ready planning, and EV charging infrastructure incentive programs.[7] Additionally, the Board established its own programming including the Charge Up New Jersey Home Charger, Clean Fleet, MUD, and EV Tourism incentives. Anticipating the large role that EVs can play in grid resilience, both the utility and Board programs required incentive recipients to install networked, Wi-Fi enabled chargers which are capable of managed charging and data collection. Without these incentives, many residents would have chosen non-networked, "dummy" chargers that are not capable of communicating with the grid and working as a grid asset to reduce peak loads. The Board's commercial charger incentives also required grantees to install dual-port chargers which require fewer Make-Ready installations creating a more efficient and cost-effective installation of utility infrastructure.

In addition to deploying hardware to facilitate future managed charging programs, the Board's programs required that applicants share data with the Board. This data has provided Staff with insight into behaviors in the residential, MUD, quasi-public, and public settings. This data will allow Staff to create data-driven recommendations for the development, and betterment, of future managed charging programs in the upcoming LD Rules across the residential, MUD, quasi-public, and semi-public sectors.

In the LD MFRs Board required the utility programs to implement a residential managed charging solution. Accordingly, the utilities offered an incentive for EV drivers to charge their EVs at night during off-peak hours. Future programs will build on this foundation by beginning the transition to dynamic charging.

Comment: ChargEVC-NJ expressed concern that the proposed $30 million statutory minimum for the Plug in EV Incentive Fund will lead to "start-stop" funding cycles that disrupt market planning for consumers, dealers, and manufacturers. ChargEVC-NJ suggested that the state

[7] In the Matter of Minimum Filing Requirements for Light-Duty, Publicly-Accessible Electric Vehicle Charging, BPU Docket No. QO20050357

should either increase funding beyond the current proposal or design the program with several discrete, well-defined “windows” throughout the fiscal year to ensure market predictability for consumers, dealers, and manufacturers.

Response: Staff thanks ChargEVC-NJ for their comments and suggestions. Each year Staff analyzes and evaluates the Charge Up New Jersey program and optimize the budget based on available funding and with the State’s goals in mind. Staff acknowledges that start-stop funding cycles can disrupt market planning for consumers, dealers, and manufacturers, and notes that program longevity, among a wide variety of other program considerations including but not limited to equity, program cost, total number of EVs registered, changes to other State and federal policies that affect EV adoption, and impact on ratepayers are all considered during program evaluation to maximize program effectiveness in supporting EV adoption. Staff believes the budget will be sufficient for the fiscal year and will continue to monitor budget and program participation levels.

Comment: ChargEVC-NJ advocated for prioritizing charging infrastructure incentives in multi-unit dwellings to ensure equitable access for the 40% of New Jersey residents living in these facilities. ChargEVC-NJ asserted that convenient charging at these locations will drive adoption and support the growing used electric vehicle market by making charging more affordable.

Response: Staff thanks ChargEVC-NJ for their comments. Staff acknowledges the importance of ensuring equitable access to EV charging for residents living in multi-unit dwellings and agree that expanding charging infrastructure at these locations is critical to helping reduce barriers to adoption. Each year Staff analyzes each EV program and optimizes the budget of each program based on available funding and with the State’s goals in mind, with a focus on equity. Staff also notes that the Multi-Unit Dwelling program has incentivized over 1,200 Level 2 Chargers, with over 2,000 additional chargers awarded and awaiting completion of installation since the start of the program in FY22. Additionally, between February 2024 and the end of 2025, 60% of Multi-Unit Dwelling program funding for completed installations went to projects located within either an Overburdened Municipality or at a Deed Restricted/Affordable Housing property. Meanwhile, as of December 2025, 65% of reserved funding has been allocated for OBM or Deed Restricted/Affordable Housing properties.

Comment: ChargEVC-NJ highlighted its recent participation in a VPP discussion hosted by the NJ Economic Development Authority as evidence of its commitment to these solutions. ChargEVC-NJ recommends that mobile batteries be allowed to participate in new VPP programs to improve grid efficiency.

Response: Staff thanks ChargEVC-NJ for their comments and recommendations. Staff recognizes the potential for EVs to serve as valuable grid assets through load management. Staff notes that Executive Order No. 2 directs the development of a VPP program that will aggregate behind-the-meter resources including EV infrastructure to reduce peak demand and improve grid efficiency.

Comment: ChargEVC-NJ argued that a comprehensive approach to affordability is needed, specifically targeting policies that hinder the market. ChargEVC-NJ stated that the phase-out of the sales tax holiday and the implementation of a punitive registration fee, both of which occurred under the prior Administration, actively frustrate electric vehicle affordability goals.

NJ CAR also proposed that the state should reinstate either a total or partial sales tax exemption for electric vehicles. NJ CAR recommended that the state should also pause or reduce the EV

registration fee to help tilt the scales in favor of electric vehicle sales. NJ CAR maintained that these adjustments were necessary to counteract the initial higher cost of these vehicles compared to gas-powered alternatives.

Response: Staff thanks ChargEVC-NJ and NJ CAR for their comments. Staff recognizes that vehicle purchase and ownership costs can influence consumer adoption decisions. However, the sales tax exemption and vehicle registration fee policies are outside of the Board's authority. Staff continues to focus on programs within the Board's authority that support transportation electrification and expand access to EVs for New Jersey residents. Staff also notes that changes in State and federal policies, among a wide variety of other program considerations including but not limited to equity, program cost, total number of EVs registered, program longevity, and impact on ratepayers are considered when evaluating program design to maximize program effectiveness in supporting EV adoption.

Comment: ChargEVC-NJ stated that the Governor's focus on affordability, grid readiness, and in-state capacity requires a paramount new level of inter-agency coordination regarding VPPs. ChargEVC-NJ recommends that agency programs touching EVs, charging infrastructure, stationary storage, financing, zoning and permit regulations, and standards maintain consistency where applicable to work toward these shared ends.

Response: Staff thanks ChargEVC-NJ for their comments and recommendations. Staff recognizes that effective integration of EVs, charging infrastructure, energy storage, and other DERs can support emerging VPP initiatives while maximizing benefits to ratepayers, supporting grid reliability, and advancing State energy goals. Staff regularly communicates with other agencies to coordinate programing.

Comment: NJLCV expressed significant concern regarding the proposed reduction of electric vehicle incentive funding to the statutory minimum of $30 million, down from $50 million in previous years. NJLCV also highlighted the total elimination of dedicated funding for several key initiatives, including Electric School Buses, School Bus Vehicle-to-Grid ("V2G") programs, EV Tourism, E-Mobility initiatives, and Medium- and Heavy-Duty Charging Depot infrastructure. NJLCV identifies vehicle affordability, range anxiety, and consumer education as the three primary barriers that state policy must address to ensure the continued growth of the EV market. NJLCV explains that electric vehicles serve as mobile energy storage resources that are essential for future VPP initiatives and for improving overall grid flexibility.

Response: Staff thanks NJLCV for their comments and suggestions. Staff agree that vehicle affordability, range anxiety, and consumer education are key barriers to adoption that must be addressed to ensure continued growth in the EV market. Each year, Staff analyze and evaluate a wide variety of program considerations including but not limited to equity, program cost, total number of EVs registered, program longevity, changes to other State and federal policies affecting EV adoption, and impact on ratepayers and optimize the budget of each program based on available funding and with the State's goals in mind. Staff also agrees that EVs can provide value and flexibility to the grid through load management, and note that the Board's incentive programs for EV chargers were intentionally designed to require networked chargers and data sharing to set the foundation for load management capabilities and to provide ready resources that can inform future policy and program design.

Comment: NJLCV argued that the Plug-In EV Incentive Fund and Clean Fleet Program are critical for addressing affordability and should be funded to the maximum extent possible. NJLCV warned that funding the incentive program at only the statutory minimum risks continuing start-

stop cycles where funds quickly disappear, creating uncertainty for consumers, dealers, and manufacturers. NJLCV recommended that if additional funding cannot be provided, the Board should establish clearly defined funding windows throughout the fiscal year so stakeholders can make informed decisions with greater certainty. NJLCV underscored the importance of the Multi-Unit Dwelling Chargers Program, noting that approximately 40% of New Jersey residents live in multi-unit housing and require accessible charging to ensure equitable EV adoption. NJLCV urged the Board to identify and address non-financial barriers to charger deployment, such as restrictive condominium and homeowner association bylaws that currently limit infrastructure access.

Response: Staff thanks NJLCV for their comments and suggestions. Each year Staff analyzes and evaluates the programs and optimizes the budget based on available funding and with the State's goals in mind. Staff acknowledges that start-stop funding cycles can disrupt market planning for consumers, dealers, and manufacturers. Staff notes that program longevity, among a wide variety of other program considerations including but not limited to equity, program cost, total number of EVs registered, changes to other State and federal policies that affect EV adoption, and impact on ratepayers are all considered during program evaluation to maximize program effectiveness in supporting EV adoption. Staff believes the budget will be sufficient for the fiscal year and will continue to monitor budget and program participation levels.

Staff acknowledges the importance of the Mult-Unit Dwelling program in helping to reduce barriers to adoption by ensuring equitable access to EV charging for New Jersey residents living in these locations. Staff also recognizes the deployment barriers highlighted and note that market conditions and program data are continuously monitored with the purpose of informing program adjustments that will address key barriers and ensure equitable access to charging infrastructure for residents who lack access to charging options. Staff further notes that the Multi-Unit Dwelling program has incentivized over 1,200 Level 2 Chargers, with over 2,000 additional chargers awarded and awaiting completion of installation since the start of the program in FY22. Additionally, between February 2024 and the end of 2025, 60% of Multi-Unit Dwelling program funding for completed installations went to projects located within either an Overburdened Municipality or at a Deed Restricted/Affordable Housing property. Meanwhile, as of December 2025, 65% of reserved funding has been allocated for OBM or Deed Restricted/Affordable Housing properties.

Comment: NJ CAR acknowledged the stability created by carrying over excess funds from the prior year and supported the continuation of incentives for low-income applicants. NJ CAR emphasized that while dealerships supported the transition to electric vehicles, the current budget failed to provide sufficient support to influence consumer decisions. NJ CAR argued that the proposed $1,500 purchase incentive is unrealistic because the average price of an electric vehicle has reached $58,000. NJ CAR noted that this low funding level was insufficient to offset the state's full sales tax and the upcoming increase in registration fees. NJ CAR pointed out that New Jersey's rebate was less competitive than programs in Massachusetts, Rhode Island, and New York, which offers between $2,000 and $3,500. NJ CAR urged the Board to restore the $4,000 incentive level to attract more buyers and avoid the "on-again, off-again" funding cycles of the past.

Response: Staff thanks NJ CAR for their comment and suggestions. Each year Staff analyzes and evaluates the programs and optimizes the budget based on available funding and with the State's goals in mind. Staff also weigh a wide variety of program considerations including but not limited to program longevity, equity, program cost, total number of EVs, changes to other State and federal policies that affect EV adoption, impact on ratepayers, and other state programs when

analyzing and evaluating program design to maximize program effectiveness in supporting EV adoption. Staff acknowledges that start-stop funding cycles can disrupt market planning for consumers, dealers, and manufacturers and believe the budget will be sufficient for the fiscal year and will continue to monitor budget and program participation levels. Staff note that changes to the incentives levels were made to focus on providing consistency to the market and to avoid the start-stop funding cycles mentioned in the comments.

The continuation of the current program structure will both increase the total number of EVs registered in New Jersey and continue to help low- and moderate- income residents, who are the most price-sensitive, to purchase a vehicle by maintaining the income-qualified incentive at $4,000.
As of May 12, 2026, there are

- three (3) 2025 to 2027 models with MSRPs below $30,000,
- eight (8) models less than or equal to $30,000, and
- Nearly forty (40) models under $40,000

providing consumers with several affordable options. Staff note that CUNJ+ covers most of the incremental cost of comparable models. For example, with CUNJ+ 2026 Chevrolet Equinox EV is $600 more than the MSRP of the gas 2026 Equinox.

Comment: NJ CAR encouraged the inclusion of an EV Subscription Program in the state's clean energy toolbox. NJ CAR explained that a subscription model would allow consumers to trial a vehicle before committing to a long-term purchase or lease. NJ CAR argued that this approach would expand the program's reach and help the state achieve its clean energy goals.

Response: Staff thanks NJ CAR for their comments. Staff acknowledges the value of allowing consumers to trial a vehicle before committing to a long-term purchase or lease. 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 looks forward to continued discussions on this issue.

Comment: NJ CAR suggested that the state should create a comprehensive public education campaign to promote the benefits of an EV. NJ CAR stated that current outreach efforts were limited to the ChargeUp New Jersey website. NJ CAR believed that with the additional marketing outreach and promotion of the ChargeUp website, consumers will be more encouraged to make an EV investment.

Response: Staff thanks NJ CAR for their comments and suggestion. Staff notes that a marketing and outreach campaign for both dealers and consumers is put into place at the start of the new fiscal year. These campaigns go beyond information on the Charge Up New Jersey website and take into consideration the feedback we receive from dealers and customers in their survey responses. Staff also notes that the Charge Up New Jersey program administrator runs an EV sales training program, ElectrifIQ, which is available to dealerships at no cost and provides dealership staff with education on how to address consumer questions regarding EV ownership, charging, range, operating costs, and vehicle functionality, thereby also expanding access to reliable EV education at the point of purchase.

Comment: The Coalition argued that cuts to electrification incentives make it more difficult to lower utility rates and increase electric vehicle adoption. The Coalition described electric vehicles

as "batteries on wheels" that can stabilize the grid and lower costs for all ratepayers. The Coalition warned that eliminating school bus and heavy-duty charging programs will hinder the rollout of VPPs and slow progress on reducing pollutants. The Coalition cited research showing that managed charging for electric vehicle loads can generate billions in annual utility savings and significantly reduce residential bills.

Response: Staff thanks the Coalition for their comments. Staff acknowledges the importance of incentives to help support the early stages of EV adoption. Staff also agrees that EVs can provide significant value and flexibility to the grid and to ratepayers through load management solutions, and note that the Board's incentive programs run in parallel with the utility Medium-Heavy Duty programs to inform and ensure program design addresses EV chargers were intentionally designed to require networked chargers and data sharing to set the foundation for load management capabilities and to provide ready resources that can inform future policy and program design. Each year Staff analyzes and evaluates the programs and optimizes the budget based on available funding so as to maximize program effectiveness in supporting EV adoption. This is done with the State's goals in mind, including Executive Order No. 2 which directs the development of a VPP program that will aggregate behind-the-meter resources including EV infrastructure to reduce peak demand and improve grid efficiency.

Comment: Rate Counsel stated that it does not agree that EV incentives should be funded by utility ratepayers, as electric vehicle transportation is not a public utility service but rather part of the transportation industry. Rate Counsel noted that the applicable statute requires only $30 million annually from SBC funds for EV programs, yet the FY27 budget proposes $179.5 million without any analysis or justification for this level of expenditure.

Rate Counsel further noted that ratepayers are already committed to paying $273.35 million to subsidize the EV incentive programs of the four electric utilities, and that an additional $80 million in Medium and Heavy-Duty EV program expenditures are currently pending before the Board, with no coordination between DCE EV Programs and utility EV programs. Rate Counsel stated that the proposed EV incentive structure risks violating traditional utility ratemaking principles by socializing costs for programs whose direct economic benefits accrue primarily to comparatively affluent participants while excluding low-income and other vulnerable utility customers. Rate Counsel stated that the Board's own FY27 budget documents acknowledge that EV affordability remains a concern, making continued allocation of tens of millions of dollars toward discretionary EV charging and incentive programs difficult to reconcile with Executive Order No. 1's stated affordability objectives.

Response: Staff thanks Rate Counsel for their comments. Staff note that the Board's clean transportation programs are implemented pursuant to the Electric Vehicle Act, P.L. 2019, c.362 ("EV Act"). The EV Act requires the Board to fund a Light Duty Electric Vehicle Incentive Program at a minimum of $30 million from the SBC Fund and directs the Board to establish additional programs to help the State meet the goals highlighted in the EV Act for light duty EV adoption, public charging infrastructure, MUD charging infrastructure, governmental fleet electrification, and MHD electrification. Staff also notes that Executive Order No. 2 recognizes the role of electric vehicle infrastructure within VPP frameworks by directing the Board to develop a VPP program that leverages behind-the-meter resources, including electric vehicle infrastructure, to reduce

peak demand, support grid operations, and help improve overall grid efficiency. Staff notes that EVs can serve as flexible grid assets and provide value to the electrical system, helping reduce costs for ratepayers through load management solutions and grid-supportive strategies.

Staff notes that a significant portion of the FY27 budget, as indicated in the budget table, is already committed funding from previous fiscal year incentives. Staff notes that many EV charging projects can take anywhere between 18-24 months to complete, with some installations experiencing delays such as from supply chain or permitting issues, to name a few examples. This means funds that have already been reserved for a grantee need to be rolled over to future fiscal years as the Board pays the grantee once the project has been completed. It is also important to note that in addition to the $30 million for the Plug-In EV Incentive Fund, the Board is statutorily obligated to provide funding, up to $12 million, to support the MHD depots program pursuant to P.L. 2023, c.316, encouraging non-wires solutions and storage.[8] Based on the cost of these types of projects, Staff determined it would be most effective to provide the maximum amount of funding, pursuant to the law. This program is under development in parallel with the utility Medium-Heavy Duty programs to help inform effective program design.

Staff notes that there is regular coordination with the utilities and the NJDEP regarding their clean transportation programs. The utility and Board incentives were intentionally designed to be complimentary rather than duplicative, as utilities may only provide funding for Make-Ready infrastructure, and Board incentives provide funding primarily for the chargers themselves, with no grantee being permitted to receive over 90% of their project costs from government and utility incentives. Grantees are also not permitted to stack Board incentives with the NJDEP's It Pay$ to Plug In program. Staff further notes that the Board's EV charger incentive programs were intentionally designed to require networked chargers and data sharing capabilities to set the foundation for future grid applications that enable load management functionality. Inclusion of these requirements reflect the Board's ongoing efforts to align clean transportation programs with utility planning and grid modernization initiatives. Staff intends to continue coordinating with the utilities as additional transportation electrification programs, including the Medium and Heavy Duty EV programs, are implemented.

From the inception of the programs, Staff has aimed to ensure EVs contribute to grid resilience and stability, saving ratepayers money in the long term. EVs, at scale, have significant energy storage and power flow management capacity which can become a significant grid resource.

Staff recognize that EV residential and MUD loads are flexible because passenger vehicles are only in operation for five percent (5%) and are idle ninety-five percent (95%) of a typical day. An average New Jersey resident that drives 11,349 miles annually and uses a 7kW level 2 charger will idle their vehicle an average of 684 hours in a typical month while only charging for 47.3 hours.[9] Therefore, there are significant opportunities to shift residential charging loads to times

[8] See N.J.S.A. 48:25-13 et. al.
[9] "How Many Miles Does the Average Person Drive a Year? 2026." Consumer Affairs, https://www.consumeraffairs.com/automotive/how-many-miles-does-the-average-person-drive-a-year.html#miles-driven-by-state.

Morris, David Z. "Today's Cars Are Parked 95% of the Time." Fortune, https://fortune.com/2016/03/13/cars-parked-95-percent-of-time/. Accessed 11 June 2026.

with lower demand without compromising vehicle functionality. Public level 2 chargers have opportunities for managed charging as well. By offering lower rates at night, this shifts many charging sessions that are six (6) hours or more overnight which not only reduces daytime loads but also ensures charger access for those who need it.

Staff notes that proactive planning has always been an element in the Board's programing. By Order dated October 20, 2020, the Board established Light-Duty ("LD") EV charging MFRs ("LD MFRs") which built a framework for charger deployment, managed charging, make ready planning, and EV charging infrastructure incentive programs.[10] Anticipating the large role that EVs can play in grid resilience, both the utility and Board programs required incentive recipients to install networked, Wi-Fi enabled chargers which are capable of managed charging and data collection. Without these incentives, many residents would have chosen non-networked, "dummy" chargers that are not capable of communicating with the grid and working as a grid asset to reduce peak loads. The Board's commercial charger incentives also required grantees to install dual-port chargers which require fewer Make-Ready installations creating a more efficient and cost-effective installation of utility infrastructure.

In addition to deploying hardware to facilitate future managed charging programs, the Board's programs required that applicants share data with the Board. This data has provided Staff with insight into behaviors in the residential, MUD, quasi-public, and public settings. This data will allow Staff to create data-driven recommendations for the development, and betterment, of future load management programs in the upcoming LD Rules across the residential, MUD, quasi-public, and semi-public sectors.

In the LD MFRs Board required the utility programs to implement a residential managed charging solution. Accordingly, the utilities offered an incentive for EV drivers to charge their EVs at night during off-peak hours. Future programs will build on this foundation by beginning the transition to residential dynamic charging. There are also significant opportunities to shifting lengthy charging sessions overnight in MUD and public level 2 sectors.

Comment: Rate Counsel criticized that the Charge Up New Jersey Compliance Filing does not contain any relevant information to assess the requested budgets, does not identify goals or performance metrics, does not conduct any analysis of past or expected program performance, and does not address the impact of increased electricity demand from EVs on the electric power system's reliability, costs, or emissions. They argued that the Charge Up FY27 Compliance Filing continues to rely on the unsupported claim that the lack of charging stations at apartment buildings is a barrier to low-income and OBC residents for EV adoption when the more logical reason is likely affordability. Rate Counsel stated that incentives for EVs and chargers for non-low-to-moderate income customers should be eliminated as an inappropriate use of ratepayer funds that disproportionately favor wealthier households.

