New Jersey's Clean Energy Program™

FISCAL YEAR 2026
PROGRAM DESCRIPTIONS AND BUDGETS

DIVISION OF CLEAN ENERGY

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

June 30, 2025

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Introduction

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

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

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

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

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

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

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

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

Electric Vehicles

EV Studies, Pilots, and Administrative Support

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

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 FY26, the line item reflects the total Clean Fleet budget which will fund both State, local, and non-profit entities.

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

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

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

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

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

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

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

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

Multi-Unit Dwellings (Chargers)

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

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

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

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

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

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

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

<u>EV Tourism</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

Electric School Bus Program

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

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

V2G School Bus Pilot

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

Medium Heavy Duty Depot

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

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

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

Renewable Energy Programs

Resource Adequacy

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

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

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

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

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

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

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

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

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

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

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

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

Nuclear

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

electricity generation in New Jersey.

Solar

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

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

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

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

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

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

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

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

ADI Capacity Blocks by Market Segment, Energy Year 2025

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

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

and 160 MWh of energy storage paired with solar generation.

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

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

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

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

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

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

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

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

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

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

Community Solar

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

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

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

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

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

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

Energy Storage

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

and implement a program to achieve these goals.

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

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

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

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

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

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

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

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

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

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

Grid Modernization

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

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

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

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

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

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

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

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

Energy Efficiency Programs

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

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

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

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

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

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

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

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

Acoustical Testing Pilot

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

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

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

Sustainable Jersey

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

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

New Jersey Institute of Technology

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

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

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

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

Benchmarking

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

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

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

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

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

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

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

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

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

<u>State Facilities Initiative</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

Town Center Distributed Energy Resources ("TCDER") Microgrids

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

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

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

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

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

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

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

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

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

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

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

Clean Energy Affordability

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

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

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

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

Urban Heat Island Mitigation Grants (formerly Heat Island Pilot)

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

Residential Energy Assistance Payment

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

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

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

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

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

Whole House Pilot Program

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

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

Community Energy Plan Grants

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

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

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

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

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

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

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

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

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

Clean Local Energy Advisory and Resource Fellows

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

EMP Strategy 7: Expand the Clean Energy Innovation Economy

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

Multiple EMP Strategies and All Other Programs

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

Planning and Administration

BPU Program Administration

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

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

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

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

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

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

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

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

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

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

7. Overseeing evaluation and related research activities;

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

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

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

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

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

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

Marketing

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

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

Clean Energy Program Website

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

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

Program Evaluation/Analysis

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

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

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

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

Energy Efficiency

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

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

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

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

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

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

Energy Affordability Assessment

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

Rutgers University Facilitation of Dual-Use Solar Pilot

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

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

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

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

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

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

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

Memberships

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

BPU Initiatives

<u>Workforce Development</u>

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

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

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

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

Fiscal Year 2026 Program Budgets

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

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

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

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