



# *Proposed FY23 New Construction Program*

July 22, 2022

# Agenda

- Overview of FY22 Energy Efficiency Programs
- Challenges of existing FY22 New Construction Programs
- Objective of Re-Design
- FY23 New Construction Program
  - Design
  - Roll-out Timeline



# Clean Energy Act

- In 2018, Governor Murphy signed into law the Clean Energy Act.
- Required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time.
- Many of NJCEP's existing building/retrofit programs sunset, while utilities launched new similar programs.
- Presented NJBPU an opportunity to re-evaluate the remaining new construction suite of programs.



## Program areas served by NJCEP:

- New Construction (residential, commercial, industrial, government)
- Large Energy Users
- Combined Heat & Power & Fuel Cells
- State Facilities\*
- Local Government Energy Audits
- Energy Savings Improvement Program

\* State Facilities are also eligible for utility programs



## Program areas served by the Utilities:

- Existing Buildings (residential, commercial, industrial, government)
- Efficient Products
  - Lighting and Marketplace
  - HVAC
  - Appliance Rebates
  - Appliance Recycling

### Additional Programs & Features:

- Dedicated multi-family program
- More financing options
- Quick home energy check-ups
- Moderate-income weatherization









# CURRENT NEW CONSTRUCTION PROGRAMS



# C&I New Construction

C&I and multifamily, **new construction** or **gut rehab**. In general measures/project must exceed **ASHRAE 90.1-2016**

Savings Potential	Program	Description	Incentives
	 <p><b>Whole Building/ Comprehensive:</b> Pay for Performance Program</p>	<p>Designed for buildings with 50,000 square feet for more of planned conditioned space. Comprehensive improvements addressing heating, cooling, lighting, and envelope.</p>	<p>\$1.23-\$1.94 /conditioned sqft + bonuses</p>
	 <p><b>Multi-Measure:</b> Customer Tailored Energy Efficiency Program</p>	<p>Bundle multiple prescriptive and custom measures into a single application. Includes eligibility for technical assistance incentives to help offset soft costs associated with custom measure development.</p>	<p>Prescriptive: fixed \$/unit of equipment (e.g. \$/light fixture, \$/ton)</p>
	 <p><b>Single Measure:</b> SmartStart Buildings Program</p>	<p>Prescriptive and Custom incentives.</p>	<p>Custom: \$0.16/kWh, \$1.60/therm</p>

# Residential New Construction

Single family, multi-single, or multifamily **new construction** or **gut rehab** projects.

Savings Potential



Program

**Whole Building/ Comprehensive:**  
RNC Program



Description

Alignment with ENERGY STAR Multifamily New Construction and Homes Certification or DOE Zero Energy Ready Homes and DOE Zero Energy Ready Homes + Renewables.

Incentive

\$500/unit for MF  
\$500-\$4000/home  
+savings and other bonuses

# Challenges with Current Programs

1

Program overlap, particularly Multifamily



2

Market confusion, particularly in multipurpose buildings



3

Gap in offerings for mid-level engagement (i.e. either prescriptive or high-performance whole building)



4

Program components don't align well with new State EMP goals





# Objectives of New Program



Single Point of Entry for all market segments



Eliminate gaps in program offerings, particularly method to claim savings and incentives between prescriptive and comprehensive whole building



Broaden depth of scope by phasing out single-measure incentives, add proxy programs, and introduce advanced measure bonuses