Response: Staff thanks Rate Counsel for their comments. Staff notes that program goals are consistent with the EV adoption and charging infrastructure objectives outlined in the EV Act, P.L. 2019, c.362, and that program performance metrics were included in the FY27 Comprehensive Resource Analysis for the Charge Up New Jersey programs, including participation and emissions

47.3 hours charging = (11,349 miles / 12 months) / (20 mph charging speed)
[10] In the Matter of Minimum Filing Requirements for Light-Duty, Publicly-Accessible Electric Vehicle Charging, BPU Docket No. QO20050357

savings metrics. Staff also notes that program metrics can also be found on the Charge Up New Jersey website for the Charge Up New Jersey EV and Residential Charger programs, the Multi-Unit Dwelling Incentive program, the Clean Fleet Incentive program, and the EV Tourism Corridor Incentive program: https://chargeup.njcleanenergy.com/incentive-statistics. Staff notes that effective integration of EVs and charging infrastructure, along with energy storage and other DERs can support emerging VPP initiatives while maximizing benefits to ratepayers, supporting grid reliability, and advancing State energy goals.

Staff further notes that the Board's clean transportation programs have been designed to both advance market adoption and to optimize equity by focusing on incentive structures that increase adoption amongst LMI residents. These efforts include the reductions to the standard base incentive for the Charge Up New Jersey EV incentive program and increase to the income-qualified incentive. Over the five program years, the Charge Up New Jersey program has become increasingly income-diverse, with the increased participation of low-and-moderate residents. In both the MUD and Clean Fleet programs alone, more than 50% of approved applications involved projects located within an Overburdened Municipality or at deed-restricted affordable housing properties, representing at least 60% of incentive funding. For the Charge Up New Jersey program, LMI households represent a growing share of incentive recipients, with the proportion of respondents reporting household incomes of $150,000 or less increasing from 36% in FY21 to 50% in FY25. Survey results show that the diversity of residence types among Charge Up and Charge Up+ participants has increased steadily since 2020 and has extended beyond households that typically lack direct access to home charging. The share of respondents living in apartments, condominiums, and attached homes grew to 31% by FY25. Similarly, the proportion of respondents who rent their residence increased to 19% over the same period.

Staff acknowledges that both charging and affordability remain key issues slowing adoption in disadvantaged communities. This is why Staff have curated a diverse array of programs to improve affordability (CUNJ+), offer charging at MUDs, and increate public charging. This comprehensive approach mitigates the barriers that New Jersey's diverse communities with wide ranging levels of public charging access and different approaches to urban planning.

Staff note that CUNJ+ covers most of the incremental cost of comparable models. For example, with CUNJ+ 2026 Chevrolet Equinox EV is $600 more than the MSRP of the gas 2026 Equinox. Additionally, as of May 12, 2026, there are

- three (3) 2025 to 2027 models with MSRPs below $30,000,
- eight (8) models less than or equal to $30,000, and
- Nearly forty (40) models under $40,000

providing consumers with several affordable new options. The EV used market offers competitive pricing, where the upfront cost of many used EVs are less than the MSRP of a comparable vehicle.

However, Staff notes that access to charging for both MUD residents and renters has been widely upheld and acknowledged in governmental, academic, and consulting sectors. Public polling supports this as access to charging is one of the most common concerns that people cite related

to purchasing an EV. [11]

Comment: Rate Counsel stated that before approving continued SBC recovery for EV initiatives, the Board should require: the goals for participation and emission reduction for each EV initiative; cost-benefit analyses for each initiative; participant income demographic data; utilization forecasts; avoided-cost modeling; and ratepayer impact analyses.

Response: Staff thanks Rate Counsel for their suggestions. Staff notes that participation and emission reduction totals for the Board's clean transportation programs were included in the FY27 Comprehensive Resource Analysis, including for completed projects and for projected projects with reserved funding. Participation goals are consistent with the EV adoption and charging infrastructure objectives outlined in the EV Act, P.L. 2019, c.362. Staff also continuously analyzes a wide variety of program considerations to maximize program effectiveness. These considerations include, but are not limited to, emissions reductions potential, program cost, affordability, equity, impact to ratepayers, participant data and survey results that provide further insights into program performance, program longevity, total number of EVs registered, total number of chargers installed throughout the State, and changes to other State and federal policies that affect EV adoption within the State. Staff also acknowledges the importance of conducting these analyses and will continue to work to improve program assessment and progress towards State goals.

Equity and Low-Income

Comment: NJLCV, EEA-NJ and the Coalition recognize the benefit of providing continued funding for urgent, short-term assistance programs like REAP and RUBC. The commenters emphasize that this immediate relief should not come at the expense of reducing direct investments in clean energy programs, which provide long-term relief. The commenters recommended that short-term relief allocations should not be increased in the FY27 budget.

Response: Staff values the input from the commenters on the short-term relief provided to residents through the REAP and RUBC initiatives. At the same time, Staff acknowledges the need to develop long-term solutions to ensure that residents have resources to lower energy usage and costs. The Board continues to provide for both short- and long-term relief through bill credits and by offering a mix of clean energy programs and incentives to residents, businesses, and municipalities, among others.

Comment: NJLCV supported the funding increase for the Comfort Partners Program but

[11] Energetics, Forth, & Teebay, R. (2023). *Multi-Unit Dwelling Plug-In EV Charging Innovation Pilots (Final Report)* (DOE-CSE--8473-1, 1991542; p. DOE-CSE--8473-1, 1991542). https://doi.org/10.2172/1991542

Johnson, M., & Ted, L. (n.d.). Policy Strategies to Promote Equitable EV Charging Access for Multi-Family Housing Residents. Berkley Law. Retrieved https://www.law.berkeley.edu/wp-content/uploads/archive/2024/08/EV-Charging-Access-for-Multifamily-Housing-Residents-CLEE-Report.pdf

2025 Poll: Americans' Views on Electric Vehicles. (n.d.). EPIC. Retrieved June 15, 2026, from https://epic.uchicago.edu/insights/2025-poll-americans-views-on-electric-vehicles/

Tyson, A., & Kikuchi, E. (2024, June 27). About 3 in 10 Americans Would Seriously Consider Buying an Electric Vehicle. *Pew Research Center*. https://www.pewresearch.org/short-reads/2024/06/27/about-3-in-10-americans-would-seriously-consider-buying-an-electric-vehicle/

suggests even higher future funding levels to account for inflation and demand. NJLCV is deeply concerned by the elimination of the Whole House Pilot Program ("WHPP") and if the WHPP is being incorporated into Comfort Partners or another initiative, they request clear guidance in how its essential services will continue to be implemented. NJLCV concludes that if implementation challenges existed with WHPP, that it is refined and improved upon rather than being fully eliminated.

Response: Staff thanks NJLCV for their comment. Staff has used the time in FY26 to evaluate the most effective use of health and safety funds. Based on lessons learned from the WHPP, Staff has decided to incorporate the WHPP funds into Comfort Partners because that program overlaps with the purpose and work of WHPP. In particular, Comfort Partners provides funding for the same health and safety work that WHPP was intended to provide. Essential services, such as mold remediation and roof repairs, will continue to be available through the Comfort Partners Program.

Comment: NJLCV commended the Board for increasing the Urban Heat Island Mitigation Grants Program funding to $13 million. NJLCV noted that these investments are vital for building climate resilience in heat-vulnerable communities. NJLCV encouraged the Board to ensure this program remains adequately funded to meet growing demand.

Response: Staff thanks NJLCV for supporting the decision to continue funding for the UHI Program and agrees that investment through this program bolsters climate resilience in heat-vulnerable communities, which is increasingly critical as extreme heat events become more frequent and severe. The Board received funding requests totaling $12,350,000 during the Program Year 1 UHI program grant application window, which was well above the $5,000,000 budget allocation,[12] demonstrating a high demand for these funds and a need to maintain an adequate funding stream to meet this demand. Staff would like to clarify the $13 million budget allocation for the UHI Program through the following breakdown: (i) $5 million will be disbursed to approved Program Year 1 awardees by the beginning of FY27; (ii) $5 million was approved by the Board for Program Year 2 funding; and (iii) $3 million represents a proposed reallocation from Community Energy Grants funding that has not yet been approved by the Board.

Comment: EEA-NJ and the Coalition expressed support of the consolidation of the WHPP into the Comfort Partners Program to streamline and aide in removing health and safety barriers. The commenters urged the Board to raise the per-project cap for home repairs from $7,500 to $50,000 per project to align with the original pilot program's goals. The commenters argued that the Board's interpretation of pilot results as challenging was based on a limited sample of fewer than 20 homes. The commenters emphasized that a whole-house approach effectively remediated the most energy-intensive and unsafe dwellings to reduce long-term chronic assistance needs.

Response: Staff appreciates EEA-NJ and the Coalition's recommendations and understands the concerns presented. Based on lessons learned from the WHPP, Staff is transferring the $3 million designated in previous years for WHPP to Comfort Partners and is considering ways to restructure Comfort Partners to better achieve the goals envisioned by WHPP. Additionally, Staff notes that while Comfort Partners has a limit of $7,500 for health and safety, the WHPP had a conditional limit of $10,000 subject to certain exemptions. Lastly, Staff would like to note that the sample size of twenty homes reflects the numerous programmatic challenges faced in

[12] In re the Establishment of an Urban Heat Island (UHI) Mitigation Program, BPU Docket No. QO24100834, Order dated March 18, 2026.

implementing the pilot. Staff is evaluating these challenges to determine how to improve and potential move forward with the WHPP.

Comment: NJNG and NJUA expressed concern that the proposed budget includes an approximate 3% reduction despite a 30% increase requested by the Comfort Partners Working Group. The commenters pointed out that several utilities exhausted their FY26 funding early, which to them demonstrated a structural gap between current budget allocations and actual program demand. NJUA cites the Governor's EO 1 to help demonstrate the need to strengthen the Comfort Partner's budget. The commenters argued that greater bill savings through Comfort Partners may reduce household reliance on the Universal Service Fund ("USF"), producing broader savings across the ratepayer base, and that funding levels should better reflect real-time performance and demand trends.

Response: Staff appreciates the comments from NJNG and NJUA regarding the proposed budget amounts for Comfort Partners and understands the concerns presented. Staff will work with the program Working Group to evaluate how to ensure the program can successfully deliver service to residents with the available resources.

Comment: Michael Winka acknowledged that while the Comfort Partners Program faces cost-effectiveness challenges, it remains a statutory requirement for low-income households. The commenter recommended expanding the program's scope to include building shell measures, electrification, DER solar, DER battery storage, EV and EV charging, and grid-interactive efficient building for demand response and demand flexibility. The commenter asserted that these expanded services are vital for low-income households to participate in the VPP marketplace on a level playing field with other customers.

Response: Staff appreciates the commenter's insights and suggestions and have started considering ways to expand the Comfort Partners Program to provide cutting-edge services to income-eligible residents. Staff would like to note that the Comfort Partners program currently providers certain Demand Response technologies, such as smart thermostats and smart power strips, and that they are evaluating ways to leverage other funding sources, such as federal funding, to help support electrification or other goals.

Comment: NJUA highlighted the Comfort Partners program's success in serving over 138,000 families and achieving significant energy savings through measures like air sealing and insulation. NJUA emphasized that addressing health and safety barriers, such as mold and unsafe wiring, is a critical best practice that enables the completion of weatherization work. NJUA emphasizes that the Comfort Partner program does more than just energy savings, but also allows basic stability and security to homes.

Response: Staff thanks NJUA for their comments and agree on the importance of the Comfort Partners program in helping low-income residents in need of energy assistance. Staff acknowledges that, in many cases, completing health and safety work is necessary to achieve weatherization and is evaluation ways to provide that work in an effective manner.

Comment: NJUA applauds the inclusion of language that allows the program to adjust budgets between cost categories and utilities. NJUA states that this flexibility improves the ability to respond to market conditions and customer demand while supporting program targets.

Response: Staff thanks NJUA for their support of the proposed new budget flexibility. Staff believes that adding this flexibility will allow the program to better serve the needs of residents

throughout the state by providing an opportunity for resources to be shifted to areas of higher need throughout the Fiscal Year.

Comment: NJUA requested the removal of cost-effectiveness data for the Comfort Partners program from page 38 of the CRA. NJUA asserted that the provided analysis lacks support and is inconsistent with the Board-authorized New Jersey Cost Test. NJUA recommended that the BPU coordinate directly with utility evaluation teams and the Statewide Evaluator to ensure consistent measurement frameworks.

Response: Staff hears the commenters concerns about running the Comfort Partners Program through a cost test, however, it is required by N.J.S.A. 48:3-87.9(d)(2). While the benefit-to-cost ratio is below one dollar saved to one dollar spent through Comfort Partners, programs that are in the public interest, such as low-income programming, can fall below this threshold and therefore can remain as part of energy efficiency programming.

Comment: NJUA recommended exploring a three-year program budget to replace the current annual cycle. NJUA argues that a multi-year structure would reduce operational inefficiencies and prevent the stop-and-go conditions that currently limit long-term contractor planning and negatively affect low-income customers.

Response: Staff appreciates the commenter's recommendation and understands the value that a three-year program budget may provide for Comfort Partners as well as other CEP programs. Staff will work to understand the feasibility of that recommendation.

Comment: NJUA suggested aligning the program's income criteria with the State Median Income ("SMI") used for the USF. NJUA believes this alignment would streamline customer enrollment and reduce the need for repeated income verification. NJUA confirmed a commitment to exploring further cost-saving approaches and process enhancements collaboratively with the BPU.

Response: Staff thanks NJUA for their comments, and would like to note that changing the current Comfort Partners income threshold from 250% Federal Poverty Limit to 60% State Median Income has been considered, particularly for the benefits of alignment with USF, including improving eligibility verification processes across low-income programming. Staff has communicated with the Comfort Partners Working Group regarding this change, so as Staff continues evaluating ways to improve the Comfort Partners Program, income eligibility criteria will continue being considered as part of opportunities for programmatic improvement.

Comment: Rate Counsel stated that the FY27 CRA provides no additional information regarding the $102.7 million requested for the Residential Universal Bill Credit and that it is unclear when this money will be distributed to ratepayers.

Response: Staff acknowledges Rate Counsel's comments on the Residential Universal Bill Credit ("RUBC") initiative. The newest iteration of the RUBC was presented to the Board on June 30, 2026, the same day as the FY27 budget Order. This iteration of the RUBC will provide one flat credit of $25 to customers of the electric distribution companies. RUBC is being funded using money from the Solar Alternative Compliance Payment ("SACP") and the FY27 budget. The Order was structured so that all funds from the SACP would be exhausted before using any money from the FY27 budget. More information on total eligible accounts will be available after utilities certify with the Board the number of eligible accounts in their respective territories, and information on final spending will be available after all credits have been distributed. Information

can be found through Docket No. QO26030089.

Comment: Rate Counsel commented that the FY27 CRA provides no description or basis for the $8.8 million requested for Community Energy Grants, and expressed concern that this ratepayer funding is held pending Board approval for a program whose need remains questionable given the absence of performance data on the 45 completed municipal plans funded under the Community Energy Plan Grants.

Response: Staff thanks Rate Counsel for their comment and would like to clarify that the requested funding for Community Energy Grants is to fund implementation grants in FY27. The plans produced through the Community Energy Plan Grant ("CEPG") program are the basis for municipalities, the eligible applicants for these programs, to determine the projects that they would like to pursue.

Comment: Rate Counsel stated that new funding for equity and bill assistance should be approved since it is a policy interest for the State. However, they claim a lack of evidentiary support.

Response: Staff appreciates Rate Counsel's support for the equity and bill assistance programs. Further, it was detailed in the FY27 CRA that program performance data is not yet available for CEPI or UHI, but will be provided when projects are complete. Based on the plans and proposals, Staff are confident these programs will have beneficial financial, energy, and environmental impacts for their communities.

Comment: Rate Counsel stated that it would like to reiterate concerns expressed in its April 17, 2025, comments on UHI, including Rate Counsel's belief that ratepayers should not be funding this initiative since it appears to have an attenuated relationship to utility rates and requests Staff to provide detail responses to each comment made in that filing.

Response: Staff appreciates Rate Counsel's feedback. Staff worked to address Rate Counsel's concerns by citing multiple scientific research articles and case studies that elucidate the ties between green and blue infrastructure and tangible energy savings within the Board Order establishing the program[13]. Staff designed the UHI Program to build off the successful legacy of the BPU's Cool Cities Program. A 2007 New Jersey Clean Energy Program report demonstrated that approximately 2,000 trees planted in 2006 through the Cool Cities Program resulted in an estimated annual energy savings of 196 MWh.[14] 196 MWh is enough to power approximately 19 typical homes in the United States on average for 1 year.[15] Additionally, strategic planning and maintenance of shade trees can result in reducing air conditioning costs by 30%.[16] Staff's survey of the literature and research studies refutes the claim that the UHI Program's funding mechanisms have an attenuated relationship to utility rates – when the grants are designed to lower cooling costs through well-established smart growth strategies and to expand cooling access in heat-vulnerable and energy-burdened communities with limited air conditioning and public cooling infrastructure.

[13] In re the Establishment of an Urban Heat Island (UHI) Mitigation Program, BPU Docket No. QO24100834, Order dated July 16, 2025.
[14] See energy savings generated by tree planting through the Cool Cities Program at BPU's 2007 NJ Clean Energy Program Report on page 21, https://dspace.njstatelib.org/server/api/core/bitstreams/e1fddf2e-c690-4d19-9e05-e43d5fcc08c2/content
[15] See U.S. Energy Information Administration (EIA) for the average annual electricity use in an American Household (10.5 MWh), https://www.eia.gov/energyexplained/use-of-energy/electricity-use-in-homes.php. 196 MWh is enough to power roughly 18.6 typical US homes for an entire year (196 MWh / 10.5 MWh/home ≈ 18.6 homes).
[16] See The Energy Savings of Trees at American Forests, https://www.americanforests.org/article/the-energy-savings-of-trees/.

Comment: Rate Counsel stated that the FY27 CRA provides no description or basis for the requested $13 million for UHI and that a claim that local temperatures may be lowered by as much as 11 percent is provided without any reference or supporting information.

Response: Staff appreciates Rate Counsel's feedback. Staff highlighted in the FY27 CRA and the July 2025 Order establishing the program that urban green space, including parks and gardens, can contribute to a cooling effect of up to ~11%,[17] and this finding supports the rationale for funding green space redevelopment and expansion through the UHI program.

Comment: ACEEE asserted that no-cost efficiency programs are an essential tool to provide relief for New Jersey households that struggle with high energy burdens. ACEEE points to a similar weatherization program from Massachusetts which achieved a 25-28% average reduction in the amount of energy used for heating by low-income customers.

Response: Staff appreciates the comments from ACEEE regarding the need for no-cost efficiency programs and agrees on the importance of these programs for residents unable to keep up with rising energy bills.

Staff will take the time to examine what has worked in the Massachusetts income-eligible weatherization program to look for ways to improve upon the Comfort Partners program, particularly in decreasing customers' energy bills.

Comment: ACEEE highlighted that PSE&G is only allocating 12% of their efficiency budgets to low-income programs, despite 25% of households being eligible for the Comfort Partners program. ACEEE argued that across all New Jersey utilities similar proportional investments occur and is disparity results in low-income customers perversely subsidizing market-rate programs for wealthier residents. When comparing energy efficiency investment budgets to other states, ACEEE found that certain states have a statutory requirement of allocating 25-26% of utilities' budget to low-income customers.

Response: Staff thanks ACEEE for their comments and will further explore what proportion of SBC dollars should be allocated to low-income programming, including Comfort Partners, the Income-Qualified Program, the USF and other bill assistance programs, and any other programming. Further, Staff acknowledged the importance of continued investment for low-income resident and will keep this in consideration when reviewing future program design and funding needs.

Comment: ACEEE is concerned that the conclusion that Comfort Partners only delivers "$0.04 in participant energy savings benefits over the lifetime of the measures per ratepayer dollar spent" is a misrepresentation to other benefits provided by the program. These other benefits include reduced exposure to allergens, improved comfort, fewer heat or cold relate deaths, and an improvement in mental health due to lower bills. ACEEE also argues that the Triennium 2 program incorporates a 30% low-income benefits to offset additional costs to serve low-income households and can better capture non-energy benefits. ACEEE seeks clarification if the estimation of the Comfort Partner energy savings include the budget portion spent on health and safety measures, which are essential to home retrofit programs.

[17] Aram, F., García E.H., Solgi, E, Mansournia, S. (2019). Urban green space cooling effect in cities, *Heliyon*, 5, e01339. https://doi.org/10.1016/j.heliyon.2019.e01339.

Response: Staff thanks ACEEE for their comment, which goes into detail about other benefits of Comfort Partners aside from energy savings, and acknowledges the non-energy benefits that can benefit participants of this program. However, Staff would like to note that the purpose of the performed cost-test is to examine energy savings benefits to the customer, disaggregating energy savings from other benefits. Therefore, health and safety costs were factored in when doing this cost-effectiveness test in order to get a full understanding of the cost-savings effect of the program.

Comment: ACEEE expresses appreciation that the Comfort Partners budget was not substantially reduced compared to prior years, but states that the allocated budget remains low compared to market-rate efficiency budgets in New Jersey and does not meet the Sherrill administration's affordability objectives for low-income households.

Response: Staff thanks ACEEE for their support of the Comfort Partners program and acknowledges the commenter's concerns about the program budget being too low. Staff would like to note that EO1 directed the Board, in reference to the True-Up budget, to consider how to "increase funding for, or invest in, energy efficiency programs for income-qualifying ratepayers to help lower those ratepayer's energy bills". In the FY26 True-Up budget, funding remained at $62 million, moved between utilities to ensure higher demand within different territories was met. In addition, Staff is looking for ways to best meet the goal of energy efficiency and bill reduction through programmatic improvement and efficiency. Staff believes the balance of direct ratepayer assistance, paired with the Comfort Partners program, can achieve Governor Sherrill's income-qualified affordability objective.

Energy Efficiency

Comment: EEA-NJ emphasized that the need for regular data collection to set ongoing incentive levels would require substantial investments of time and funding. EEA-NJ warned that such efforts would likely increase administrative costs without guaranteeing any increase in overall program effectiveness.

Response: The key factors used in setting incentive levels have been part of the EM&V framework for energy efficiency since the inception of Triennium 1. They also helped to set incentive levels for key measures in Triennium 2. It is anticipated that, in future program cycles, similar studies will be necessary to continue to monitor and establish measure incentives that assist in goal attainment. Where new interventions are introduced, new metrics may be developed and tracked to ensure that anticipated outcomes are achieved. With a key focus placed on energy affordability, stakeholders will have an opportunity to contribute to which interventions are offered in the clean energy portfolio, the methods used to monitor program performance, and the overall budget allocation proposed by program administrators.

Comment: EEA-NJ urged the Board to use caution when setting "inflection points" that trigger reductions in incentives for specific technologies. EEA-NJ explained that for technology adoption to continue, it must remain economically viable for consumers to invest in those measures. EEA-NJ cautioned that pulling back funding prematurely could have the unintended effect of slowing down adoption rates.

Response: Staff acknowledges and agrees with the concerns expressed by EEA-NJ.

Comment: EEA-NJ recommended that the Board consider a dedicated incentive structure specifically for low-income ratepayers. EEA-NJ highlighted that these individuals are less capable

of bearing the financial burden of investing in new technologies.

Response: Staff agrees with the comment and notes that LMI households have dedicated programs and associated measure incentivization that address financial burdens for measure adoption.

Comment: Rate Counsel stated that Staff should provide the types and names of program evaluation and analyses performed, and any steps taken or program changes made as a result, and that stakeholders should have the opportunity to review the studies directly funded by this budget.

Response: Staff appreciates Rate Counsel's request for greater transparency regarding program evaluations and their impact on program design. Staff agrees that stakeholder access to evaluation studies is important for informed participation in the budget process.

EM&V studies are conducted regularly and posted publicly at https://cleanenergy.nj.gov/resources/evaluation-reports-market-analysis-baseline-reports-and-trms. These include impact and process evaluations of utility- and State-run programs, market studies. The Technical Reference Manual is updated annually with deemed savings values and measure-specific assumptions based on evaluation findings. The New Jersey Cost Test also incorporates evaluation findings and is updated prior to each energy efficiency program cycle to estimate benefits and costs of programs.

Staff welcomes continued dialogue with Rate Counsel and other stakeholders on establishing protocols to more post studies on the NJCEP website in a timely manner and expand opportunities for stakeholder review and discussion of evaluation studies that inform budget and program decisions, including potentially through a future stakeholder advisory group that provides recommendations on the EM&V process and program improvements.

Comment: The Coalition observed that proposed cuts to energy efficiency will harm rate savings, as these programs are the most cost-effective way to increase grid capacity, reduce utility costs to ratepayers, and strengthen the grid. The Coalition emphasized that every dollar spent on energy efficiency returns between $3 and $5 in benefits. The Coalition calculated that New Jersey stands to lose over $204 million if these cuts are implemented. The Coalition highlights that weatherization of buildings contribute to an annual household energy cost savings of $372. The Coalition pointed out that underspending in current programs is due to administrative staffing shortages rather than a lack of demand or need and an increase in staffing is necessary for the administration of said programs.

Response: Staff appreciates the Coalition's continued advocacy for energy efficiency programs and recognizes their value in the clean energy portfolio. However, Staff respectfully notes that the benefit-cost ratios cited ($3-$5 return per dollar) and the $204 million figure appear to derive from national or global analyses that may not fully reflect New Jersey's unique circumstances.

New Jersey has been a leader in energy efficiency, with billions already invested over the past decade. While this demonstrates BPU’s commitment to these programs, it also means that many of the highest-value opportunities have already been captured. As markets mature, cost-effectiveness naturally evolves, and program returns can diminish even as the programs remain beneficial overall.

Staff remains committed to energy efficiency as an important resource. However, prudent budget management requires that we base funding decisions on the most current, location-specific data available. Recent NJ-specific evaluations suggest that some program cost-effectiveness ratios may be stabilizing and declining, indicating a need to reassess program design and targeting to ensure that the programs continue delivering maximum value to ratepayers.

Regarding the staffing concerns raised, Staff welcomes continued dialogue on how to address administrative challenges while ensuring programs meet their intended goals.

Comment: Rate Counsel stated that the Local Government Energy Audit Program budget of $8,000,000 is provided without supporting information, and that the FY27 CRA does not address the significant volatility in annual audits completed, which ranged from 220 in FY23 to 638 in FY25.

Response: LGEA has seen a significant increase in application volumes over that time, largely driven by an increase in State facilities that participate in the program. Based on historic trends and forecasting, Staff expects high audit volumes to continue through FY27.

Comment: Rate Counsel stated that there is no description of how NCP was streamlined as referenced in the filing.

Response: The NCP Board Order was approved for revision two years ago, in FY24, and officially launched in May 2025. At the time of launch, and in each Compliance Filing since then, the TRC Compliance Filings have consistently stated:

- "[NCP,] among other things, eliminates potentially confusing overlaps in the multifamily market and eliminates the need for multiple program applications for mixed-use buildings. [It p]rovides 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…." Of course, prior to NCP, new construction was governed by several different legacy programs -- RNC, SmartStart NC, and P4P NC, and CTEEP NC – each of which had different rules, requirements, and incentives.

- In NCP, "the use of well-known, widely used standards and programs sponsored 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."

Staff respectfully submits that the foregoing explanation is adequate.

State Facilities Initiative

Comment: Rate Counsel criticized the DPMC project list, stating that it covers 21 projects but has only two-to-four-word descriptions and no historical performance analysis, cost-effectiveness assessment, or explanation of ratepayer benefit.

Response: Staff thanks Rate Counsel for their comment. The Board ordered Staff in Docket No. Q019101423[18] to annually present the Designated Project List and any changes to the list of

[18] In re the Memorandum of Understanding Between the New Jersey Division of Property Management and

projects from the prior year. This list is reviewed by BPU and Treasury staff prior to being put forth to the Board. Additional information on projects are found on the BPU website as well as in DPMC public bidding documents. Staff provides project numbers which can be used to see full project scope within the procurement system. The State, through this program, is able to upgrade buildings that serve the residents and in turn upgrades allow for the ability to reduce or mitigate energy cost increases, thus reducing the taxpayer dollars spent on energy costs. As a large energy user, the State's ability to upgrade equipment also helps the overall strategy to increase energy efficiency within the state.

Comment: Rate Counsel stated there is no clear process for how projects end up on the DPMC project list and requested detail on that process.

Response: The original list has been updated since 2019 and projects are reviewed on an annual basis. Staff works with Treasury to determine the project status and funding, additional requests for projects, and completion of SFI workbooks for projects initiated after 2022.

Additional Questions

Comment: Rate Counsel asked the Board to "provide by FY the amount of interest per year, the average amount of principal that interest was earned on, and the interest rate since 2014."

Response: Staff understands the importance of transparency and will consider including historical trends on interest as another metric in future CRAs. However, interest is publicly reported annually in the NJCEP True-Up Budget and in the New Jersey Office of Management & Budget's Grey Pages on Other Governmental Funds and Proprietary Funds, which are put out annually with the Governor's Budget Message. Interest is collected through the year, so the principal amount is likely shifting through the year as revenue comes in and expenses go out. The interest rate itself has also likely changed since 2014, so Staff will consider adding a table showing those rates over time.

Comment: Rate Counsel asked the Board to "provide, for each source of revenue besides interest (e.g., application fees), the annual amount since 2014. What is meant by etc. as a revenue source, mentioned in the FY24 True Up Budget and earlier True Up Budgets?"

Response: Staff will work to compile this information but given the scope of the NJCEP Budget (FY26 and FY27) and program analysis in the CRA (FY22-FY26), cannot provide the data here. In FY24 and FY25, the amounts solely reflected interest. In previous fiscal years (FY14-FY16), etc. referred to EDA program revenue from interest payments and repayment of loans or grants, and revenue collected by Rutgers University as part of the DCE Clean Energy Conference held in October 2022.

Comment: Rate Counsel asked whether the "Carryforward Pending Board Approval" category in the FY26 and FY27 Proposed Budgets is the same as was previously called the "Estimated Uncommitted Carryforward" category in the FY25 and earlier FY Proposed Budgets.

Response: Staff revised the name for this category to be more precise, given that funds are allocated for specific purposes in the budget, but require the Board's approval.

Construction Department of Treasury and the New Jersey Board of Public Utilities Regarding the State Facilities Initiatives Program Budget, BPU Docket No. Q019101423, Order dated November 13, 2019.

Comment: Rate Counsel asked whether the "Carryforward Pending Board Approval" category in the FY26 Proposed Budget the same category as the FY25 Uncommitted Carryforward Category in the True Up portion of the FY26 True Up Budget.

Response: Yes, these are the same amounts. Staff will revise the header names in the FY27 True-Up Budget to provide consistency across budget documents.

Comment: Rate Counsel asked why the FY25 Estimated Uncommitted Carryforward dollar amount still listed as an estimated value. Rate counsel also asked: "Why is the FY25 Estimated Uncommitted Carryforward amount subtracted from the FY25 Budget Less Actual Expenses and Commitments (the amount of money that was left over from FY25) instead of being added? This Uncommitted Carryforward money is unspent, uncommitted, and Pending Board Approval. Why is not the full amount of this money, $192,515,423, added to the FY Budget, Less Actual Expenses and Commitments, $227,371,067, and Other Revenues, $38,199,729, so that the sum, $458,086,219, is moved forward to the next or a future FY? Instead, a considerably smaller amount of only $73,055,374 is moved forward to the Revised FY26. Where did the amount of $458,086,219 go? Where did these funds go from FY2021-2024? (This same calculation is performed on True Up budgets from FY21-FY26)."

Response: In the table Rate Counsel is referring to, the amount reported as FY25 Estimated Uncommitted Carryforward is from the original FY25 Budget, when it was still an estimated amount. The next value is the actual FY25 Uncommitted Carryforward (now referred to as Pending Board Approval). The difference between these two numbers is what gets added to the true-up budget, because it is the amount of uncommitted carryforward that was not accounted for in the original budget. In the original FY26 Budget, $192,515,423 was already included as FY25 Estimated Uncommitted Carryforward. In the True-Up process, Staff reconciled prior year actuals and determined that the actual Uncommitted Carryforward brought into FY26 was $227,371,067. However, $192,515,423 of that is already baked into the budget. The difference ($34,855,645) is the additional amount that needs to be added.

Staff understands some of Rate Counsel's confusion and will consider how to make this clearer in future budgets, but hope this addresses the question.

Comment: How are the FY26 Carryforward Pending Board Approved (uncommitted/unencumbered) dollar amounts determined in the FY27 Proposed Budget and for each FY, from 2021-2025?

Response: The Carryforward Pending Board Approval is money that is not formally obligated in a grant or purchase order, and has not been approved by the Board.

In some cases, these amounts carryforward in a single line given unexpected delays in finalizing a contract or the uncertainty around exactly how many awards will be made for a program in the final month of each fiscal year. In other cases, needs change through a fiscal year and money that is identified to be unnecessary in one program can be reallocated to programs that have existing or emerging needs. For example, in FY27 a major priority was funding the Utility Business Model Study, pursuant to Governor Sherrill's EO1. This was made possible, partially due to funding that became available after funding became available from other programs.

Comment: Rate Counsel asked the Board to "provide a table or explanation with actual numerical values that shows from year to year how the FY Estimated Uncommitted

Carryforward/Carryforward Pending Board Approval amounts are determined and transferred year to year for FY27 and the previous 4 years".

Response: Staff understands Rate Counsel's request, but does not have sufficient time or resources to create a new, detailed table. Staff point out that part of this request, the Uncommitted Carryforward/Carryforward Pending Board Approval, is already publicly available.

Comment: Rate Counsel asked why the Other Revenue (interest) is not listed in the FY27 or earlier year proposed budgets and whether an estimate could be provided instead of waiting for the true-up budget for FY27**.**

Response: This amount is reported after the close of each fiscal year. Staff have considered including an estimate of this amount, but maintain some concerns about providing specific budgets to programs based on estimates of interest. Staff points out that interest estimates for the Clean Energy Fund are included in OMB's Grey Pages on Other Governmental Funds and Proprietary Funds.

Comment: Rate Counsel asked how funds go from "Estimated Uncommitted Carryforward (now called Carryforward Pending Board Approval) to Carryforward Board Approved to Carryforward Committed.

Response: Some description of this process is noted in the footnotes of the Budget table, but will consider how to elaborate in future filings. The earliest stage is Carryforward Pending Board Approval, where programs have identified needs and received allocations: the money is budgeted. The next stage is Carryforward Board Approved, when a program receives Board Approval to spend a specific amount. For example**,** this may include a program receiving approval to make grant awards up to $10 million. Then, a program actually enters into a formal obligation such as a contract or grant award, whereby the Board now has a financial obligation to make a payment pursuant to the agreement it entered into. In summary, Pending Board Approval means money has been budgeted, Board Approved means a Board Order authorized money to be spent, and Committed means a formal agreement was executed through a program and the Board has an obligation to spend money.

REVISIONS TO PROPOSED FY27 COMPLIANCE FILINGS AND PROPOSED FY27 BUDGET

Following the posting of the Proposed FY27 Compliance Filings and stakeholder comments received in regard to the Proposed FY27 Budget, these documents were revised as follows:

Budget Table

- $15 million reallocated to the School Bus V2G program from RUBC to address Governor Sherrill's priorities
- $4 million reallocated to Clean Fleet from Multi-Unit Dwellings to address program demand

TRC Compliance Filing

- Language changed to emphasize linear generators have different characteristics than fuel cells, but recommend we treat them the same as fuel cells other than that they don't require stack replacements

DCE Compliance Filing

- Language added to the V2G School Bus Pilot that notes the $15 million allocation

- Fiscal Year 2027 DCE Managed Programs Detailed Budgets table updated

BPU and DPMC Designated Project List

- Clarifying edits made to Kohn Training Center and JJC Johnstone Campus projects

CRA

- A detailed methodology of calculations (Appendix A) added to the Appendix
- Bubble chart updated to correct Comfort Partners and Clean Transportation calculations
- Non substantive narrative changes and clarifying edits

REVISIONS TO FY26 TRUE-UP BUDGET

Staff recommends certain modifications to the FY26 True-up budget approved by the Board for programs administered by TRC. The proposed changes would not modify the overall budget allocated to TRC or the rebate cost category budgets approved by the Board. The proposed transfers would align TRC's budget with the new contract awarded to TRC in July 2025 and correct omissions that were inadvertently not accounted for by TRC in the FY26 True-up budget. The specific proposed changes are shown in the table below.

FY26 True-up Approved by Board on 4/22/26:

TRC FY26		*FY26 Cost Category Budgets (True-up)*					
Program/Budget Line	*Total Budget*	*Administration*	*Sales, Marketing, Website*	*Training*	*Rebates, Grants and Other Direct Incentives*	*Rebate Processing and QA*	*Evaluation*
Total TRC	**$154,273,907**	**$11,352,407**	**$5,064,258**	**$182,400**	**$131,308,721**	**$6,366,121**	**$0**
EE Programs	**$123,487,953**	**$8,376,148**	**$416,160**	**$54,000**	**$111,691,981**	**$2,949,664**	**$0**
New Construction Program	***$66,725,306***	***$5,323,346***	***$138,720***	***$28,000***	***$59,264,527***	***$1,970,713***	***$0***
New Construction Program	$66,725,306	$5,323,346	$138,720	$28,000	$59,264,527	$1,970,713	$0
C&I EE Programs	***$56,762,647***	***$3,052,802***	***$277,440***	***$26,000***	***$52,427,454***	***$978,951***	***$0***
C&I Buildings	$47,205,925	$1,390,416	$138,720	$13,000	$45,438,286	$225,503	$0
LGEA	$9,556,722	$1,662,386	$138,720	$13,000	$6,989,168	$753,448	$0
Distributed Energy Resources	**$20,890,943**	**$997,706**	**$138,720**	**$14,000**	**$19,616,740**	**$123,777**	**$0**
CHP - Fuel Cell	$20,890,943	$997,706	$138,720	$14,000	$19,616,740	$123,777	$0
RE Programs	**$5,524,353**	**$1,978,553**	**$138,720**	**$114,400**	**$0**	**$3,292,680**	**$0**
Solar Registration	$5,524,353	$1,978,553	$138,720	$114,400	$0	$3,292,680	$0
Planning and Administration	**$4,370,658**	**$0**	**$4,370,658**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$4,370,658***	***$0***	***$4,370,658***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$4,370,658	$0	$4,370,658	$0	$0	$0	$0

Proposed Changes:

TRC FY26		Proposed Changes for Board Approval					
Program/Budget Line	Total Transfer	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total TRC	**$0**	**$24,559**	**$0**	**($13,000)**	**$0**	**($11,559)**	**$0**
EE Programs	**$15,786**	**$40,345**	**$0**	**($13,000)**	**$0**	**($11,559)**	**$0**
New Construction Program	***($63,400)***	***($63,400)***	***$0***	***$0***	***$0***	***$0***	***$0***
New Construction Program	($63,400)	($63,400)	$0	$0	$0	$0	$0
C&I EE Programs	***$79,185***	***$103,745***	***$0***	***($13,000)***	***$0***	***($11,559)***	***$0***
C&I Buildings	$149,383	$173,942	$0	($13,000)	$0	($11,559)	$0
LGEA	($70,197)	($70,197)	$0	$0	$0	$0	$0
Distributed Energy Resources	**($1,366)**	**($1,366)**	**$0**	**$0**	**$0**	**$0**	**$0**
CHP - Fuel Cell	($1,366)	($1,366)	$0	$0	$0	$0	$0
RE Programs	**($14,420)**	**($14,420)**	**$0**	**$0**	**$0**	**$0**	**$0**
Solar Registration	($14,420)	($14,420)	$0	$0	$0	$0	$0
Planning and Administration	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$0	$0	$0	$0	$0	$0	$0

Resulting FY26 Budget if Approved:

26		Post Proposed Changes					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total TRC	**$154,273,907**	**$11,376,966**	**$5,064,258**	**$169,400**	**$131,308,721**	**$6,354,562**	**$0**
EE Programs	**$123,503,739**	**$8,416,493**	**$416,160**	**$41,000**	**$111,691,981**	**$2,938,105**	**$0**
New Construction Program	***$66,661,906***	***$5,259,946***	***$138,720***	***$28,000***	***$59,264,527***	***$1,970,713***	***$0***
New Construction Program	$66,661,906	$5,259,946	$138,720	$28,000	$59,264,527	$1,970,713	$0
C&I EE Programs	***$56,841,832***	***$3,156,547***	***$277,440***	***$13,000***	***$52,427,454***	***$967,392***	***$0***
C&I Buildings	$47,355,308	$1,564,358	$138,720	$0	$45,438,286	$213,944	$0
LGEA	$9,486,525	$1,592,189	$138,720	$13,000	$6,989,168	$753,448	$0
Distributed Energy Resources	**$20,889,577**	**$996,340**	**$138,720**	**$14,000**	**$19,616,740**	**$123,777**	**$0**
CHP - Fuel Cell	$20,889,577	$996,340	$138,720	$14,000	$19,616,740	$123,777	$0
RE Programs	**$5,509,933**	**$1,964,133**	**$138,720**	**$114,400**	**$0**	**$3,292,680**	**$0**
Solar Registration	$5,509,933	$1,964,133	$138,720	$114,400	$0	$3,292,680	$0
Planning and Administration	**$4,370,658**	**$0**	**$4,370,658**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$4,370,658***	***$0***	***$4,370,658***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$4,370,658	$0	$4,370,658	$0	$0	$0	$0

STAFF RECOMMENDATIONS

The FY27 Compliance Filings and Budgets set out in detail the rationale utilized by Staff and the program administrators to develop the Proposed FY27 Programs and Proposed FY27 Budget. Having reviewed and considered the comments regarding the FY27 Compliance Filings and Budgets, Staff recommend that the Board approve both the Proposed FY27 Compliance Filings and Proposed FY27 Budget with the changes detailed above, and the process used to develop them. Additionally, Staff recommend that the Board approve the modifications to the FY26 True-Up Budget.

DISCUSSION AND FINDINGS

Consistent with the Program Administrator Contract, Staff coordinated with the TRC Team regarding the Proposed FY27 Compliance Filings and Budgets, as well as the comments received on the same. The Proposed FY27 Compliance Filings and Budgets were distributed to the BPU listserv and posted on the NJCEP website. Staff accepted oral comments on the Proposed FY27 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 FY27 Compliance Filings and Budgets were appropriate and provided stakeholders and interested members of the public with notice and opportunity to comment on them.

The Board has reviewed the FY27 Compliance Filings and Budgets, written and oral comments submitted by stakeholders, and Staff's recommendations. The Board **HEREBY FINDS** that the FY27 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 FY27 Compliance Filings and Budgets will provide environmental benefits, and are otherwise reasonable and appropriate. Therefore, the Board **HEREBY APPROVES** the FY27 Compliance Filings and Budgets and modifications to the FY26 True-Up Budget.