Improve Customer Journey



Increase Participation through early engagement



Support Building Electrification





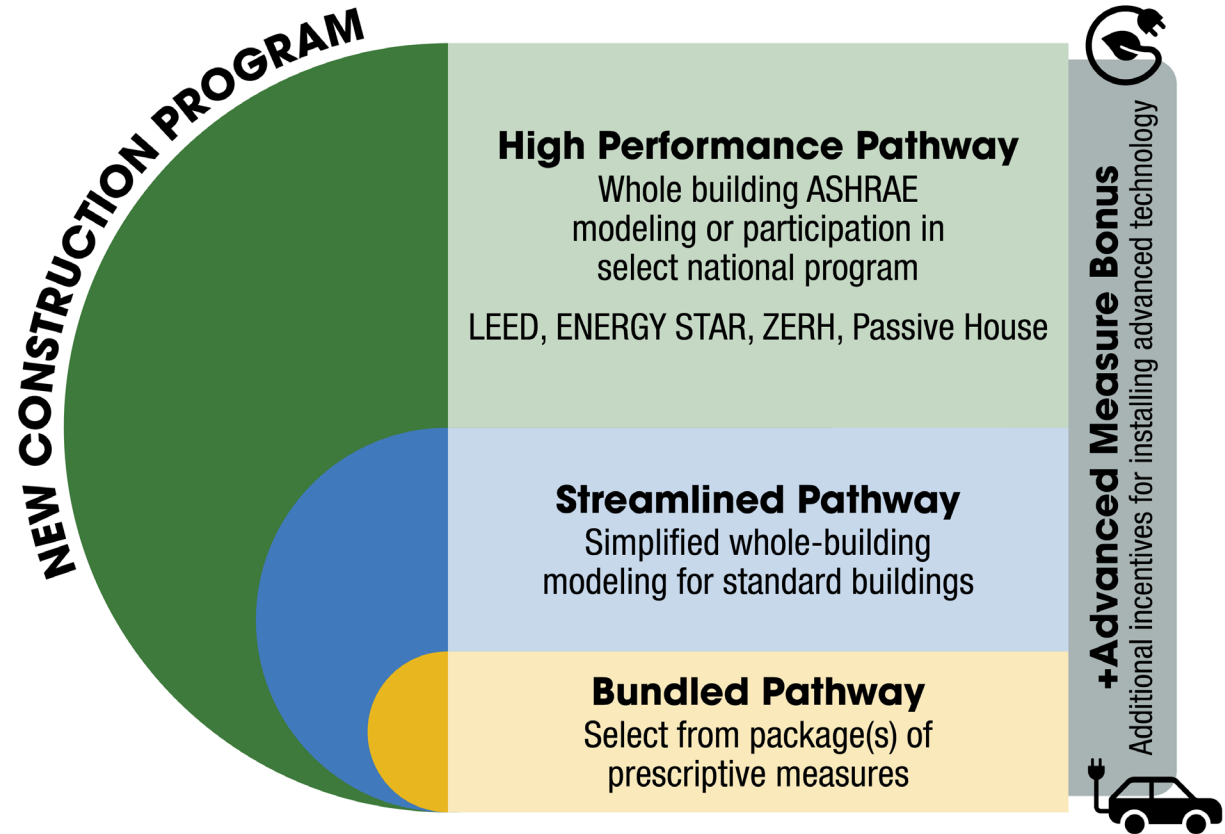
# PROPOSED NEW CONSTRUCTION PROGRAM

# New Construction Program

## New design:

Streamlined way to choose a pathway for your next project.

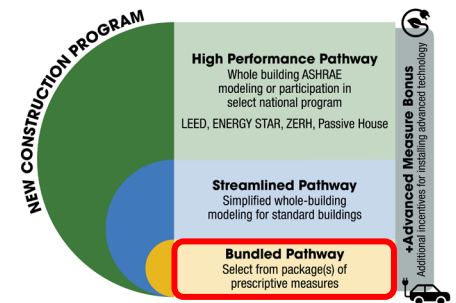
Designed for all new construction buildings: residential, multifamily, commercial, industrial, and government



# Bundled Pathway

NEW CONSTRUCTION

- ABOUT** Typical above-code upgrades bundled together in packages that fit your needs to achieve deeper savings
- SAVINGS** Deemed savings calculated based on prescriptive minimum standards associated with each component
- ELIGIBLE BUILDINGS** Single Family, Multifamily, Commercial, Industrial, Municipal and Institutional
- INCENTIVES** Incentives will be awarded for any project achieving the required minimum points

























# Bundled Pathway

NEW CONSTRUCTION

## BUNDLED PATHWAY

Select 2 or more of the below measures to create your own Bundled Package.  
Minimum points to qualify for this Pathway is 10.