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 FY26 expenses and once final FY26 expenses are known, are subject to "true up" in a future Order(s). For example, if actual FY26 expenses are less than the estimated expenses for any program, then the unspent amount will carry over into FY27. To the extent that FY27 budgets approved herein are below FY27 expenses due to actual FY26 expenses being less than estimated FY26 expenses, the Board **HEREBY AUTHORIZES** the Fiscal Office to pay all invoices for approved program expenses during FY27.

Pursuant to its authority under N.J.S.A. 48:2-40 and as required, the Board may reopen this matter and adjust the FY27 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.

This Order shall be effective on June 30, 2026.

DATED: June 30, 2026

BOARD OF PUBLIC UTILITIES
BY:

CHRISTINE GUHL-SADOVY
PRESIDENT

ABSTAINED

DR. ZENON CHRISTODOULOU
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

EMMA REBHORN
COMMISSIONER

JOSEPH COVIELLO
COMMISSIONER

ATTEST:

SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR FISCAL YEAR 2027

DOCKET NO. QO26040124

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New Jersey's Clean Energy Program™

FISCAL YEAR 2027
PROGRAM DESCRIPTIONS AND BUDGETS

DIVISION OF CLEAN ENERGY

Integrated Energy Solutions Programs, Grid Scale Resource Programs, Energy Affordability Programs, and NJCEP Administration Activities

June 30, 2026

Table of Contents

Introduction

In January 2026, Governor Sherrill signed Executive Order 1 (EO1) declaring New Jersey is in an electricity affordability emergency. EO1 and Executive Order 2 (EO2), both signed during her inauguration ceremony, specifically highlight multiple actions to reduce electricity costs and bring more generation online in New Jersey. New Jersey's Clean Energy Program (NJCEP) supports these actions by addressing challenges to energy affordability and by delivering tangible benefits to New Jersey residents through its programs and initiatives.

The Fiscal Year 2027 (FY27) NJCEP budget is a fiscally responsible proposal that covers the portion of the NJCEP funded by the Societal Benefit Charge (SBC). These programs aim to:

- Address the statewide energy emergency established by Governor Sherrill in EO1;
- Tackle the urgent need for new generation capacity as envisioned in EO2; and
- Strengthen grid reliability and resiliency in light of rapidly rising electricity demand and mounting affordability challenges in New Jersey.

This Compliance Filing provides an overview of these programs and how they seek to achieve their goals. To align with the priorities and needs of the State, the NJCEP programs are organized into three categories:

1. **Integrated Energy Solutions** – Programs seeking to strengthen and modernize the grid and to increase the utilization of distributed energy resources

2. **Grid Scale Resources** – Programs seeking to increase capacity and to support resource adequacy

3. **Energy Efficiency, Equity, and Bill Assistance** – Programs seeking to address affordability challenges and to increase energy efficiency in the State

The following sections describe these programs in detail along with the supporting work (e.g., program evaluation, planning and analysis) funded through the NJCEP FY27 budget. In addition to this document, NJBPU Staff produced an enhanced Comprehensive Resource Analysis (CRA) for FY27 to include the authority for programs, environmental benefits, energy savings data, budget and expense trends, and rate impact analysis.

Beyond the SBC funded programs, the NJCEP designs and implements other programs in the State, including energy efficiency programs administered by the electric and gas utilities, solar incentive programs, battery storage programs, and, more recently, a virtual power plant (VPP) program. These efforts are also critical to addressing New Jersey's energy challenges and fulfilling the mandates outlined in EO1 and EO2. In this document, discussion of these programs is limited to necessary context for any related activities funded by the NJCEP FY27 budget.

The NJCEP programs and initiatives discussed in this Compliance Filing include the following:

I. Integrated Energy Solutions
II. Grid Scale Resources
III. Energy Efficiency, Equity, and Bill Assistance
IV. Planning & Administration
V. Workforce Development

Integrated Energy Solutions

Integrated energy solutions—encompassing distributed solar, distributed storage, electrified transportation assets, energy efficiency and grid modernization technologies—function as a portfolio of flexible assets that can reduce system peak, defer traditional infrastructure investment, lower overall revenue requirements for ratepayers, and provide scalable capacity that accelerates the interconnection and integration of large-scale generation resources.

These investments, together with distributed smart meter technology and coordinating software, provide the foundation for virtual power plants, which

- Reduce the need for building new capacity,
- Lower the peak load throughout the grid, and
- Release stored energy capacity onto the grid as needed

The following initiatives comprise the Integrated Energy Solutions program.

Grid Modernization & VPPs

Through EO2, Governor Sherrill underscored the importance of Grid Modernization as a tool to address the delays in bringing new generation online and reducing costs. Per EO2, BPU released an RFI on February 2, 2026 directing the EDCs to submit information on how they are endeavoring to comply with BPU's regulations on interconnecting renewable projects to the grid. The BPU rules N.J.A.C. 14:8-5.1 to -5.12 referred to in EO2 were the first step in New Jersey's Grid Modernization efforts. Interconnection reform is crucial since all new generation sources need to be interconnected to the electric distribution and/or transmission grids.

In FY27, Staff will continue to: expand the Grid Modernization Forum with additional workgroups; initiate a Grid Mod Innovation Pilot; and introduce new and amended rules based on the workgroup report's recommendations. Taking steps toward a more flexible grid will pave the way for standing up cost-effective VPP programs throughout the state, which align with the goals of EO2 and form the fastest way to address the capacity challenges it outlines.

BPU Staff began developing the first set of rules in FY22, and engaged a contractor to identify areas of the Distributed Energy Resources (DER) interconnection process in most need of improvement.

Stakeholder meetings were held, which informed the consultant's final report accepted by the Board in November 2022. The report contained nine recommendations for modernizing New Jersey's electric distribution grid. The first four were short-term and relatively ready for codification into the New Jersey Administrative Code (N.J.A.C.), while the latter five were more significant market transformations that required additional stakeholder input.

Staff brought a Notice of Adoption on the first four recommendations before the Board on November 21, 2025, to adopt all proposed amendments and new rules at N.J.A.C. 14:8-5. They were published to the New Jersey Register on January 5, 2026.

The remaining five recommendations are being pursued through the Grid Modernization Forum, with multiple stakeholder workgroups with members of each New Jersey EDC, relevant New Jersey government agencies, national research organizations, DER developer representatives, and industry experts. Staff has engaged a program consultant to help facilitate, oversee, and capture discussions of the workgroups to support future rule proposals. The first workgroup, Integrated Distribution of DERs (IDDER) aims to identify minimum requirements for EDCs' Proactive System Upgrade Plans (PSUP). These plans will detail three- and ten-year goals for increasing hosting capacity at the distribution level and ensuring adequate EDC monitoring/control over DER outputs. Proposed straw rules will be published for stakeholder comment within the first half of 2026.

Distributed Storage

Phase 2 of the GSESP will focus on incenting distributed storage. In response to Governor Sherrill's EO2, Staff anticipate moving quickly to launch Phase 2 which will be key to building out a strong distributed storage program. The Board intends to provide compensation to storage owners predominantly for the value storage provides to the grid, potentially through a VPP construct or other market or rate design mechanisms. GSESP Phase 2 is planned to be funded through sources other than the FY27 NJCEP budget.

Distributed Solar

EO2 recognizes the importance of distributed solar to developing additional capacity resources quickly to help reduce rising energy costs. The NJCEP distributed solar programs seek to bring resources online in New Jersey while increasing access to the benefits of solar energy. The following solar programs encompass the NJCEP distributed solar initiatives.

Community Solar

Community solar aims to broaden access to solar energy by enabling electric utility customers to participate in a solar generating facility that can be located remotely 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 promotes equitable and fair access to New Jersey's renewable energy policies and offers an additional bill savings option especially for LMI customers.

In response to Governor Sherrill's EO2, on March 4, 2026 the Board opened a new 3,000 MW capacity block for the Community Solar Energy Program (CSEP), which will provide up to 25% electric bill savings on solar credits for approximately 450,000 residential ratepayers, most of whom are LMI.

Community solar was first introduced in New Jersey as a Pilot Program in 2019, followed by the permanent CSEP in 2023. The Pilot Program led to the conditional approval of 150 projects, representing approximately 243 MW. To promote equitable access to solar energy, projects selected to participate in the Pilot Program will allocate at least 51% of project capacity to LMI subscribers. The program has a competitive application process using criteria that prioritize preferred siting, LMI resident inclusion, community engagement, and guaranteed savings for participating customers.

Administratively Determined Incentive (ADI) Program

The Board has set incentive levels and megawatt allocations by market segment in the Administratively Determined Incentive (ADI) Program designed to result in at least 450 MW of net metered solar, remote net metered solar, and community solar per year. Updated incentive levels became effective for all net-metered market segments on March 13, 2023, following a one-year review. Following a review of the Community Solar Energy Program, updated incentive levels became effective on April 30, 2025. A review of the ADI Program incentives is required every three years; the Board will determine updated incentive levels that will be adopted in May 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
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	**N/A**
Community Solar	Up to 5 MW (dc)	$80	N/A

ADI Capacity Blocks by Market Segment, Energy Year 2026

Market Segments	System Size	MW (dc) Capacity Blocks	Revised Capacity Blocks (as of 4/22/26)
Net-Metered Residential	All Sizes	250 MW	275 MW
Net Metered Non-Residential	All sizes at or below 5 MW (dc)	150 MW	125 MW
Community Solar	All sizes at or below 5 MW (dc)	250 MW	3,000 MW
Remote Net Metering (RNM)	All Sizes at or below 5 MW (dc)	50 MW	

Dual-Use Solar Pilot

On April 22, 2026, the Board approved a second, three-year agreement between the BPU and the Rutgers Agrivoltaics Program (RAP) at Rutgers University for providing crucial input into the design of a program to enhance the diversity of solar generation resources being brought on line in New Jersey, consistent with the solar goals outlined in Governor Sherrill's EO2. For FY27, RAP would continue to support the facilitation and implementation of the Pilot Program under the new MOU.

The Board's Dual-Use Solar Energy Pilot Program (Pilot Program) was established in 2021 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. The Board is authorized to run the Pilot Program for 36 months, with possible extensions to no more than 48 or 60 months if deemed necessary by the Board in consultation with the New Jersey Department of Agriculture (NJDA). 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 Successor Solar Incentive (SuSI) Program (described in further detail in the grid scale solar program below).

Staff engaged the Rutgers Agrivoltaics Program (RAP) at Rutgers University (RU) to provide 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. As noted above, the Board recently approved a second, three-year agreement between the BPU and RAP through a Memorandum of Understanding (MOU) to continue to support the ongoing implementation of the Pilot Program.

In close collaboration with RAP, the NJDA, the NJDEP, and other interested stakeholders, the Board conducted robust public engagement to gather input on the implementation of this law. To obtain projects for the Pilot Program to evaluate and inform the development of a permanent program for agrivoltaics in New Jersey, several major actions have been undertaken by the BPU.

- 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.
- By mid-September 2025, Staff evaluated the EOIs, in partnership with RU and State agencies including NJDEP and NJDA, and determination letters to invite full applications to the Dual-Use Pilot Program were completed.
- By Board Order dated November 21, 2025, the Board voted to open the Dual-Use Pilot Program application period to pre-qualified participants.
- On January 14, 2026, an application period opened to pre-qualified participants. The submission period for applications closed on February 25, 2026. Under the Dual-Use Act, Board action is required within 180 days of the close of the application period to make determinations on the applications.
- On February 26, 2026, Program Year 2 of the Pilot Program began. Board

action is needed to open future solicitations.

Electric Vehicle & V2G Programs

V2G, or Vehicle to Grid, is an important component of a successful VPP program, as envisioned in EO2. Unlocking this feature of electric vehicles (EVs) represents a critical step in the evolution of the clean transportation initiative, which when launched in 2020 was aimed at cutting emissions through vehicle electrification, reducing driving, and lowering port and airport emissions. Electric vehicles (EVs) are now considered a future grid resource, initially through managed charging and eventually through widespread V2G deployment. Ensuring deployment of advanced charging technology in New Jersey is crucial, since the transition to EVs is accelerating. New Jersey's EV programs helped prepare EVs and EV chargers for integration into flexible grid programs like VPPs, and New Jersey now has over 4 GW of EV storage.

The $30 million annual appropriation funding the Charge Up Program and the home EV charger program will support existing committed projects. These efforts have supported EV adoption, charging infrastructure, and fleet electrification in line with the EV Act, while laying groundwork for EVs to contribute to grid reliability and affordability.

Clean Fleet Electric Vehicle Incentive Program

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 continues in FY27 under the NJCEP. In FY24, eligible entities were expanded to include non-profits. Eligible entities for this incentive include municipalities, counties, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, county authorities, and non-profit entities.

As the BPU develops VPP programs, Staff will consider how to ensure participation in VPPs or managed charging programs for fleets that are funded through this program, including requirements for participation. Current program requirements are detailed in the CSE Compliance Filing. Staff may implement additional eligibility criteria and caps as necessary to ensure the effectiveness of the program.

V2G School Bus Pilot

In FY26, the BPU entered an MOU with the DEP to fund several ECOhub programs to better assess how to integrate renewable energy, EV chargers and storage. These programs can provide resiliency opportunities, as well as peak shaving measures by allowing connected assets to utilize stored energy rather than grid resources during peak events. As the BPU develops compensation mechanisms for providing energy into the grid through distributed storage, including the development of VPP programs this calendar year, these resources can become even more

valuable.

The pilot Electric School Bus Program, created by N.J.S.A. 26:2C-8.58, mandated a total of $45 million be transferred from the NJCEP Budget to NJDEP over a 3-year period (FY24-FY26). In FY27, $15 million in new funding has been allocated for School Bus V2G efforts.

Medium Heavy Duty Depot

In January 2024, L. 2023, c. 316 was enacted, which required BPU 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 storage and non-wires solutions for each project. BPU continues to investigate other funding opportunities and partnerships to leverage this funding and achieve the objectives outlined in L. 2023, c. 316. The legislation also required these programs to encourage managed charging, which can be a critical building block to effective VPP programs.

Microgrids

As extreme weather has become part of New Jersey's business as usual, it became clear that the BPU needed to invest in resiliency 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 Superstorm Sandy-affected regions of the State. 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 aimed to develop procurement and financing models and produce a guide to help outline best practices for future projects. 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 determining recommendations on funding the construction phase of these projects. Of the seven projects in the program, three have submitted, and BPU has approved, the design studies. The remaining four are pending. The absence of a clear regulatory pathway to construct community scale microgrids has been a principal obstacle.

Combined Heat & Power – Fuel Cells

The Combined Heat and Power – Fuel Cell (CHP-FC) program offers incentive to produce electricity and useful thermal energy from cogeneration. This program is administered by TRC and additional details on the program can be found in the FY27 TRC Compliance Filing.

Grid Scale Resources

Grid scale resources can provide needed energy capacity for New Jersey ratepayers at a time of rising electricity demand. These large-scale projects are critical to addressing the challenges to resource adequacy facing our region. The NJCEP helps facilitate these resources to come online in New Jersey to provide clean, affordable energy for residents.

The following initiatives comprise the Grid Scale Resources program.

Transmission Scale Storage

EO2 recognizes the importance of energy storage to developing additional capacity resources quickly to help reduce rising energy costs. EO2 further calls for the BPU to fast track the development of incentives to increase storage capacity. The CEA established an energy storage goal of 2,000 MW by 2030 for New Jersey. The Act directed BPU to develop and implement a program to achieve these goals. In response to Governor Sherrill's EO2, on March 4, 2026, the Board awarded three transmission-connected storage projects under Tranche 1 of Phase 1, of the GSESP with a total capacity of 355 MW. Tranche 2 of Phase 1 will open to applications on May 20, 2026, with a solicitation target of 645 MW of transmission-scale energy storage installed capacity, in order to meet, together with the capacity procured in Tranche 1, the 1,000 MW target of transmission-scale energy storage established by P.L. 2025, c.136.
In FY27, funding for the launch of the GSESP will be once again supported by the $125 million the State received pursuant to the Ocean Wind Projects settlement. 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 are 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.

The GSESP was set up to have at least two phases: Phase 1 provides fixed incentives for transmission scale battery energy storage systems, while Phase 2 will provide incentives for distribution-scale battery energy storage systems.

Phase 1 of the GSESP was approved for launch by the Board on June 18, 2025, in conjunction with proposed rulemaking - N.J.A.C. 14:8-14, Garden State Energy Storage Program – which was published in the New Jersey Register on August 4, 2025, at 57 N.J.R. 1651(a), which followed the Board's approval of a contract with Daymark Energy Advisors (Daymark) on May 21, 2025. Daymark serves as the Program Manager and has been assisting Staff with program design and solicitation management. The energy storage budget line includes funding for contractual obligations related to this engagement.

Phase 1 of the GSESP represents the first incentive structure designed to facilitate transmission-scale energy storage development in the State. Phase 1 of the GSESP provides annual fixed incentives, paid out over 15 years, to at least 1,000 MW of new energy storage capacity in New Jersey. Eligible participants in Phase 1 solicitations include transmission-scale energy storage projects (i.e., projects that have an installed capacity of at least 5 MW); solar-plus-storage project applications that do not qualify for storage incentives under the Board's SuSI Program and have a storage component with an installed capacity of at least 5 MW; and storage additions of 5 MW or greater to existing solar facilities or other Class I renewable energy resources, provided the storage component does not also receive a direct monetary incentive, such as a grant or rebate, from the BPU or any other New Jersey program specifically designed to support storage.

On June 25, 2025, the pre-qualification window opened for Tranche 1. At the March 4 Board Agenda meeting, the Board approved incentive awards to three winning energy storage projects with a combined nameplate or installed capacity of 355 MW.

On August 22, 2025, the state established new storage goals through P.L. 2025, c. 136, which requires the Board to approve incentive awards to at least 350 MW of transmission-scale storage by December 31, 2025, and 1,000 MW of transmission-scale storage by June 30, 2026. The bill was amended on March 24, 2026, to extend the deadline for approving Phase 1 incentives from June 30, 2026 to December 31, 2026.

Grid Scale Solar

In EO2, Governor Sherrill directs the rapid expansion of in-state electricity generation to reduce costs, with a particular emphasis on scaling grid-connected and grid-supportive solar resources. In alignment with this mandate, the Board has advanced a modernized solar incentive framework designed to support both distributed and grid-scale solar development.

Pursuant to the Clean Energy Act of 2018 (CEA), the Board transitioned from the legacy Solar Renewable Energy Certificate (SREC) Registration Program to the Successor Solar Incentive (SuSI) Program, following attainment of the State's 5.1% solar milestone.

The SuSI Program includes two primary components:

1. The Administratively Determined Incentive (ADI) Program, which supports net-metered residential and non-residential projects up to 5 MW, as well as community solar and remote net metering projects; and
2. The Competitive Solar Incentive (CSI) Program, which supports grid-supply solar projects, paired storage, and larger non-residential installations over 5 MW.

Competitive Solar Incentive (CSI) Program

The Competitive Solar Incentive (CSI) Program, established in 2022, offers incentives to qualifying grid supply solar generation, energy storage paired with grid supply solar generation, and net metered solar installations over 5 MW. The program awards SREC-IIs through a competitive solicitation, with competition in five market tranches. Following a pre-qualification review, eligible 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 program's annual solicitation targets are 300 MW of new solar generation, and 160 MWh of energy storage paired with solar generation.

In March 2026, in response to Governor Sherrill's EO2, the Board:

1. Awarded 24.1179 MW of solar generation (4.13 MW in Tranche 2; 9.9999 MW in Tranche 3; and 9.988 MW in Tranche 4).
2. Set the fourth CSI Program solicitation to open for prequalification on March 11, 2026 and close to bids on April 24, 2026.
3. Created a new competitive tranche, 1A for grid supply projects ≥ 20 MW
4. Allowed all solar generation projects to compete in Tranche 5 for an energy storage adder.

Fourth Solicitation CSI Program Tranches and Procurement Targets

Tranche	**Procurement Target (MW)**
1A. Basic Grid Supply ≥ 20 MW	120
1. Basic Grid Supply < 20 MW	75
2. Grid Supply on the Built Environment	25
3. Grid Supply on Contaminated Sites and Landfills	60
4. Net metered non-residential Installations larger than 5 MW	20
Total	**300**

5. Energy Storage paired with solar generation	160 MWh

Board Staff anticipates making recommendations on project awards by the end of FY26 in June, well within the 270 days directed in EO2; projects will have 48 months from the time of their registration to reach commercial operation.

For FY27, Staff will seek a one-year contract extension with the contracted CSI solicitation administrator, to support the fifth CSI Program solicitation and assist with stakeholdering and rule amendment proceedings for the Successor Solar Incentive Program rules. Staff will also issue an RFP for consulting services to continue the CSI Program.

Nuclear Power & Resource Adequacy

As outlined in EO2, New Jersey is facing unprecedented load growth, with PJM forecasting an increase in peak demand of 20% by 2030 compared to 2024 levels as a result of data center proliferation. At the same time, new generation supply has not kept apace of the growth in demand, which has led to significant increases in the price of electricity as well as concerns about the reliability and resiliency of the PJM grid.

Among the State's efforts to address the mismatch between load growth and insufficient electricity supply, Staff released 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. Building upon the responses received and the need for new generation resources across the state, legislation A5517 was passed in January 2026 that directed the BPU to conduct a study on the feasibility of developing advanced nuclear reactors throughout the State.

In furtherance of exploring new nuclear opportunities in NJ, Governor Sherrill's EO2 established the interagency Nuclear Power Task Force to formulate and implement a strategy for the development of new nuclear generation facilities in the State. The Nuclear Task Force will work to advance the state's pursuit of new nuclear energy convening leaders from government, industry, the environment, and labor to explore opportunities in nuclear development. The Task Force's goal is to ensure that New Jersey is ready to capture the benefits of new nuclear power, while maintaining the highest standards of public safety and transparency.

In response to the directives set forth in EO2 and A5517, Staff has identified funding to be used to solicit consulting services needed to undertake a comprehensive feasibility assessment and provide critical support to the Nuclear Power Task Force. Through a combined consulting engagement, Staff will ensure the work conducted as part of the feasibility assessment and Task Force are aligned while also avoiding duplication of effort, making the best use of ratepayer resources possible. Staff intends to seek Board approval to hire a consultant to support these efforts no later than September 2027. Key efforts will include work on feasibility, siting,

stakeholdering, regulatory and permitting, technology development, analyzing supply chain and workforce needs, and financing and contracting mechanisms.

The Resource Adequacy and Grid Scale Resources effort also includes ongoing contractual obligations associated with the National Offshore Wind Research and Development Consortium (NOWRDC). In 2021, the Board entered into a Memorandum of Agreement (MOA) with the NOWRDC in which FY22 funding supported the Board's multi-year membership in NOWRDC. For FY27, funding will continue to support ongoing contractual obligations associated with the NOWRDC MOA and specific activities, including work with NOWRDC.

Energy Efficiency, Equity, and Bill Assistance

In EO1, Governor Sherrill specifically calls for lowering income-qualified ratepayers' electricity bills. NJCEP administers programs including energy bill assistance, local government energy improvements, and intersectional programming that addresses affordability, health and safety, and extreme heat challenges. The energy bill assistance initiatives are the Residential Energy Assistance Payment (REAP) and the Residential Universal Bill Credit (RUBC). Per EO1, Staff are identifying available funds to support an RUBC as well as a third round of REAP credits being distributed to income-eligible customers.

To identify communities with heightened needs, the Office Clean Energy Equity (OCEE) often utilizes the categories of OBCs and Overburdened Municipalities (OBMs). OBCs are census block groups that meet certain statutorily-defined thresholds.[1] OBMs, in contrast, are municipalities that meet particular thresholds established by the OCEE.[2] These definitions allow the Board to better prioritize low- and moderate-income residents and communities. Though the term OBM was created with the CEPG in mind, the term is used in other BPU programs. This definition was last updated in 2022. Staff proposes revising the definition of an OBM to also include municipalities in which a majority of the population resides in adversely impacted overburdened communities (AIOBCs). Staff further proposes changing the existing definition to update the income criterion.[3]

[1] N.J.S.A. 13:1D-158 ('Overburdened community' means any census block group, as determined in accordance with the most recent United States Census, in which: (1) at least 35 percent of the households qualify as low-income households; (2) at least 40 percent of the residents identify as minority or as members of a State recognized tribal community; or (3) at least 40 percent of the households have limited English proficiency.). A "low income household" is "a household that is at or below twice the poverty threshold as that threshold is determined annually by the United States Census Bureau." Ibid.

[2] A New Jersey municipality qualifies as an OBM if: (1) The municipality has over 50% of its population living in an Overburdened Community (OBC) Census Block as defined by the New Jersey Department of Environmental Protection pursuant to New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-158; and (2) meets one or both of the following criteria: (a) Over 35% of the population is living under 200% of the poverty level according to U.S. Census 2021 ACS data; or (b) The municipality has a distress score of 40 or higher according to the New Jersey Department of Community Affairs (NJDCA) Municipal Revitalization Index.

[3] As currently defined, OBMs are based on the following criteria:

Finally, there are ongoing outreach efforts taking place in working groups around enhanced incentives for LMI communities and OBMs to encourage increased participation. Also, the BPU, through the OCEE, and other relevant State agencies continue to refine energy assistance programs, such as Comfort Partners, Weatherization Assistance Program, and other EE programs, to ensure we reach new, income-eligible customers and reduce their energy burden. The Comfort Partners Compliance Filing further outlines the work that is being performed through this program.

Residential Universal Bill Credit (RUBC)

As her first order of business, Governor Sherrill declared that an emergency exists throughout the state with regard to energy affordability and rising electric bills, and specifically directed the Board to provide RUBCs to "offset increases in the cost of electricity supply due to take effect in 2026." The Board is currently evaluating those costs, which include (for example) the costs of generation procured through the Basic Generation Service (BGS) auction. While the results of that auction show that the electric generation market is stable, prices remain at historic highs, and the Board is considering the appropriate options for implementing the RUBC directive.

In 2025, the Board introduced the RUBC as a way to alleviate additional energy bill burdens caused by the spike in electric rates and the continued need for cooling in the wake of extreme heat. RUBC was funded from the Solar Alternative Compliance Payment (SACP) and the Regional Greenhouse Gas Initiative (RGGI) to provide immediate ratepayer relief.

Community Energy Plan Grant & Community Energy Plan Implementation Grants

In FY22, NJCEP redesigned its existing Community Energy Planning Grant (CEPG) Program. 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.

In FY24, the Board introduced the Community Energy Plan Implementation (CEPI) grant program.

1. The municipality has over 50% of its population living in an OBC Census Block as defined by the New Jersey Department of Environmental Protection pursuant to New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157; and
2. The municipality meets one or both of the following criteria (either A or B):

A. Over 35% of the population is living under 200% of the poverty level according to U.S. Census 2021 American Community Survey (ACS) data; or

B. The municipality has a distress score of 40 or higher according to the New Jersey Department of Community Affairs' (NJDCA) Municipal Revitalization Index (MRI).

It was designed to complement the CEPG Program by providing funding to municipalities to implement clean energy projects. The program was funded from a mix of federal funding through the Energy Efficiency and Conservation Block Grant (EECBG) and SBC funding.

Staff is currently working to develop and finalize a second program year for CEPI based on lessons learned from the first program year. Staff's intention is to make the program more accessible and effective for participating municipalities to foster more impactful clean energy projects throughout the State. Staff will also explore how to encourage investment in VPP assets to drive energy and cost savings for ratepayers in OBMs. Finally, Staff is not seeking funding for another round of CEPG at this time. Instead Staff will use the time to evaluate the overall structure of the CEPG program to ensure it remains impactful for participating municipalities.

Urban Heat Island Mitigation Program

The Urban Heat Island (UHI) Mitigation Program was created to reduce extreme heat, increase energy resilience, and lower energy consumption in overburdened communities. After Staff's comprehensive review of stakeholder feedback, potential mitigation measures and program structure options, the Board approved the program in July 2025.

A Notice of Funding Availability (NOFA) was approved by the Board in October 2025 and posted in the New Jersey Register. Staff reviewed the applications and recommended awardees with the highest scores based on Board-approved evaluation criteria and considerations for equitable geographic distribution across the state. The Board approved awardees on March 18, and project dates start June 1. The Board Order with details about UHI program awardees is here: https://www.nj.gov/bpu/pdf/boardorders/2026/20260318/8A%20ORDER%20UHI%20Program%20Awards.pdf

Whole House Pilot Program

The BPU and Green and Healthy Homes Initiative (GHHI) launched the initial implementation of New Jersey's Whole House Pilot Program (WHPP) in Trenton during FY23. In FY24 and FY25, the State continued to fund this program through NJCEP and federal funds.

The BPU established this program to pilot an expansion of energy efficiency offerings and address long-term health impacts for low-income residents through a collaborative, interagency approach. This approach was designed to cover a broader array of residential health and safety concerns than the Comfort Partners Program and the New Jersey Department of Community Affairs' Weatherization Assistance Program (WAP) had been able to address.

GHHI administered the WHPP until their contract ended on June 30, 2025. Staff determined that the contract closure created the opportunity to perform an overall program review. Staff proposed using FY26 to perform a program review that assessed Program successes, challenges, and ways to improve upon the Program in future years. The excessive costs of approximately

$30,000 per unit, in combination with limited savings for customers of typically less than $30 per month, form a significant challenge. There remains broad support for the objectives of the program, and the Board is evaluating options for a path forward under the broader umbrella of Residential Low Income Improvements.

Staff have remained committed to spending ratepayer dollars prudently and have used the time in FY26 to review lessons learned from the original pilot program. Staff intend on releasing lessons learned to the public in Q1 in FY27.

Additionally, the $3 million designated in previous years for WHPP will be allocated to Comfort Partners to serve the goals of the WHPP. Details for the program are still to be developed and will be separately released for stakeholder comment.

Energy Efficiency

Governor Sherrill's EO1 makes it clear that electricity affordability is an emergency in New Jersey. Energy efficiency is a fundamental affordability tool. Additionally, demand response programs are a key component of any VPP deployment, and consistent with Governor Sherrill's EO2. The Board is reviewing the existing utility-run programs to ensure that the utilities' investment decisions are prudent. To the extent changes to these programs are necessary to right-size the programs and tailor the investments and incentives to align with the goals of EO2, the Board will ensure those changes are reflected in the upcoming energy efficiency program filings and approval cycles.

In October 2024, NJBPU approved the second cycle of energy efficiency (EE) programs (Triennium 2), introducing new building decarbonization start-up programs and demand response offerings. This investment is expected to reduce annual electricity usage by 2.3 million megawatt-hours, natural gas usage by 8.9 million MMBtu, and greenhouse gas emissions by 1.5 million metric tons. In addition to lowering energy bills, these reductions are anticipated to decrease overall energy and capacity needs, helping to ease pressure on prices and rate increases.

The Triennium 2 programs also continue to provide access to financing through on-bill repayment and third-party financing options, with more favorable terms for income-qualified and underserved customers. These efforts are designed to advance equitable access to clean energy solutions while increasing overall program participation, engagement, and effectiveness. The Board released the Triennium 2.5 straw proposal in March as an interim step toward prioritizing immediate ratepayer relief by decoupling financial structural reforms from a broader programmatic overhaul. The Board intends to launch the third program cycle, including additional programmatic and policy changes, in 2026.

To ensure accountability and continuous improvement, the FY27 NJCEP proposal includes ongoing funding for evaluation, measurement, and verification (EM&V) of utility- and State-run EE program outcomes for residential, governmental, and commercial and industrial markets. Managed by NJBPU's EM&V Working Group and led by the Statewide Evaluator, these efforts

assess program performance, refine savings calculations, and guide program enhancements. Recent and ongoing evaluation studies include Equivalent Full Load Hours, Commercial and Industrial Baseline, Net-to-Gross Factors, EE Program Financing, and a Process and Impact Evaluation of the Comfort Partners Program.

These initiatives build on earlier policy direction, that featured new ways of managing and delivering EE directly from public gas and electric utility companies to their customers, as well as the foundational requirements of the Clean Energy Act, which mandated utility-led energy efficiency programs and set long-term reduction targets for energy consumption.

In addition to the Triennium programs, the NJCEP includes commercial and industrial energy efficiency programs and a new construction energy efficiency program administered by TRC. Additional details on these programs can be found in the FY27 TRC Compliance Filing.

This year, NJBPU is also preparing to launch federally funded Home Energy Rebate programs supported through the Inflation Reduction Act (IRA). New Jersey's IRA HOMES Programs integrate both the Home Efficiency Rebates (HER), which support projects achieving whole-home energy savings through modeled and potentially measured pathways, and the Home Electrification and Appliance Rebates (HEAR), which support eligible electrification measures and equipment upgrades, to advance energy efficiency and electrification improvements across the state's low- and moderate-income housing stock.

In New Jersey, these opportunities are being developed through two primary program pathways. The Multifamily Retrofit Initiative for Sustainability and Equity (M-RISE) program is intended to support comprehensive retrofit and electrification projects within the state's historically underserved multifamily housing sector. A second initiative, CP-HEAR, is being developed as an electrification-focused enhancement to the State's existing Comfort Partners low-income energy efficiency program.

NJBPU continues coordinating with the U.S. Department of Energy (DOE) to finalize required implementation materials and launch approvals while simultaneously advancing operational readiness activities, including contractor network development, application pathways, and program administration infrastructure. M-RISE is currently anticipated to launch in the third quarter of 2026, contingent upon DOE approval, while CP-HEAR is anticipated to launch in early 2027.

State Facilities Initiative

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 BPU Division of State Energy Services (SES), coordinates these projects based on evaluation of capital costs, needed site upgrades 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 FY27, no new funding has been provided to further upgrade State facilities. Instead, funds have carried over from FY26 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.[4] In November 2019, the Board approved an Order (Docket QO19101423) and entered into an MOU with DPMC to establish criteria for selecting and allocating funds on the designated priority list (2019 MOU).[5] This allowed for increased State facility projects and a prioritized pipeline of future upgrades. It also recognized that funds may need to be encumbered over a period of time and established a separate budget line that was to be segregated from other Clean Energy funds after FY20. No portion of these funds shall be repurposed or diverted to pay for anything outside of the MOU. 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 FY27 Designated Project List (DPL). The DPL represents SES staff's most current list and funding commitment 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. It is important to recognize that DPMC follows state procurement rules and as such the time it takes to implement a project can be impacted by the seven steps of DPMC project development. As such, a project may take several years to design, bid and build based on its complexity. The DPL reflects the full BPU commitment since the state must encumber funds fully before DPMC will start a project.

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

[4] 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.

[5] 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.

Government Energy Audit paperwork. SES has seen a substantial increase in applications in recent years, from less than ten applications in FY22 to an average of twenty five applications a year in FY23 through FY26.

Planning and Administration

The Planning and Administration portion of the Clean Energy Budget funds staff, consultants and studies that help design, administer and evaluate the programs to ensure their effectiveness in moving New Jersey towards a clean, reliable, affordable energy future.

BPU Program Administration

The Division of Clean Energy (DCE) is charged by the Board with the responsibility for administering the NJCEP. As the administrator of the NJCEP, the division 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 clean energy initiatives and programs, including energy affordability and energy efficiency efforts. The NJCEP branding campaign, launched in April 2020, aims 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's recommendation to award a contract to the Setroc Group at the April 23, 2025 Board meeting.

Clean Energy Program Website

CleanEnergy.nj.gov (formerly 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 was launched in January to increase public awareness of the benefits of clean and efficient energy and of the incentives and financial assistance available to ratepayers. It provides 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. The new website was launched during the Board Meeting on January 14, 2026.

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. This line will fund the utility business model study required by EO1.

Center for Urban Policy Research

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 strengthening building and energy codes and appliance standards, including increasing compliance of mandated building and energy codes. Additionally, the CUPR assisted the BPU in conducting a study on the feasibility, marketability, and costs of implementing large-scale geothermal heat pump systems in the State and report on the same, as mandated by L. 2023, c. 328. This report was approved by the Board on January 28, 2026.

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. 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 FY24, Staff contracted a Customer Relationship Management (CRM) vendor. In FY26, the CRM provided communications including annual notices and a quarterly newsletter and collects and tracks reported benchmarking data. The CRM also provides a dedicated helpdesk for any program inquiries. For FY27, the CRM will be contracted through August 2026, with an option to extend the contract for 2 one-year extensions. Additionally, Staff is currently working to extend the contract through August 2027.

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. For FY26, under the direction of Staff, CUPR in coordination with the CRM vendor continued to update the list of commercial buildings with the development of a comprehensive report for the benchmarking results of the first three reporting years. For FY27, there will be development of a report for benchmarking results in the fourth reporting year, which will be the beginning of benchmarking reporting results on an annual basis. Based on the building data results in the reports, Staff will hold a stakeholder meeting and make recommendations for benchmarking program improvements during FY27.

For FY27, Staff will continue to pursue and support program implementation steps – including outreach, training, and rulemaking – to ensure that building owners and operators are able to benchmark their buildings.

New Jersey Corporation of Advanced Technology (NJCAT) Geothermal Study

Completed in Q1 2026, NJCAT's work provided NJDEP and BPU with technical expertise, evaluation tools, and outreach support to advance geothermal demonstration projects across New Jersey. These efforts were designed to fill critical gaps and complement other BPU triennium decarbonization programs. The project focused on establishing technical specifications and site-selection criteria for commercial-scale ground-source heat pump (GSHP) systems, identifying viable State and Federal funding streams, and supporting feasibility assessments through the development of New Jersey-specific GIS-based screening tools and evaluation frameworks. Additional deliverables included technical guidance documents, recommendations for RFP development, assessment of existing tools such as the Clean Energy States Alliance (CESA) calculator, and the creation of foundational outreach materials. Through this work, NJCAT helped position geothermal as a technically viable and policy-aligned solution, while ensuring alignment with broader State energy goals and careful consideration of ratepayer impacts. NJCAT was engaged by NJDEP via a BPU–NJDEP MOU (2023).

A key component of NJCAT's work involved the development of education, training, and outreach (ETO) materials and the identification of targeted audiences necessary to support market adoption. The study found that, despite strong technical potential and available incentives,

significant gaps remained in workforce readiness, stakeholder awareness, and coordinated communication across key groups, including contractors, building owners, government officials, and utilities. Existing tools and resources were also found to be insufficient for enabling fully informed, site-specific decision-making, reinforcing the need for improved accessibility and clarity of information. As a result, NJDEP is advancing a next phase of work focused on translating NJCAT's ETO findings into public-facing materials, including user-friendly handbooks, guidance documents, and broader communications strategies. These efforts are intended to close knowledge gaps, support workforce development, and improve stakeholder engagement, ultimately helping to convert technical feasibility into real-world project deployment and scalable market growth.

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.

Outreach and Education

Sustainable Jersey

Through contracts with the BPU, Sustainable Jersey has supported the adoption of clean energy across 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 so they can participate directly in clean energy programs and encourages 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 increases 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 municipalities that receive grants through the Community Energy Plan Grant (CEPG) Program and Community Energy Plan Implementation (CEPI) Grant Program (described further below). Overburdened Municipalities receive priority technical assistance in these programs to ensure they have the resources needed to successfully complete the grant projects. Lastly, Sustainable Jersey hosts the website for the Community Solar Project Finder in cooperation with the Board.

Sustainable Jersey also works with Staff to develop new program content that addresses new and emerging issues. These include research on new programs, policies, and strategies in the form of reports and recommendations delivered internally to NJBPU and new guidance integrated into the Sustainable Jersey program; development of new best practices for municipalities or schools in the form of guidebooks or other formal published material; creation of new Sustainable Jersey actions that require substantial research and investment to develop; and implementation of pilot and demonstration projects.

In FY27, Sustainable Jersey will perform outreach and training in support of NJCEP programs; support the implementation of energy affordability and accessibility programs; provide comprehensive resources for schools and municipalities; develop programs that address new and emerging issues; and provide technical support to the BPU as needed.

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 activities included continuing to maintain the NJCELC website; developing new educational materials; supporting NJCEP initiatives; expanding content in existing areas like heat pumps and benchmarking; supporting the New Construction Program; supporting workforce development; supporting the Campus Consortium for Decarbonization; developing educational programs on new and emerging technologies; and undertaking miscellaneous educational activities. In FY26, CBK continued the activities performed in FY25 in addition to providing administrative support to the Business and Industry Leadership Team Initiative and developing updated implementation and educational materials for the Comfort Partners Program. In FY27, CBK will continue most of the activities performed in FY26 and previous years while supporting New Jersey code advancement and addressing emerging BPU priorities.

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.

Workforce Development

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, BPU and the New Jersey Department of Labor and Workforce Development (NJDOL) have been collaborating on workforce development initiatives. This collaboration included scoping a Clean Buildings Hub that also aims to involve partnerships with the NJDEP, EDA, utility companies, and other stakeholders to provide jobs, training and other workforce resources 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 FY27 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. Since FY25, the BPU and the DOL have partnered with the Heldrich Center to research and evaluate BILT processes and outcomes, and facilitated industry focus team interviews. This research and evaluation assessed the State's effectiveness in facilitating energy efficiency workforce development goals and will inform mid-course corrections as necessary.