Measure Category	Measure	Points	Measure Category	Measure	Points
	Attic/Ceiling/Roof Insulation	4		Energy Star Appliances	3
	Basement/BGW or Slab Insulation	3		Food Service Equipment	3
	Efficient Windows	3		High Efficiency Exterior Lighting	3
	Wall Insulation	4		High Efficiency Interior Lighting	3
	Crawl Space Insulation	1		Low Flow Fixtures	1
	Reduced Infiltration	2		Domestic Water Heater- Electric	3
	Exterior Doors	1		Domestic Water Heater- Gas	2
	Efficient Balanced Ventilation	2		Ducts located in Conditioned Spaces	2
	Electric Chiller (Comfort Cooling)	4		VRF	4
	Electric Unitary HVAC (non-heat pump)	4		Energy Recovery	1
	Gas Heating	3		HVAC Controls or user occupancy controls	1

This list of measures and/or point values has not been finalized and is subject to change.



# Bundled Pathway - Horticulture

NEW CONSTRUCTION

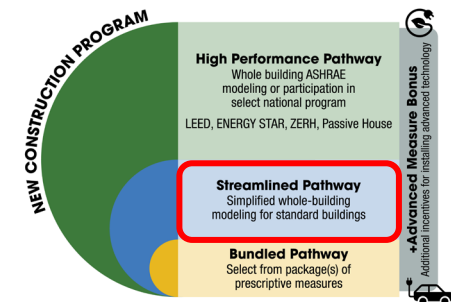
HORTICULTURE PATHWAY					
Select 2 or more of the below measures to create your own Bundled Package for Indoor Agriculture*. Minimum points to qualify for this Pathway is 10.					
Measure Category	Measure	Points	Measure Category	Measure	Points
	Dehumidifiers			Condensing unit heater	
	Low Pressure Irrigation Regulator			IR Polyethylene Greenhouse Cover	
	Irrigation Pump			Intelligent Greenhouse Controller	
	Radiant heater, non-modulating			LED Grow Lights	
	Radiant heater, modulating			Destratification Fans	
	Pipe Insulation			Energy Shade Screens	
	Thermal Curtain				
*For facilities that support retail of the grown product, please see available measures in the Bundled Pathway.					

This list of measures has not been finalized and is subject to change.

# Streamlined Pathway

NEW CONSTRUCTION

- ABOUT** Fill in the “gap” between low cost, simple prescriptive offerings, and expensive, complex high-performance whole building offerings. Ideal for smaller buildings that cannot carry expensive modeling costs without sacrificing comprehensive energy efficient design
- SAVINGS** Modeled in specialized software that requires minimal inputs to generate relatively accurate projected savings
- ELIGIBLE BUILDINGS** Multifamily, Commercial, Industrial, Municipal and Institutional
- INCENTIVES** Incentives will be awarded to projects that can show modeled savings that meet the minimum performance design threshold



# High Performance Pathway

NEW CONSTRUCTION

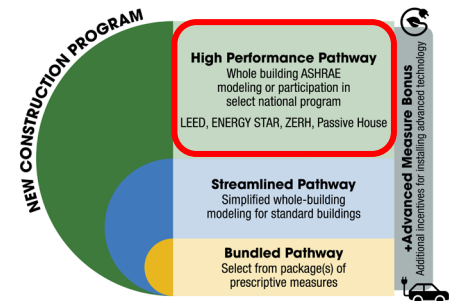
**ABOUT** Requires participation in a national standard (“Proxy”) or an ASHRAE Model

**SAVINGS** Requires participation in a national standard (“Proxy”) or an ASHRAE Model



**ELIGIBLE BUILDINGS** Single Family, Multifamily, Commercial, Industrial, Municipal and Institutional

**INCENTIVES** Incentives will be awarded to projects that achieve Certification from one of the national standards or completes an energy model that shows the minimum performance threshold has been met





# Advanced Measure Bonus

## ABOUT

Available to all pathways; participation in one of the pathways is required to access this bonus to prepare buildings for code advancements and electrification

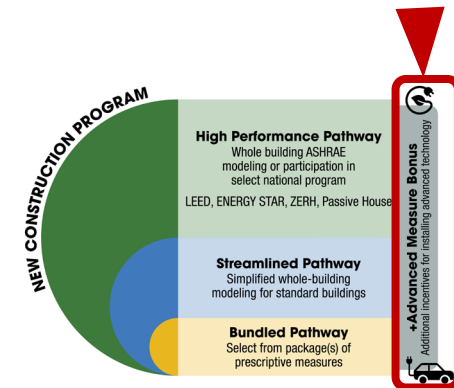
## SAVINGS

Savings calculated based on chosen pathway

## INCENTIVES

Incentives will be awarded to projects who successfully install one, or more, of the available Advanced Measures