Fiscal Year 2027 DCE Managed Programs Detailed Budgets

Program/ Budget Line	Total Budget	Administration	Sales	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total NJCEP	**446,292,404**	**26,483,379**	**10,847,839**	**750,000**	**345,322,702**	**-**	**62,888,485**
Integrated Energy Solutions	**189,490,355**	**12,033,412**	**-**	**-**	**168,176,594**	**-**	**9,280,348**
Grid Modernization and VPPs	**6,171,070**	**-**	**-**	**-**	**-**	**-**	**6,171,070**
Distributed Storage	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Distributed Energy	**731,738**	**-**	**-**	**-**	**731,738**	**-**	**-**
Microgrids	731,738	-	-	-	731,738	-	-
Distributed Solar	**3,109,279**	**-**	**-**	**-**	**-**	**-**	**3,109,279**
Electric Vehicle Programs	**194,478,269**	**12,033,412**	**-**	**-**	**182,444,857**	**-**	**-**
Plug In EV Incentive Fund	68,290,700	-	-	-	68,290,700	-	-
CUNJ Administrative Fund	12,033,412	12,033,412	-	-	-	-	-
CUNJ Residential Charger Incentive	5,731,431	-	-	-	5,731,431	-	-
Clean Fleet	30,856,808	-	-	-	30,856,808	-	-
Multi-Unit Dwellings (Chargers)	26,502,097	-	-	-	26,502,097	-	-
EV Tourism	28,063,820	-	-	-	28,063,820	-	-
School Bus V2G	15,000,000	-	-	-	15,000,000	-	-
MHD Depot	12,000,000	-	-	-	12,000,000	-	-
Grid Scale Resources	**7,999,820**	**3,299,967**	**-**	**-**	**-**	**-**	**4,699,854**

Transmission Scale Storage*	**1,773,872**	**1,773,872**	**-**	**-**	**-**	**-**	**-**
Grid Scale Solar	**1,526,095**	**1,526,095**	**-**	**-**	**-**	**-**	**-**
Nuclear Power & Resource Adequacy	**4,699,854**	**-**	**-**	**-**	**-**	**-**	**4,699,854**
Energy Efficiency, Equity, and Bill Assistance	**160,038,162**	**-**	**-**	**-**	**160,038,162**	**-**	**-**
Equity and Low-Income	**21,774,518**	**-**	**-**	**-**	**21,774,518**	**-**	**-**
Community Energy Grants	8,774,518	-	-	-	8,774,518	-	-
Urban Heat Island Mitigation Grants	13,000,000	-	-	-	13,000,000	-	-
Residential Universal Bill Credit	**87,723,388**	**-**	**-**	**-**	**87,723,388**	**-**	**-**
State Facilities Initiative	**50,540,256**	**-**	**-**	**-**	**50,540,256**	**-**	**-**
Planning and Administration	**72,764,067**	**10,900,000**	**10,847,839**	**-**	**2,107,945**	**-**	**48,908,283**
BPU Program Administration	**10,400,000**	**10,400,000**	**-**	**-**	**-**	**-**	**-**
Marketing	**11,180,339**	**500,000**	**10,680,339**	**-**	**-**	**-**	**-**
CEP Website	**167,500**	**-**	**167,500**	**-**	**-**	**-**	**-**
Outreach and Education	**1,987,881**	**-**	**-**	**-**	**1,987,881**	**-**	**-**
Memberships	**120,064**	**-**	**-**	**-**	**120,064**	**-**	**-**
Program Evaluation/ Analysis	**48,908,283**	**-**	**-**	**-**	**-**	**-**	**48,908,283**
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.*

Agenda Date: 6/30/26
Agenda Item: 8B

New Jersey Clean Energy Program – Fiscal Year 2027 Budget

FY27 Program /Budget Line[1]	Encumbered		Remaining Planned		Funds for FY27 Allocation (Pending Board Approval + FY27 Funding)
	FY26 Carryforward - Board Approved	FY26 Carryforward - Committed	FY26 Carryforward - Pending Board Approval	FY27 Funding	
Total NJCEP + State Initiatives[2]	28,877,038	294,828,624	127,728,544	344,665,000	472,393,544
State Energy Initiatives	-	-	-	155,439,000	-
Total NJCEP	28,877,038	294,828,624	127,728,544	189,226,000	316,954,544
Integrated Energy Solutions	283,977	145,661,019	27,182,989	58,341,205	85,524,194
Grid Modernization and VPPs	-	1,171,070	5,000,000	-	5,000,000
Distributed Storage[3]	-	-	-	-	-
Distributed Energy	-	14,498,687	-	8,964,635	8,964,635
CHP - FC	-	13,766,949	-	8,964,635	8,964,635
Microgrids	-	731,738	-	-	-
Distributed Solar	283,977	2,564,166	261,136	4,247,251	4,508,387
Electric Vehicle and V2G Programs	-	127,427,097	21,921,854	45,129,319	67,051,173
Plug In EV Incentive Fund	-	38,290,700	-	30,000,000	30,000,000
CUNJ Administrative Fund	-	4,033,412	-	8,000,000	8,000,000
CUNJ Residential Charger Incentive	-	4,731,431	-	1,000,000	1,000,000
EV Studies, Pilots, and Administration Support	-	-	-	-	-
Clean Fleet	-	20,856,808	4,000,000	6,000,000	10,000,000
Multi-Unit Dwellings (Chargers)	-	19,450,925	2,921,854	129,319	3,051,173
EV Tourism	-	28,063,820	-	-	-

[1] Numbers presented in the above table may not add up precisely to totals provided due to rounding.
[2] FY27 NJCEP Budget relies on FY27 SBC funding ($344.665m), carryforward that is Board Approved and has been formally committed in contracts, grants, and other purchase orders (approximately $294.829m), carryforward funding that is not yet formally committed but that is for programs that are Board Approved ($122.733m), and carryforward funding that is needed for programs that are pending Board approval ($33.872m).
[3] Distributed Storage will be funded through sources other than SBC Clean Energy Program funds.

FY27 Program /Budget Line[1]	Encumbered		Remaining Planned		Funds for FY27 Allocation (Pending Board Approval + FY27 Funding)
	FY26 Carryforward - Board Approved	FY26 Carryforward - Committed	FY26 Carryforward - Pending Board Approval	FY27 Funding	
School Bus V2G	-	-	15,000,000	-	15,000,000
MHD Depot	-	12,000,000	-	-	-
Grid Scale Resources	3,304,650	3,895,170	800,000	-	800,000
Transmission Scale Storage[4]	-	1,773,872	-	-	-
Grid Scale Solar	-	1,226,095	300,000	-	300,000
Nuclear Power & Resource Adequacy[5]	3,304,650	895,204	500,000	-	500,000
Energy Efficiency, Equity, and Bill Assistance	13,867,147	126,806,815	92,878,259	90,597,187	183,475,446
Equity and Low-Income	5,000,000	6,844,028	14,022,018	60,000,000	74,022,018
Res Low Income Improvements	-	6,091,528	3,000,000	55,000,000	58,000,000
Community Energy Grants	-	752,500	8,022,018	-	8,022,018
Urban Heat Island Mitigation Grants	5,000,000	-	3,000,000	5,000,000	8,000,000
Residential Universal Bill Credit[6]	8,867,147	-	78,856,241	-	78,856,241
C&I EE Programs	-	29,979,238	-	9,970,985	9,970,985
C&I Buildings	-	26,655,537	-	5,260,985	5,260,985
LGEA	-	3,323,701	-	4,710,000	4,710,000
New Construction EE Programs	-	39,443,293	-	20,626,202	20,626,202
State Facilities Initiative	-	50,540,256	-	-	-

[4] Transmission-Scale Energy Storage will be funded using Ørsted Settlement funds in FY27 ($60 million). Additional details on how the Energy Storage line will be funded can be found in the FY27 Division of Clean Energy Compliance Filing and Comprehensive Resource Analysis.
[5] Includes funding for statutorily mandated programs. Additional details can be found in the FY27 Division of Clean Energy Compliance Filing and Comprehensive Resource Analysis.
[6] The Board approved funding in FY6 True-Up for a second RUBC, after it was directed to offset utility bill increases in EO1. Further Board approval is required to disburse the funding, which is expected to go out in FY27. In FY27, an additional round of REAP will be funded using BPU's RGGI allocation. These credits are expected to go out by July 1.

FY27 Program /Budget Line[1]	Encumbered		Remaining Planned		Funds for FY27 Allocation (Pending Board Approval + FY27 Funding)
	FY26 Carryforward - Board Approved	FY26 Carryforward - Committed	FY26 Carryforward - Pending Board Approval	FY27 Funding	
Planning and Administration	11,421,264	18,465,619	5,867,296	40,287,608	46,154,904
BPU Program Administration	-	-	-	10,400,000	10,400,000
Marketing	-	4,180,339	-	7,000,000	7,000,000
CEP Website	-	167,500	-	-	-
Outreach and Education	-	415,934	-	4,849,667	4,849,667
Memberships	-	-	2,114	117,950	120,064
Program Evaluation/Analysis[7]	11,421,264	13,701,846	5,865,182	17,919,991	23,785,173
Workforce Development	-	-	1,000,000	-	1,000,000

[7] The Program Evaluation/Analysis line contains funding for contracts that support Triennium-related evaluation work and for the Utility Business Model Study pursuant to EO2. Additional details can be found in the Comprehensive Resource Analysis.

Clean Transportation Program

Charge Up and EV Charger Incentive Programs
Fiscal Year 2027 Compliance Filing

June 30, 2026

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Table of Contents

XI. Quality Control Provisions

I. Introduction

This Fiscal Year 2027 ("FY27") 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. Together EVs and networked chargers can provide additional grid resources when EVs participate in managed charging programs or Virtual Power Plants (VPPs).

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 FY27 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.

For FY26, the Governor's office dedicated $50 million in new funding from the Clean Energy Fund to support the program. The total amount of the FY26 Charge up New Jersey Program was approximately $80.9 million, which included $30.9 million in estimated carryforward funding from FY25. For FY27, the Governor's office dedicated $30 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 FY26 budget was estimated at $5.8 million, which included an estimated $4.3 million in carryforward funding from FY25 for this program. The FY27 budget was estimated at $5.7 million, which is comprised of $1 million in new funding and $4.7 million 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 FY27 Charge Up New Jersey Program ("FY27 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 FY27 Program can receive the incentive at the time of the transaction at participating New Jersey dealerships or showrooms ("Dealerships or Showrooms"). Eligible FY27 Program applicants that have ordered an eligible vehicle on or after the launch of the FY27 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 FY27 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 FY27 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 FY27 Point-of-Sale Program will not be eligible for an incentive. Notwithstanding the above, in the event that the FY26 Program does not close until June 30, 2026, vehicles ordered or purchased during the FY26 Program may be eligible for an incentive in the FY27 Program if the purchase or lease is completed during the FY27 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 FY27 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 FY27, 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:

- 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 FY27 Program;

- 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 FY27 Program has officially paused and the BPU has proceeded to evaluate Program funding; and
- Any vehicle ordered, purchased, or leased after the FY27 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. FY27'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. 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 FY27 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 FY27 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 FY27 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 FY27 Terms and Conditions unless an applicant establishes to the satisfaction of BPU that an exemption to the FY27 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 FY27 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 FY27 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 FY27 Program's launch date are not eligible for an incentive. Vehicles ordered, purchased or leased after the FY27 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, FY27 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 FY27 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. Residential 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 new 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. Clean Fleet Electric Vehicle Incentive Program

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 FY27, the line item reflects the total Clean Fleet budget which will fund both State, local, and non-profit entities.

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 State's light-duty fleet to be plug-in EVs by the end of 2025 and 100 percent by the end of 2035. To achieve these goals, the BPU continues the program in FY27 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 addition, EV fleets can participate in managed charging or VPP programs which can provide savings to the customer and peak load savings to the grid.

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 continues in FY27 under the NJCEP. In FY24, eligible entities were expanded to include non-profits.

Eligible Entities

Eligible entities for this incentive include municipalities, counties, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, county authorities, and non-profit entities.

Incentive Descriptions

Through a rolling application process, eligible entities may apply for the following incentives:

- $4,000 for light-duty battery EVs;
- $10,000 for Class 2B-6 vehicles;
- $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 DCFCs that are Energy Star certified.

Eligible Criteria

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 Over Burdened 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 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.

Eligible Equipment

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 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.

All new and used battery EVs up to Federal Highway Administration Class 6 may be eligible for incentive funding. For the purposes of this program, a battery EV is considered a vehicle that is propelled by one or more electric motors that exclusively use(s) electricity from the vehicle's battery. Mixed drivetrain vehicles such as plug-in hybrid electric vehicles, hybrid electric vehicles, extended range electric vehicles, and neighborhood electric vehicles such as electric golf carts and other similar vehicles are not eligible for an incentive. Applicants may make their purchase(s) through the State Purchasing Contract under Award T0099 but are not required to do so.

VII. Multi-Unit Dwelling Charger Incentive Program

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 the future MUD chargers have the potential to participate in managed charging or VPP programs which can provide savings to the customer and peak load savings to the grid.

Eligible Entities

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

Eligibility Criteria

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.

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.

XII. EV Tourism

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. 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.

EV Tourism Corridor Program

The EV Tourism Corridor program is a non-competitive sub program of the EV Tourism Program, administered by

CSE designed to encourage fast corridor charging by incentivizing 100kW and greater chargers in corridor locations.

Eligibility Criteria

Currently, this program provides incentives based on the type of eligible entity and proximity to a designated eligible highway corridor.

Eligible corridor sites located within one mile of the nearest highway exit or intersection along designated eligible highway corridors are eligible to receive the following incentives for up to two DCFCs:

- $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).
Eligible Hotels located within three miles of a designated eligible highway corridor are eligible to receive the following incentive for up to four Level 2 chargers:

- $5,000 per Level 2 charger (up to 90% of the cost of the charger).

Eligible Hotels located within one mile of a designated eligible highway corridor can receive up to two Level 2 chargers and two DCFCs, or up to one DCFC and up to three Level 2 chargers, for a total of four chargers:

- $100,000 for the cost of a 100-200 kW DCFC (up to 90% of the cost of the charger);
- $180,000 for the cost of a 200 kW+ DCFC (up to 90% of the cost of the charger); and
- $5,000 per charger (up to 90% of the cost of the charger).

Eligible Equipment

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 DCFCs 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. Future programs may take into account gaps in charging coverage and address specific needs.

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 began administering the EV Tourism Corridor program in Spring 2025. Applications for the competitive EV Tourism program will continue to be addressed by Staff.

XIII. 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.

XIV. 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 FY27 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™
Fiscal Year 2027 Program Descriptions and Budget

Energy Efficiency and Renewable Energy Program Plan Filing

FY27 Compliance Filing

June 30, 2026

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Table References

Acronyms & Definitions

Addendum AP	ASHRAE 90.1-2019, Addendum AP
ADI	Administratively Determined Incentive
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
CRM	Customer Relationship Management
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
DPMC	New Jersey Division of Property Management & Construction
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
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
kSF	Thousand square feet
Legacy Programs	The C&I Buildings program, including its subprograms, Smart Start NC, P4P-NC, and CTEEP NC
LEUP	Large Energy Users Program
LG	Linear generator
LGEA	Local Government Energy Audit Program
LMI	Low- and Moderate-Income
Mechanical CHP	The process of generating power in terms of cooling and useful thermal energy from a single fuel source
MFNC	Multifamily New Construction
MWh	Megawatt hour
NCP	New Construction Program
NEC	National Electric Code
NJCEP	New Jersey's Clean Energy Program™
NJIT	New Jersey Institute of Technology
NJ-CLEAR	NJ Clean Local Energy Assistance and Resource
OBC	Overburdened Community
OCEE	BPU's Office of Clean Energy and Equity

P4P-NC	C&I Buildings: Pay for Performance - New Construction subprogram
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
RNC	Residential New Construction
RPS	Renewable Portfolio Standard
RNM	Remote Net Metered
SBC	Societal Benefits Charge
SEP	State Energy Program
SmartStart NC	An equipment-based sub-program of the legacy C&I Buildings Program for new construction
SFNH	Single-Family New Homes
Solar Programs	NJCEP's Solar Registration Programs
SPOC	Single Point of Contact
Sqft	Square feet
SREC	Solar Renewable Energy Certificate
SRP	SREC Registration Program
SuSI	Successor Solar Incentive
TA	Trade Ally
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 2027 (FY27) 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 FY27. They include, among other things, the energy efficiency (EE) programs established pursuant to the New Jersey Clean Energy Act of 2018 (CEA),[2] whose Compliance Filings are now synchronized with the EE plans the New Jersey utilities have filed, and will file, pursuant to the CEA.

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

With Governor Mikie Sherrill making Executive Order 1 and Executive Order 2 her first official actions after taking office in January, the FY27 Compliance Filing frames the State's clean energy initiatives around the Administration's core priorities of energy affordability and system reliability. The Sherrill Administration's direction for the NJBPU, as outlined in EO1 and EO2, emphasizes expanding in-state energy generation and reducing costs for ratepayers. The TRC programs and proposed funding levels included in this Compliance Filing are designed to advance and deliver on those objectives.

Budgets

FY27 budget information for the programs administered by TRC can be found in Appendix C, Program Budgets.[3]

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 FY27 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 D, Program Goals and Performance Metrics for FY27.

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

[3] 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 E, Cost-Benefit Analysis.

Key Performance Indicators

Key Performance Indicators for the programs administered by TRC can be found in Appendix F, 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 this Compliance Filing.

The NCP replaces the following legacy programs: (a) Residential New Construction ("RNC") and (b) Commercial and Industrial ("C&I") Buildings, including its 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; that schedule provides, among other things, that, after October 31, 2025, no new applications will be accepted for the Legacy Programs. To the extent applicable during FY27 and beyond, complete descriptions of the Legacy Programs and their incentives are set out in the FY26 TRC Compliance Filing dated April 22, 2026.[4]

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

[4] I/M/O the Clean Energy Program and Budget for Fiscal Year 2026 – True-up, Revised Budgets and Program Changes, BPU Docket No. QO25040206 (April 22, 2026), available here: https://nj.gov/bpu/pdf/boardorders/2026/20260422/8B%20ORDER%20FY26%20True%20Up%20and%20Associated%20Documents.pdf.

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 FY27. The funds for P4P-EB are included in the C&I Buildings Program Budget.

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 with 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.

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;

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

- 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:

- 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.

[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.

Benchmarking Requirement

For buildings subject to existing New Jersey benchmarking requirements,[8] LEUP applications shall include twelve (12) months of ENERGY STAR Portfolio Manager baseline data.

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 DE 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.

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[8] See, e.g., N.J.S.A. 48:3-87.10; https://cleanenergy.nj.gov/programs/energy-efficiency/cea-energy-and-water-benchmarking?section=covered-buildings.

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:

- 50% 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 electric measures: $0.33 per projected kWh saved annually; and
- For measures that save natural gas:
    - And that substantially contribute towards decarbonization, such as electrification, fuel switching, hybrid systems, and heat recovery, $3.75 per projected therm saved annually.
    - And that do not contribute substantially towards decarbonization, $3.25 per projected therm saved annually; and[9]
- $4,000,000 per entity per FY, determined by summing the commitments associated with each FEEP approval made during the applicable FY; and
- The amount necessary to buy down to no less than a three (3)-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.

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[9] All references to "savings" in this Program Offerings and Incentives subsection mean savings as identified in the applicable FEEP.

C&I Buildings: LEUP Decarbonization Pilot

Due to budget constraints, there will be no funding to implement any decarbonizations solutions or measures set forth in Decarbonization Plans or otherwise developed pursuant to this Decarbonization Pilot. However, there is funding for the cost of developing the Decarbonization Plans that have been submitted to the Program Manager and that are found to meet Program requirements.

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.

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").[10] 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-

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

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[11] 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 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.

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

- 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.[12] 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.

[12] 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.

- 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.[13]
    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. **Due to budget constraints, there will be no funding to implement any decarbonizations solutions or measures set forth in Decarbonization Plans or otherwise developed pursuant to this Decarbonization Pilot.** However, there is funding for the cost of developing the Decarbonization Plans that have been submitted to the Program Manager and that are found to meet Program requirements.

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

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

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.

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[14];

[14] 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.

    - 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[15] requirements).[16]

  Each level of audit will 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.
- 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.

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.

[15] 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.

[16] 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.

- 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 $500,000 per FY, which overall cap may, with the approval of Board Staff, be increased up to a maximum of $1,000,000.[17]
- 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.

[17] 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."[18]

The NCP is designed to:

1. **Broaden and Expand the Scope of Energy Savings**: Introduces Passive House Institute ("PHI") and Phius standards.[19] 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. 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 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

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

[19] 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/.

Affordable Housing,[20] Urban Enterprise Zones/Opportunity Zones ("OZs"), and Overburdened Communities ("OBCs")[21] through enhanced incentives, targeted outreach, and other initiatives.[22] 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.

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.[23]

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.

The target market for the NCP is builders, developers, and program partners (e.g., program-approved energy consultants, architects, engineers, and Raters,[24] 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

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[20] 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).

[21] 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 .

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

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

[24] 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").

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, High-Performance and Alternative Performance-based.** Each pathway includes a different set of Program requirements, and each will provide incentives for projects meeting those requirements. Except for the Alternative Performance-based Pathway, 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[25] 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.

4. The **Alternative Performance-based Pathway** is available for energy-intensive facilities, such as manufacturing, indoor agriculture, datacenters, and other facilities with process-based energy loads.

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

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 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
Alternative Performance-based Pathway	n/a	n/a	Y*

*Only for those facilities meeting the eligibility criteria set forth in the text above for this Pathway.

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 in significant part 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. Provided they have completed any trainings required by the Program Manager, applicants or any of their chosen contractor/consultants may submit and pursue applications through the Bundled Pathway, but only approved Partners may submit or pursue applications through this Program's other 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 a baseline of the New Jersey energy code in effect on the date of the project's building permit. 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.

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.

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[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 applicable versions of the New Jersey energy code, i.e., ASHRAE 90.1, Section 11 (Energy Cost Budget Method) and Appendix G of ASHRAE 90.1 (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://cleanenergy.nj.gov/

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. If and when the ASHRAE requirements or proxy standards set forth below are updated or revised, the Program Manager, with Board Staff's approval, may appropriately update or revise its references to such requirements or proxy standards.

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

[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.

achieve the minimum point values for *EAc2 Optimize Energy Performance Points for Option 1*, as shown in 5 below.

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, except that projects that qualify for ENERGY STAR Version 3.1 (according to ENERGY STAR's criteria) may use Version 3.1 for program compliance, in which case they must also demonstrate at least 10% site energy savings as compared to the IECC 2021 code baseline.

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

[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.

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.

US DOE Efficient New Homes Program

Applicants must satisfy the requirements for the DOE Efficient New Homes Program certification following the applicable version of the program, which is determined in accordance with the DOE Efficient New Homes Program – Versions and Implementation Timelines currently available here: https://www.energy.gov/eere/buildings/doe-zero-energy-ready-home-zerh-program-requirements https://www.energy.gov/eere/buildings/doe-efficient-new-homes-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.

Alternative Performance-based Pathway

Through this Pathway, eligible applicants can pursue incentives that will be evaluated and calculated based on estimated energy savings, rather than on square footage.

Each project must address at least two (2) of the following building systems: envelope, heating, cooling, and/or 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 from the requirement to include a heating measure and buildings that are not cooled from the requirement to include a cooling measure.

An applicant can apply either through this Alternative Performance-based Pathway or one of the other pathways described above, but it may not pursue more than one pathway at a given time for the same project.

Incentives

Project Incentives

Project incentives are as set forth in Table 6, Table 7, and Table 8 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	Base Incentive Rate ($/SqFt)	Electrification Bonus			Fossil Fuel GHG Reduction Bonus	
		All Electric ($/SqFt)	Heat Pump Space Heating ($/SqFt)	Heat Pump Domestic Water Heating ($/SqFt)	Tons CO_2e per kSF	$/SqFt
Bundled	$0.25	n/a	n/a	n/a	n/a	n/a
Streamlined	$0.50	$1.50	$1.00	$0.25	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)*	$1.00					
High Performance (*ENERGY STAR®*)	$1.00					
High Performance (*DOE Efficient New Homes)*	$1.75					
High Performance (*PHIUS, PHI)*	$2.50					

Notes to Table 6:

1. "All Electric" means that the building uses no on-site fossil fuel combustion for any of its primary end uses, including, among others, space heating and cooling, domestic hot water heating, kitchen and laundry appliances, process heating, refrigeration and chilling, and motor systems, each to the extent present in the building.
2. If Heat Pump Space Heating or Heat Pump Domestic Water Heating are used only in portions of the building, the electrification bonus will be prorated based upon the percentage of the total building load capacity served by same.

3. A project may receive only an Electrification Bonus or a GHG Reduction Bonus, not both.

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.

For Non-residential Buildings:

1. The minimum floor for calculating incentives will be as follows:

   - Bundled Pathway: $5,000
   - Streamlined Pathway: $10,000
   - High Performance Pathway: $15,000

   This minimum floor will be applied if the total amount of the incentives (including, for the avoidance of doubt, Additional Incentives and Bonuses) earned in accordance with Table 6 and Table 7 is less than the applicable minimum floor, in which case the minimum floor will be paid.

Table 8: Alternative Performance-Based Pathway Incentives

Incentives		
Pathway	**Incentive Rate ($/kWh)**	**Incentive Rate ($/therm)**
Alternative Performance-based	$0.16	$1.60

Notes to Table 8:

- Incentives shown in Table 6 and Table 7 do not apply under this pathway.
- The incentives in this Table 8 may be reduced with the approval of Board Staff.

Workforce Development Reimbursement

The Workforce Development Incentive offers 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.

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The Program will reimburse 75% of the cost of each training course, capped at $3,000 per person per course and four courses per person per fiscal year. Eligible certifications are described below in Table 9; 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 9: Eligible Certifications

AEE **Certified** Building Commissioning Professional (CBCP)	**LEED Green Associate**
AEE Energy Efficiency Practitioner (EEP)	PHI Certified Passive House Designer
ASHRAE Building Energy Modeling Professional (BEMP)	PHI Certified Passive House Tradesperson
ENERGY STAR New Homes or MFNC Rater Certification	Phius Certified Builder (CPHB)
IGSHPA Residential Self-Paced Online Training (up to) 7 Core Modules	Phius Certified Consultant (CPHC)
IGSHPA Residential System Design Workshop (GRSD)	Phius Certified Rater
IGSHPA Residential Self-Paced Online Training (up to) 2 Further Learning Modules	Phius Certified Verifier
IGSHPA Commercial Self-Paced Online Training (up to) 7 Core Modules	RESNET HERS Modeler
IGSHPA Commercial Systems Design Workshop (GCSD)	RESNET HERS Rater
IGSHPA Commercial Self-Paced Online Training (up to) 3 Further Learning Modules	RESNET HERS Rating Field Inspector (RFI)
LEED AP (BD+C or ID+C only)	WELL Accredited Professional (WELL AP)
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.

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

Overview

NJCEP promotes several categories of Distributed Energy ("DE") 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.

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 the projects described in this section.

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.

Mechanical CHP projects that comply with the following definition are treated as CHP projects by the program:

- Mechanical CHP is the process of generating power in terms of cooling and useful thermal energy from a single fuel source. For example, a fuel source is fed into an engine drive chiller, where an engine produces X tons of cooling, i.e., a form of mechanical power. Waste heat is then recovered by the system and used for hot water production or other thermal energy needs.

Projects meeting the definitions of CHP (including, among other things, WHP and Mechanical 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 ("FC") are not considered to be WHP or CHP and instead are defined as follows:

- Power plants that produce electricity through an electrochemical reaction with a fuel source.

Also, for the purposes of this program only,[34] Linear Generators ("LGs") will be treated as FCs unless and to the extent this Compliance Filing expressly provides otherwise. LGs are defined as follows:

- Machines and/or plants that convert fuel energy into electricity using an oscillating mechanical-electromagnetic process.

CHPs and FCs (which, for the avoidance of doubt, include LGs) are all eligible for incentives through this program as set forth in more detail below.

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

[34] The Board recognizes that LGs have certain attributes different than what are commonly recognized as FCs and that those attributes may justify different requirements or incentives in some programs or circumstances. Treating them as FCs for the purpose of the current program is only for ease of administration and related clarity.

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, except for those involving LGs, 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.

Feasibility Studies

FCs that include the recovery of useful thermal energy from a single source fuel and CHPs are each 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 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</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.

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Other CHP-FC Incentives

Table 10: 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 Mechanical CHP powered by non-renewable or renewable fuel source, or a combination Fuel Cells (including, for the avoidance of doubt, Linear Generators)	≤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		
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 10: CHP-FC Technology and Incentive Levels.

Table 11: 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.

Distributed and Grid Scale Solar

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 ("RNM") 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.*

Program Description

The Solar Registration Programs ("Solar Programs") provide registration for RECs for solar projects, including behind-the-meter, community solar, RNM, dual use, 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 Program Manager processes registrations and certifies solar projects as eligible for each of the programs noted above. The Program Manager will continue to process SREC-IIs and TI registrations submitted before those programs closed to new registrations and it will process any new registrations submitted under the SuSI Program.

FY27 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, 14:8-11, and 14:8-13. 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 Solar Programs 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 of 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 Plan

Executive Summary

This Outreach Plan guides stakeholder engagement, partner coordination, and statewide program visibility throughout FY27. This plan outlines outreach goals, strategies, and tactics that support participation across all customer segments, with a sustained focus on meeting the equity goals of the BPU.

FY27 marks an opportunity to deepen our impact through sector-specific outreach and alignment with institutional partners. In particular, the launch of the New Construction Program requires renewed outreach and education focused on planning, development, and design professionals.

This Plan supports the following NJCEP programs:

- NCP
- LGEA
- LEUP
- CHP-FC
- Solar Program
- NJ-CLEAR

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Strategies and Priorities

FY27 outreach priorities reflect both established program objectives and recent priorities identified by the BPU and program stakeholders. These strategies provide a framework for targeted, equitable, and measurable outreach that advances the NJCEP mission and supports the State's clean energy objectives.

- ***Promote NCP through Sector Focused Outreach:*** Implement targeted campaigns aimed at design, development, and planning professionals, including early engagement with data center developers to position NJCEP incentives as integral to project planning.
- ***Enhance Early-Stage Engagement:*** Collaborate with municipalities, state facilities, developers, and trade professionals during project planning to build trust, increase awareness, and strengthen pipelines for NCP, LEUP, and other applicable offerings.
- ***Leverage Data and Technology:*** Use Geographic Information System and Customer Relationship Management ("CRM") insights of past participants and potential new participants to guide campaign strategies, identify underserved areas, track attribution trends, and refine tactical planning for greater impact.
- ***Integrate Program Messaging:*** Work closely with NJCEP staff to align messaging across energy efficiency and renewable energy programs, ensuring clarity, consistency, and adherence to the Single Point of Contact ("SPOC") model for streamlined customer and contractor engagement.
- ***Expand Strategic Partnerships:*** Deepen collaboration with Sustainable Jersey, Rutgers University, New Jersey Institute of Technology ("NJIT"), county improvement authorities, state agencies, and utility partners to enhance visibility, share knowledge, and support aligned program goals.
- ***Facilitate Stakeholder Feedback:*** Maintain open feedback channels, including surveys, listening sessions, and focus groups, to inform program refinements and improve accessibility for contractors and customers.
- ***Maintain Active Outreach Presence:*** Deliver a consistent schedule of outreach activities, events, and technical support opportunities—such as conferences, trade shows, and targeted sector call and email campaigns—that advance statewide resiliency and clean energy goals.
- ***Expand Participation in Underserved Communities***: Increase engagement in LMI and OBC through data-informed outreach, multilingual communication, and targeted activities led by the Clean Energy Champion ("CEC") to promote equitable access to NJCEP offerings.
- ***Strengthen Small Commercial Engagement:*** Grow awareness and participation among small commercial customers through sector-specific outreach, strategic partnerships, and removal of financial, technical, and institutional barriers to energy efficiency adoption.

The tactics outlined in this Plan support these strategies and priorities. KPIs and highlights will be included in a monthly report to track progress.

Target Markets

NJCEP outreach efforts serve a broad audience across residential, commercial, public, and nonprofit sectors. This plan prioritizes the following markets to expand program reach and impact:

- **Data centers and developers,** with early engagement during the planning and design phases to position NCP and LEUP for opportunities.
- **Commercial and residential builders, property developers, etc.,** supported with coordinated outreach and program education to drive adoption during construction and redevelopment cycles.
- **Warehousing and industrial facilities,** with direct outreach and organizational partnerships to identify project opportunities.
- **Film and media production,** engaging NJ studios and production facilities to integrate clean energy solutions as part of the sector's recent development in NJ.
- **Small commercial businesses,** reached through community organizations, chambers, and direct outreach for program visibility and participation.
- **Public sector facilities,** including higher education institutions and municipalities, with annual event participation and ongoing coordination to align with institutional energy goals.
- **OBCs and LMI households,** prioritized through the CEC community-based outreach and partnerships to expand equitable access to program benefits.

Outreach Tactics

Outreach tactics define the specific actions and approaches that will be used to achieve the goals and objectives outlined in this plan. They support the strategies intended to maintain the proven strengths of past efforts while expanding into new areas of opportunity identified through recent program priorities and stakeholder feedback. The Outreach Team will apply a combination of direct engagement, targeted campaigns, and coordinated communications to keep NJCEP programs accessible, visible, and relevant to all customer classes and market sectors.

Program-Specific and Sector-Focused Outreach

The Outreach Team will deliver tailored engagement strategies for each program area, with local Outreach Account Managers serving as SPOCs for their assigned markets. SPOCs will deliver a coordinated message on all relevant NJCEP offerings. For example, a commercial developer inquiring about a new construction project will also gain awareness of the solar and EV programs to understand the full suite of opportunities available. This approach provides stakeholders consistent information and a clear path to participation, whether they require technical guidance, financial incentives, or assistance with program enrollment.

Program-specific outreach will center on sector-focused campaigns targeting priority markets such as public facilities, higher education, commercial real estate, industrial and logistics facilities, and emerging sectors like data centers and media production facilities. For NCP, outreach will prioritize early engagement with decision-makers, connecting them with Partners so that incentives, program benefits, and technical requirements are factored into project planning before construction begins.

Outreach for other programs such as LEUP and CHP-FC will focus on identifying viable projects, building relationships with facility operators, and providing timely technical and financial guidance to support informed participation decisions. Engagement with contractors, Trade Allies ("TAs"), and design professionals will be aligned to each program's process and timing to maximize project conversion.

New Construction Program

For the NCP, outreach will focus on building and sustaining a strong pipeline of commercial and industrial projects (including data centers) through early engagement with commercial developers, architects, engineers, and construction managers while also continuing to manage and grow the residential and multifamily sector participation. The Outreach Team will continue to maintain an updated stakeholder database, so that relevant contacts receive program announcements, technical updates, and invitations to NJCEP-hosted events, including webinars, presentations, and industry trade show booths. Data collected through these engagements are used to fine tune future outreach efforts for continuous improvement.

In addition to prioritizing larger market sectors, the Outreach Team will engage small business owners undertaking new construction or major renovation projects. Efforts will include targeted awareness activities, coordinated messaging through local business associations, and collaboration with NCP Partners to raise awareness of program incentives that encourage high-efficiency building design. The CEC will further extend this outreach into OBCs and LMI communities, providing small businesses with accessible education, multilingual resources, and streamlined enrollment support.

With the Board's recent approval of the State Energy Program ("SEP") that allows customers located outside of investor-owned utilities to participate in NCP, outreach messaging will be inclusive of these customers and, among other things, ensure they are aware of their eligibility. The Outreach Team will work closely with the Public Power Authority of New Jersey to leverage their municipal utility relationships to spread the program information to the non-investor-owned utilities. The Board approved the use of SEP funds to also support Home Performance and Direct Install; however, implementation of these components is on hold pending utility approvals. Outreach will develop corresponding strategies to support these offerings once launched, to make customers of municipal and cooperative utilities aware of the full suite of SEP opportunities

The Outreach Team will develop their efficient and targeted approach to building partnerships with key organizations. This will be facilitated collaboratively through NCP's new proxy pathways aligned with nationally recognized high-performance building standards, such as ENERGY STAR®, LEED, Passive House, and Zero Energy Ready Homes. Additional memberships and partnerships supporting NCP outreach include, but are not limited to:

- Commerce & Industry Association of New Jersey
- Construction Roundtable of New Jersey
- Metropolitan Builders & Contractors Association of New Jersey
- New Jersey Alliance for Action
- New Jersey Association of Energy Engineers
- New Jersey Builders Association
- Southern New Jersey Development Council

Outreach will position the NCP as a leading pathway for achieving high efficiency building design by encouraging adoption of advanced building standards. Key strategies include:

- Coordinating with BPU and program staff on sector-specific awareness campaigns.
- Leveraging cooperative advertising and targeted sponsorships to expand market reach.
- Providing in-field visibility through construction-phase project site signage, where eligible per local and town ordinance, and post-completion placards to reinforce participation and increase market awareness.

In addition, outreach supports the Workforce Development reimbursement component of the NCP by engaging underserved student populations and institutions in OBCs. The team will promote eligible courses and certifications, collaborate with certifying organizations, and encourage student participation to strengthen the clean energy workforce pipeline.

Local Government Energy Audit Program

LGEA outreach will target municipalities, counties, school districts, and other public entities to encourage participation in energy audits that identify cost-effective efficiency opportunities. The Outreach Team will lead outreach campaigns, educate stakeholders, and promote awareness of the

program through newsletter and social media content, and represent NJCEP at major conferences, including:

- Association of Counties
- Conference of Mayors
- League of Municipalities
- School Boards Association
- School Buildings and Grounds Association

Special emphasis will be placed on reaching Overburdened Communities (OBCs) and smaller municipalities to provide equitable access to LGEA services.

In addition to initial outreach, the team will conduct customized follow-ups after audits are completed to guide participants through next steps and connect them with other applicable programs. This will include coordination with utility outreach representatives to help customers identify programs that align with recommendations in their audit reports.

Large Energy Users Program

Outreach will maintain strong relationships with past participants while actively identifying new opportunities in sectors with large energy loads. Engagement will begin early in the project cycle, with Outreach Account Managers providing technical information, clarifying application requirements, and helping potential applicants align their projects with program criteria. Increased collaboration with Program Managers and utilities, including future joint meetings with customers to identify all possible incentive pathways—will help make certain that no project is overlooked or misses an opportunity to benefit from energy efficiency programs.

Combined Heat & Power and Fuel Cell Program

Outreach for the CHP-FC Program will target engineering firms, developers, and design professionals early in project planning to maximize integration opportunities. Tactics will include:

- Hosting targeted webinars
- Participating in trade-specific events
- Distributing updated technical and incentive information to TAs and other relevant stakeholders

By building relationships at the concept stage of suitable projects, the Outreach Team will help align program design decisions with program objectives and increase attribution of installed capacity to NJCEP initiatives.

Solar

Outreach for the Solar Program will highlight opportunities for commercial, community, and small business solar adoption, with emphasis on increasing awareness among historically underserved groups. Efforts will include collaboration with solar trade allies and community-based organizations to provide targeted education and engagement. Outreach Account Managers will

integrate solar discussions into broader customer engagements under NCP, LEUP, and LGEA, helping customers understand how efficiency upgrades and solar can work together to maximize savings and performance. Solar Program referrals will be directed to the appropriate entity whether it be BPU's Solar for All vendor, the TRC solar team, or public facing information.

The CEC will extend outreach equitably into OBCs and LMI communities, with a focus on community solar, financing education, and contractor connections. All CEC events will continue to be pre-approved by BPU with an extra level of coordination added when the Solar for All vendor begins their marketing to prevent duplication and allow the new solar team to directly promote their program. CEC support will include community events, multilingual materials, and potentially listening sessions that gather feedback on solar adoption challenges, so program offerings evolve in response to the needs of small businesses and households in these communities.

Outreach will also incorporate support for Remote Net Metering and the Dual Use Solar Pilot Program (once finalized and launched), developing tailored messaging and engagement strategies to raise awareness of these additional opportunities and their benefits for eligible customers.

NJ Clean Local Energy Assistance and Resource ("NJ-CLEAR")

NJ-CLEAR, a BPU initiative led by the Ombudsman's Office in coordination with the Office of Clean Energy and Equity ("OCEE"), aims to embed municipal energy managers in towns statewide to enhance affordability, reliability, and grant coordination. Outreach and marketing preparations will begin immediately, with the program anticipated to launch in Fall 2026. BPU has requested TRC's collaboration to support marketing, outreach, and possible training of energy managers, while BPU will lead program design and recruitment.

TRC's LGEA team has established strong municipal relationships, completing 135 audits in Triennium 1. These connections will aid outreach efforts for NJ-CLEAR, including promotion during LGEA program exit interviews. TRC collaborates monthly with Sustainable Jersey, leveraging joint presentations and newsletters to highlight NJCEP programs, including NJ-CLEAR. The outreach team plans to expand messaging at key municipal conferences, such as:

- Environmental Commissions
- NJ Association of Counties
- NJ League of Municipalities
- NJ Conference of Mayors

TRC's Clean Energy Champion ("CEC") role that already promotes BPU programs can adapt to support NJ-CLEAR training and objectives within the current scope of work.

TRC will align all marketing deliverables with NJCEP branding guidelines and BPU approval processes. Deliverables will support pre-launch awareness and post-launch engagement, including but not limited to:

- Website content for NJ-CLEAR on the NJCEP site
- Program overview slides integrated into NJCEP presentations
- Design review of BPU training slides

- One-pager/fact sheet development
- Updated municipal-facing advertisements
- Social media posts for BPU channels
- Eblast series to inform municipalities via NJCEP's Constant Contact

TRC's flexible marketing plan can incorporate these deliverables for effective program promotion.

Campaign Design and Implementation

The Outreach Team will design campaigns informed by past campaigns, GIS, and CRM data analysis of past participants and potential program participants to identify underserved markets, track team and individual attribution trends, and refine tactical execution. Campaigns will address technical, financial, and institutional barriers to energy efficiency by pairing customer education with practical solutions, including incentive navigation and case study–driven success stories.

The Outreach Team will coordinate with BPU staff on messaging and layout development for materials posted on slides, handouts, or distributed via the NJCEP Listservs to align with program priorities and communication standards.

Community, Municipal, and Overburdened Community Engagement

Led by the Clean Energy Champion, the Outreach Team will expand awareness of programs in OBC and LMI communities by highlighting key offerings—such as Community Solar, NJ-CLEAR, and EV initiatives—through multilingual outreach, partnerships with community-based organizations, and participation in municipal meetings and local events. Feedback channels, including surveys, listening sessions, and focus groups, will be used to gather stakeholder input that can help evolve program offerings to better reflect community needs.

Partnerships and Strategic Alliances

Partnerships help to expand NJCEP visibility within priority markets, including OBCs, targeted trade sectors, and high-potential development areas. Key collaborations include:

- **Sustainable Jersey** – Co-developing webinars, training sessions, and events to connect municipal energy teams and Environmental Defense Fund fellows with NJCEP resources.
- **New Jersey Division of Property Management & Construction ("DPMC")** – Assisting DPMC so that all State projects fully evaluate available energy efficiency incentives by supporting bidders in identifying eligible programs and validating that all potential opportunities for benefits are explored.
- **County Improvement Authorities** – Leveraging their economic development role to identify financing opportunities and project leads at an early planning stage.
- **Investor-Owned Utilities** – Maintaining open communication and joint outreach to deliver cohesive messaging, promote complementary offerings, and facilitate project referrals between programs.

- **Rutgers** – Partnering through the Center for Green Building on research, benchmarking, and stakeholder engagement to expand NJCEP visibility in higher education and municipal sectors, while advancing best practices in energy efficiency.
- **State and Federal Agencies** – Coordinating outreach to agricultural producers and small businesses through the U.S. Department of Agriculture, New Jersey Business Action Center, and ENERGY STAR® partners.
- **NJIT** – Partnering through the Clean Energy Learning Center to expand awareness of NJCEP programs in higher education and technical sectors. NJIT hosts benchmarking trainings, co-develops educational content, and convenes architects, engineers, and developers, strengthening program visibility while supporting workforce development and advancing NCP goals.

Cross-Program Messaging and Customer Experience

The Outreach Team will collaborate with NJCEP program and marketing teams to maintain consistent messaging across all energy efficiency and renewable energy offerings. All customer-facing materials, presentations, and web content will reflect unified branding and a clear customer journey.

To achieve this, the Outreach Team will implement a SPOC model. Under this model, each target market is assigned a dedicated Outreach Account Manager responsible for:

- **Streamlining intake** and serving as the primary contact for participants.
- **Guiding customers and contractors** from initial inquiry through project completion.
- **Maintaining open feedback** channels to inform program refinements.

By centralizing communication, the SPOC model delivers a seamless customer and contractor experience, reduces duplication of effort, and improves accessibility to NJCEP programs.