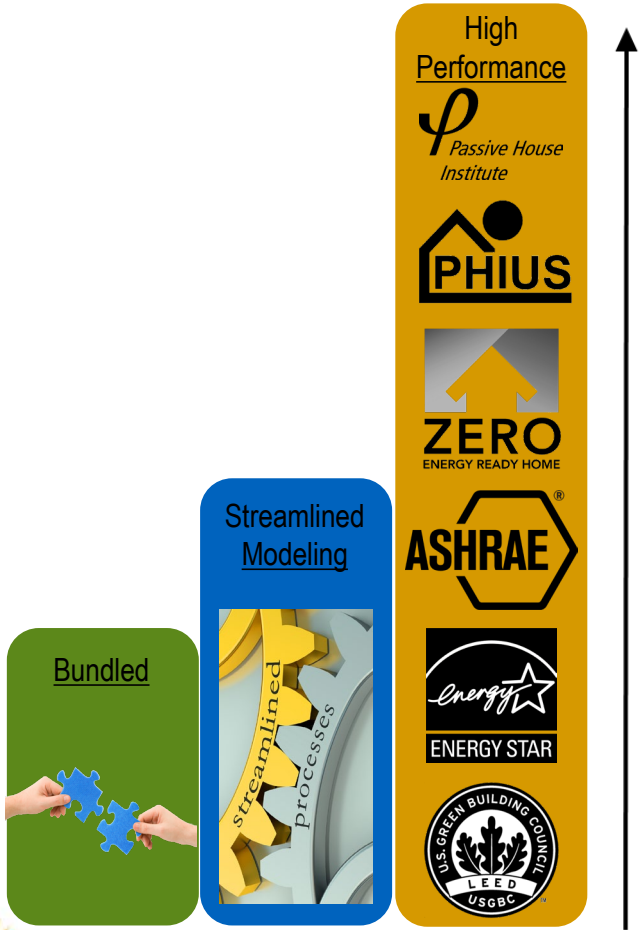
Advanced Measure Bonus			
Install any of the below Advanced Measures and receive an additional bonus above the standard program offering.			
Measure Category	Measure	Measure Category2	Measure3
	Solar Domestic Water Heater		Heat Pump Chillers
	Electric-Ready Building Design		Intelligent Load Control
	EV-Ready		Induction Cooking Equipment
	Ground Source/Geothermal Heat Pump		External Light Shelves
	Heat Pump Water Heater		Advanced Lighting Controls
	High Efficiency Ductless Heat Pump		On-site Battery Storage
	High Efficiency Packaged Terminal Heat Pump		Smart Connected



This list of measures has not been finalized and is subject to change.


# Incentives

NEW CONSTRUCTION




Meet minimum point value

$\$(x)/sf$

Bundled Pathway 


Meet modeling/savings/measure requirements

$\$(x*1.5)/sf$

Streamlined Pathway 

Receive Proxy Certification or model per ASHRAE

$\$(x*2)/sf$

High Performance 



# FY23 New Construction Timeline



# Formal Comments

- Deadline for comments is **5 p.m. on Friday, July 29, 2022**
- Members of the public may file written comments after this meeting, regardless of whether they participate in the meeting process
  - Submit comments on the draft plan directly to DOCKET NO. QO22050327 using the “Post Comments” button on the Board’s Public Document Search tool.
- Written comments may also be submitted to:
  - Secretary of the Board
  - 44 South Clinton Ave., 1st Floor PO Box 350
  - Trenton, NJ 08625-0350 Phone: 609-292-1599
  - Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Comments are considered “public documents” for purposes of the State’s Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3.

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qo22050327

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Case Status : UNDER REVIEW      Last Update :  
Case Caption : IN THE MATTER OF PROPOSED UPDATES TO NEW JERSEY'S CLEAN ENERGY PROGRAM: NEW CONSTRUCTION PROGRAM

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# More Information

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THANK YOU