Event Participation and Technical Support

Outreach will maintain a robust calendar of events, including industry trade shows, municipal meetings, and targeted sector conferences. Events will be continually evaluated for relevance and selected based on their effectiveness in supporting outreach goals. The Outreach Team will submit a weekly report to the BPU, providing information regarding attendance at free events and justification for events requiring prior approval.

Outreach staff will provide both general program awareness and technical support through presentations, panel participation, and booth staffing for program visibility and project application in priority markets. The outreach passthrough budget will continue to support event sponsorship advertisement design and coordination, booth displays, promotional giveaways, printed collateral, and translation services for program information.

Trade Ally Development and Partner Support

A strong, well-supported TA Network—especially among approved NCP Partners—is essential to driving project participation and maintaining program quality.

The TA Network will be segmented into three primary groups: solar TAs, CHP-FC TAs, and approved NCP Partners. CHP-FC TAs and NCP Partners will be assigned to a dedicated Outreach Account Manager serving as the SPOC for all inquiries, program communications, and relationship management.

For the NCP, outreach will focus on recruiting and actively engaging Partners, providing targeted assistance to support their success, educating them on new participation pathways, and building a reliable pipeline of qualified projects.

For established NCP Partners, the Outreach Team will prioritize ongoing engagement by maintaining consistent communications, co-developing success stories, and sharing technical updates and program enhancements. Account Managers will create opportunities for collaboration through webinars, newsletters, and networking events while ensuring Partners have direct access to feedback channels and marketing support. This relationship-focused approach reinforces Partner loyalty, sustains high-quality project pipelines, and elevates NCP visibility through demonstrated Partner achievements.

Partner Recruitment

The Outreach Team will maintain an ongoing effort focused on expanding the NCP Partner network by identifying and engaging qualified contractors, developers, and design professionals who can directly deliver high-performance building projects. This approach positions Partner recruitment as a distinct initiative from customer outreach, focusing on growing a network of professionals who can deliver a variety of projects, amplify NJCEP's visibility, and expand the program's technical reach. Recruitment efforts will include:

Re-engaging successful past partners to renew their involvement.

- Promoting partnership opportunities at key industry events, highlighting the benefits of formal participation in the Partner network.
- Providing tailored collateral that outlines the advantages of becoming a Partner, such as access to incentives, marketing support, training, and visibility within NJCEP promotional channels.
- Building new relationships with organizations that represent sustainable building practices—such as the Passive House Network, the US Green Building Council, and Phius—and inviting their members to join the Partner network.
- Targeting professionals experienced with high-performance new construction building standards and proxy-aligned program pathways to expand the Partner pool and extend NJCEP's reach into additional segments of the high-performance building market.
- Recruiting firms engaged on committed projects to bring those projects into the program and establish a foundation to drive additional participation.

The Outreach Team will actively engage qualified contractors, developers, and energy consulting firms to expand the NCP Partner network. Efforts will include targeted outreach to past participants, promotion at key industry events, and the distribution of program-specific collateral highlighting available incentives, program benefits, and documented success stories.

Partner Training

Training will be coordinated with program staff and tailored to NCP Partners. Topics will include program requirements, technical resources, application procedures, and best practices for identifying and pursuing eligible projects. Materials—including recorded sessions—will be hosted on the program website and the Clean Energy Learning Center for on-demand access.

Ongoing Support

Outreach will provide NCP Partners and other TAs with continuous, responsive support throughout the project lifecycle. This includes:

- **Collateral Development:** Providing sector-specific materials, case studies, and advertisements to support partner marketing.
- **Co-op Advertising (NCP only):** Leveraging NJCEP branding to increase NCP Partner market reach.
- **Success Story Collaboration:** Promoting approved and completed projects to highlight program benefits.
- **Partner Coffee Events:** Hosting three to four in-person networking and Q&A sessions annually.
- **Feedback Mechanisms:** Conducting annual or bi-annual partner surveys to gather insights for program improvement.

For CHP-FC TAs, outreach will include connecting qualified TAs with viable projects early in development, providing updated program information, and aligning project specifications with program requirements.

Call Center Customer Support

The Call Center serves as the first point of contact for many customers, bridging initial inquiries with program assistance, project status information or enrollment. TRC manages two Call Center lines: Comfort Partners and NJCEP. Comfort Partners inquiries are routed to the appropriate utility, while calls to NJCEP's 866-NJSMART, website inquiries, and emails are handled directly by TRC.

Call Center staff are trained to:

- **Represent NJCEP** in a professional, customer-focused manner;
- **Direct customers** to appropriate NJCEP and/or BPU resources; and
- **Escalate complex or technical questions** to the appropriate program contact for follow-up.

The Call Center operates from 8:00 a.m. to 7:00 p.m. ET, Monday through Friday, excluding State holidays, with all voicemail and email responses delivered within 24–48 business hours. As new initiatives and program enhancements roll out, scripts and templates are updated to reflect current offerings, priority sectors, and equity-focused messaging.

Multilingual Educational Outreach

To promote equitable access, outreach will continue developing multilingual materials and Spanish-language engagement. A dedicated Hispanic Account Manager will coordinate with and attend events hosted by Hispanic-serving organizations, including the Statewide Hispanic Chamber of Commerce and local chambers.

Marketing materials will be translated (as appropriate) into additional languages upon request, with emphasis on reaching OBCs and historically underserved communities.

BPU Support, Coordination, and Commissioner Engagement

The Outreach Team will coordinate with BPU staff to maintain alignment on priorities, including equity and cross-program messaging. Activities include:

- Regular status meetings, continue bi-weekly calls with the BPU Communications team to share outreach activities and event opportunities.
- Identifying high profile engagements where Commissioners and senior BPU staff can connect directly with customers.
- Supporting BPU identified events and speaking opportunities such as Business Breakfasts, Utility Assistance Days and other CEC-related community events.
- Maintaining the "Commissioner Concierge" service to provide comprehensive event preparation, background materials, and on-site support.

This approach enhances public visibility, fosters stakeholder trust, and creates messaging consistency across all channels.

Utility Coordination

Collaboration with utilities remains essential to providing customers with a clear and efficient pathway to programs and incentives. Outreach coordinates with utility representatives to share project leads, co-present at events, and align messaging. Special focus is placed on cross-referring LGEA, LEUP, solar and other program opportunities where utility offerings complement NJCEP incentives.

Coordination with NJCEP Marketing

The Outreach Team will support the BPU Communications Team, BPU Marketing Team and/or BPU's vendor to deliver consistent marketing messages and themes. Additional support for BPU's marketing campaigns includes both responding to data information requests and preparing and executing program-specific plans. Coordination will be critical as specific marketing plans are developed and implemented so 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 BPU's marketing campaigns to create and produce engaging marketing materials that support the programs. The program benefits most from synchronized Marketing and Outreach coordination to best target NJCEP programs and provide equitable awareness of the programs.

Collaboration between BPU and TRC allows the Outreach Team to include messaging that best suits targeted customers and speaks to the programs that meet their needs such as the combination of renewable energy, energy efficiency, energy storage, and electric vehicles.

Some of the standard coordination is done around these recurring activities:

- **Bi-weekly Meetings:** Align branding, messaging, event and marketing approvals.
- **Marketing Meetings:** As-needed meetings with BPU and their website and/or marketing vendor to align efforts.
- **EE Stakeholder Meeting:** Organization and facilitation of monthly Energy Efficiency Stakeholder Meetings.
- **Content / Press Releases:** TRC suggests press release topics and provides information to highlight in various BPU's communications.
- **NJCEP Newsletter:** Content and distribution of NJCEP newsletters.
- **NJCEP Listervs:** Distribution of BPU communications to the NJCEP Listservs.

This collaboration enables synchronized, equity-focused campaigns that reach the right audience at the right time.

Preparing the Market for Program Enhancements

As programs evolve, outreach will engage partners, TAs, stakeholders, and government entities and specific sectors early through targeted campaigns, training, webinars, newsletters, and events. Materials will be available in multiple languages to support equitable access.

Delivery and Team Roles

The Outreach Team's structure—Outreach Manager, Administrative Coordinator, Account Managers, Clean Energy Champion, Marketing Coordinator, and Market Analyst—provides a comprehensive approach to stakeholder engagement. Each role is aligned to program priorities, enabling specialized focus while maintaining a cohesive statewide strategy.

- **Outreach Manager** – Aligns team priorities with BPU objectives and oversees KPI tracking and reporting.
- **Account Managers** – Drive program participation by building relationships, guiding applicants, and supporting NCP Partners and TAs.
- **Administrative Coordinator** – Manages logistics, materials, and approvals.
- **Clean Energy Champion** – Leads equity-focused outreach to OBCs and local communities.
- **Marketing Coordinator** – Creates and implements marketing plans to support the Outreach Team in messaging to customers, NCP Partners, and TAs.

Key Performance Indicators and Reporting

Outreach performance in FY27 will be measured using defined KPIs that align with the FY27 NJCEP Compliance Filing. These KPIs track the core activities that drive program engagement and conversion, including application enrollments, NCP Partner recruitment, one-on-one meetings, event participation, and presentations.

Monthly reports to BPU will summarize progress toward these targets, document campaign activities, highlight collaboration outcomes, and provide GIS-based mapping to illustrate targeted outreach and market presence. Reporting will also outline events, campaigns, and strategic initiatives.

Table 12 . Outreach Key Performance Indicators

Outreach	Target
Application Enrollments: Project and NCP Partner applications attributed to outreach	150
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	1,260
Events: Attendance at events such as conferences and trade shows that promote NJCEP (includes events attended by the CEC)	140
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	70

Appendix A, C&I EE, NCP, and DE 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 DE 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.

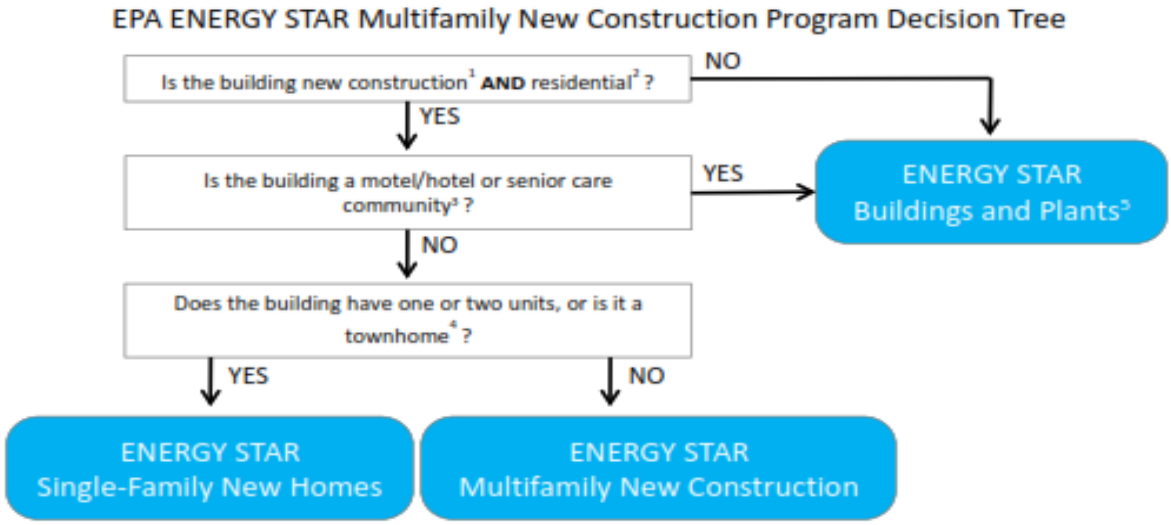
[35] Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

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 FY27

TRC FY27		FY27 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	**$130,276,273**	**$11,118,715**	**$4,012,120**	**$168,180**	**$109,569,614**	**$5,407,644**	**$0**
Integrated Energy Solutions	**$26,978,835**	**$2,730,286**	**$293,760**	**$84,180**	**$21,469,856**	**$2,400,753**	**$0**
Distributed Energy	**$22,731,584**	**$980,543**	**$146,880**	**$14,500**	**$21,469,856**	**$119,805**	**$0**
CHP - Fuel Cell	$22,731,584	$980,543	$146,880	$14,500	$21,469,856	$119,805	$0
Distributed Solar	**$4,247,251**	**$1,749,743**	**$146,880**	**$69,680**	**$0**	**$2,280,948**	**$0**
Energy Efficiency and Affordability	**$100,019,718**	**$8,388,429**	**$440,640**	**$84,000**	**$88,099,758**	**$3,006,891**	**$0**
C&I EE Programs	**$39,950,223**	**$2,933,086**	**$293,760**	**$26,000**	**$35,646,370**	**$1,051,007**	**$0**
C&I Buildings	$31,916,522	$1,264,943	$146,880	$13,000	$30,313,167	$178,532	$0
LGEA	$8,033,701	$1,668,143	$146,880	$13,000	$5,333,203	$872,475	$0
New Construction EE Programs	**$60,069,495**	**$5,455,343**	**$146,880**	**$58,000**	**$52,453,388**	**$1,955,884**	**$0**
New Construction Program	$60,069,495	$5,455,343	$146,880	$58,000	$52,453,388	$1,955,884	$0
Planning and Administration	**$3,277,720**	**$0**	**$3,277,720**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	**$3,277,720**	**$0**	**$3,277,720**	**$0**	**$0**	**$0**	**$0**

Appendix D, Program Goals and Performance Metrics for FY27

NJCEP FY27 Energy Savings Goals: Portfolio Summary					
Program/Budget Line	***Annual MWH Savings***	***Lifetime MWH Savings***	***MW Savings***	***Annual MMBTU Savings***	***Lifetime MMBTU Savings***
Total TRC	105,504	1,843,469	15.6	501,886	9,049,064
EE Programs	45,732	797,628	5.4	235,200	4,382,133
C&I EE Programs	3,747	65,239	1.5	126,935	2,284,725
C&I Buildings	3,747	65,239	1.5	126,935	2,284,725
P4P EB	0	0	0.0	0	0
LEUP	3,747	65,239	1.5	126,935	2,284,725
LGEA	0	0	0.0	0	0
New Construction	41,985	732,388	3.9	108,265	2,097,408
NCP	14,332	250,000	0.4	10,117	196,000
RNC	6,246	124,920	1.3	75,994	1,519,860
C&I NC	20,690	346,008	2.3	11,519	204,680
P4P NC	717	11,460	(0.1)	10,635	176,868
Distributed Energy	59,772	1,045,841	10.1	266,686	4,666,931

Appendix E, 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 FY27 Prospective Benefit Cost Analysis						
Program/Budget Line	***PCT***	***PACT***	***RIM***	***TRC***	***SCT***	***Modified 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	3.2	9.5	1.0	1.6	2.3	3.5

Appendix F, 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 6	382,736	9.38	6,873,672	1,031,051	$ 13.89

New Jersey's Clean Energy Program
FY 2027 Program Descriptions and Budgets

Utility Residential Low Income

Comfort Partners Program

Proposed Program Description and Budget

June 30, 2026

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. Households located within a Low-Income 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,

[1] Executive Order No. 316 (Feb. 15, 2023).

[2] As defined in N.J.S.A. 13:1D-158.

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 the event that electric space heating options are not feasible or viable. 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 Whole Home Energy Solutions ("WHES") 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. This approach can create marketing/outreach efficiencies, achieve savings in 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 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

[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.

The measures considered for each home include, but are not limited to: 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 $7,500 per project.

Cost-effectiveness is assessed on a program-wide 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.

The Utilities are jointly utilizing a web-based data management platform called eTrack+. PSEG Services Company serves as the Contract Administrator for the agreement with the vendor that hosts and maintains the system. 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 may instruct technicians 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 developing work scopes, installing measures and the rationale behind them.

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 Program may shift budget values between cost categories, between utilities, or a combination thereof, as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of program targets during the term of the program in accordance with the limitations and procedures set forth in the Framework Orders:

1. The Utilities may shift program budgets within or among the various cost categories outlined in Appendix A. More specifically, within the 365-day period funding the Program, Utilities may shift Program budgets between individual cost categories within the same Utility up to and including 10% of the Utility's total FY27 budget, with notification to Staff and Rate Counsel, greater than 10% and up to 25% with Staff approval, and greater than 25% with Board approval.
2. Within that 365-day period, the Utilities may also shift budgets between Utilities and up to and including 10% of the Program's total FY27 budget with notification to Staff and Rate Counsel, greater than 10% and up to 25% with Staff approval, and greater than 25% with Board approval.
3. Requests for budget adjustments within the FY27 Program Year necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of, and rationale for, the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, in which case Staff shall review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of Utilities' request, those requests shall be deemed granted.

Additionally, the $3 million designated in previous years for Whole House Pilot Program (WHPP) will be allocated to Comfort Partners to serve the goals of the WHPP. Details for the program are still to be developed and will be separately released for stakeholder comment.

Goals and Energy Savings

Goals

In the Fiscal Year 2027 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, 2026 through June 30, 2027. 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, 2026 through June 30, 2027.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest Technical Reference Manual.[4] Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 3,871 MWH of electric and 29,370 MMBTU of natural gas during Fiscal Year 2027, with a lifetime savings of approximately 43,454 MWH of electric and 523,091 MMBTU of natural gas.

Cost Effectiveness

Based on BPU Staff's evaluation of cost-effectiveness, it was recognized that Comfort Partners needs to improve in this area. With $0.04 in participant energy savings benefits over the lifetime of the measures per ratepayer dollar spent, Comfort Partners offers lower savings for each dollar spent. Based on the findings Staff is undertaking a comprehensive evaluation of the program and will identify changes to improve effectiveness. Staff intends to start a stakeholder process for proposed improvements soon. More detailed analysis of the Comfort Partners program can be found in the CRA.

Appendix A

Fiscal Year 2027 Comfort Partners Budget

July 1st 2026 - June 30th 2027 CP Budget (Proposed 5-11-2026)								
		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	**$3,701,064.00**	$280,463.00	$65,741.00	$63,791.00	$3,153,293.00	$137,776.00	$0.00	$0.00
JCP&L	**$6,601,321.00**	$528,705.00	$137,855.00	$112,355.00	$5,562,711.00	$259,695.00	$0.00	$0.00
PSE&G- Elec	**$10,297,241.00**	$807,633.00	$319,900.00	$268,900.00	$8,495,003.00	$405,805.00	$0.00	$0.00
RECO	**$399,551.00**	$70,408.00	$15,404.00	$15,404.00	$270,225.00	$28,110.00	$0.00	$0.00
NJNG	**$7,416,572.00**	$281,865.00	$147,865.00	$141,198.00	$6,593,258.00	$252,386.00	$0.00	$0.00
Elizabethtown	**$3,755,859.00**	$291,602.00	$63,708.00	$64,093.00	$3,162,358.00	$174,098.00	$0.00	$0.00
PSE&G-Gas	**$24,026,893.00**	$1,884,476.00	$746,433.00	$627,433.00	$19,821,673.00	$946,878.00	$0.00	$0.00
SJG	**$4,893,027.00**	$357,869.00	$91,256.00	$88,519.00	$4,176,862.00	$178,521.00	$0.00	$0.00
TOTAL	**$61,091,528.00**	$4,503,021.00	$1,588,162.00	$1,381,693.00	$51,235,383.00	$2,383,269.00	$0.00	$0.00
PSE&G - Combined	$34,324,134.00	$2,692,109.00	$1,066,333.00	$896,333.00	$28,316,676.00	$1,352,683.00	$0.00	$0.00

[4] The latest version of the Technical Reference Manual is pending Board approval.

BPU and DPMC Designated Project List
State Facilities Initiative Funds FY27[i]

Agency	Project Contract	Contract	BPU Funding Commitment	Detail
Ag	A1356	Pabil Bug Lab	$5,200,000.00	HVAC
DCA	A1366	Ashby Bldg.	$5,150,000.00	HVAC
DHS	M1588-00B	Ancora Psychiatric Hospital	$5,510,000.00	ECMs
DHS	M1578-00B	Greenbrook Regional	$3,195,000.00	ECMs
DHS	M1587-00B	Trenton Psychiatric Hospital	$2,620,000.00	ECMs, Switch Gear Upgrades
DHS	M1642-00	Kohn Training Center	No additional BPU funding, construction in progress	Chiller
DHS/Treasury	PO	Hagedorn	$60,000.00	Lighting/Utility Tunnels
DOH	M1629	Northern Medical Examiner	$150,000.00	Lighting/Controls
DOE	E0402	Katzenbach School	$3,500,000.00	HVAC, VAV
DOL	A1378	Labor Bldg.	$1,300,000.00	HVAC
JJC Law & Public Safety	S0648	JJC Johnstone Campus North	$1,350,000.00	HVAC
JJC Law & Public Safety	S0678	JJC Johnstone Campus South	$1,565,000.00	PLC upgrades/ HVAC
JJC Law & Public Safety	S0677	NRI-RSC	$400,000.00	Building envelope upgrades

LPS	PO	Weights and Measures	$100,000.00	ECMs
NJSP		Troop C/Techplex	$1,800,000.00	HVAC/Chiller
NJ Transit	MOU	Hilton Garage	$10,000,000.00	EV Infrastructure
NJDEP		Parks Upgrades	$2,200,000.00	ECMs
OIT	A1405/A1357	OIT Hub	$700,000.00	Data Center lighting
Treasury	PO	Justice Complex	$200,000.00	Lighting upgrades
Treasury	PO	State Library	$80,000.00	Lighting upgrades
Treasury	PO	State Facility Under 250 kw	$729,000.00	Lighting upgrades
Treasury	PO	Roebling building	$120,000.00	Lighting upgrades
BPU	TC 26-05	Energy Tracking System	$500,000.00	Energy Management

[i] Table represents the full commitment of BPU and does not reflect payments made to date. As a result it may not sum to line item due to timing differences.