

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

**Energy Efficiency and Renewable Energy
Program Plan Filing**



FY26 Compliance Filing

June 30, 2025

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Acronyms & Definitions

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

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

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

Introduction

This Fiscal Year 2026 (“FY26”) compliance filing (“Compliance Filing”) presents the program plans, budgets, and anticipated savings of those initiatives of *New Jersey’s Clean Energy Program*TM (“NJCEP”) administered by TRC¹ for FY26.² They include, among other things, the energy efficiency (“EE”) programs established pursuant to the New Jersey Clean Energy Act of 2018 (“CEA”),³ whose Compliance Filings are now synchronized with the EE plans the New Jersey utilities have filed, and will file, pursuant to the CEA.

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

Budgets

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

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

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

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

Savings Goals

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

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

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

³ N.J.S.A. 48:3-87.8 et al.

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

Cost-Benefit Analyses

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

Key Performance Indicators

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

New Jersey's Energy Efficiency Program Transition

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

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

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

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

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

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

PART 1 (Active Programs)

Commercial and Industrial Energy Efficiency Programs

C&I Buildings: Large Energy Users

Program Purpose and Strategy Overview

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

Specific design features include:

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

Support for Energy Master Plan (“EMP”) Goals

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

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

Program Description

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

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

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

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

Target Markets and Eligibility

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

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

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

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

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

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

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

Submittal Requirements for Fund Commitment

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

Program Standards

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

Limitations/Restrictions

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

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

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

Review and Payment Framework

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

Program Offerings and Incentives

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

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

- For all lighting measures: \$0.16/kWh per projected kWh saved annually; for all other measures: \$0.33 per projected kWh saved annually; \$3.75 per projected therms saved annually, all as identified in the FEEP(s); and
 - \$4,000,000 per entity per FY, determined by summing the commitments associated with each FEEP approval made during the applicable FY;
- or
- The amount necessary to buy down to no less than a two (2)-year payback. Details regarding this buy down will be set forth in the LEUP Program Guide, LEUP application, and/or similar documents.

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

Quality Control Provisions

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

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

C&I Buildings: LEUP Decarbonization Pilot

Program Purpose and Strategy Overview

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

Support for Energy Master Plan Goals

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

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

Through this pilot, the program aims to:

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

Program Description

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

Target Markets and Eligibility

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

Due to the limited number of customers in the target market sector, this pilot will be open to all existing college/university customers that are accredited⁹ institutions that have a multi-building campus. To be eligible, any submission must encompass the entire campus or, if there is more than one campus, may encompass the entire collection of campuses owned or operated by the college/university.

Program Standards

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

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

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

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

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

Limitations/Restrictions

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

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

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

Program Offerings and Incentives

The pilot will offer two incentives:

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

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

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

¹¹ This Pilot is not currently accepting new applications.

Quality Control Provisions

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

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

Local Government Energy Audit

Program Purpose and Strategy Overview

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

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

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

Support for Energy Master Plan Goals and Strategies

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

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

Program Description

This program is implemented as follows:

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

- Available energy audit paths include:
 - ASHRAE Level I audit¹²;
 - ASHRAE Level II audit; and
- Add-on scopes as provided for in the LGEA Program Guide or application materials (e.g., a more detailed assessment for Renewable Energy (“RE”) systems, an electrification study, or certifying a building as having met ENERGY STAR¹³ requirements).¹⁴

Each level of audit would also include a high-level feasibility assessment for EV charging stations.

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

¹² From the ASHRAE Handbook:

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

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

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

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

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

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

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

- In applying the foregoing cap to state entities, LGEA will treat each State Agency and Department as a separate entity but subject the group of State Departments (defined as all those entities using Tax ID: 21-6000928) to an overall cap of \$1,000,000 per FY, which overall cap may, with the approval of Board Staff, be increased up to a maximum of \$1,500,000.¹⁵
- For larger Applicants interested in pursuing ESIP (by selecting intent to pursue ESIP on the application), if the audit cost exceeds or is expected to exceed \$150,000, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000.
- For non-profit 501(c)(3) healthcare entities, the Program Manager will work with Board Staff to determine and authorize a larger cost cap, not to exceed \$300,000, so long as the funds exceeding the initial \$150,000 would be for auditing facilities designated as hospitals by the NJ Department of Health (“DOH”).

Target Markets and Eligibility

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

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

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

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

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

New Construction Energy Efficiency Program

New Construction Program

Program Purpose and Strategy Overview

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

NJCEP's new construction programs that existed prior to the launch of the present NCP¹⁷ consisted of different programs for each market segment. Toward the end of minimizing confusion in the marketplace and barriers to participation, especially for multipurpose buildings, there is a period of transition from NJCEP's legacy new construction to NCP, the schedule for which has been publicly announced by means other than this Compliance Filing.

The NCP is designed to:

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

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

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

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

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

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

Support for Energy Master Plan Goals

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

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

In addition, the NCP will support the Executive Order 316 target to electrify commercial and residential buildings in an additional 400,000 homes and 20,000 commercial properties, and to make an additional 10% of all LMI properties electrification-ready by 2030.²²

Target Market and Eligibility

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

¹⁹ See the following webpages for the identification of and more information about UEZs, and OZs: [New Jersey Opportunity Zones Resource Center \(nj.gov\)](https://www.nj.gov/economic-development/developmental-services/affordable-housing/opportunity-zones-resource-center/), and [NJ Division of Taxation - Urban Enterprise Zone](https://www.nj.gov/treasury/taxation/urban-enterprise-zones/). “Affordable Housing” means any housing that an official document identifies as participating in a federal, state, or local affordable housing program. This may also include official documents showing identification from the New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

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

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

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

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

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

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

Program Description and Delivery Methods

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

1. The **Bundled Pathway** requires the implementation of a bundle of relatively typical above-code ECMs. Eligible ECMs under this pathway consist primarily of electric efficiency equipment, as well as efficient building envelope²⁴ and insulation measures.
2. The **Streamlined Pathway** encourages deeper energy savings than the Bundled Pathway but requires less time and expense than the High-Performance Pathway described below. Although it requires some modeling of ECMs, the modeling is performed in a web-based user interface that requires minimal inputs and generates quick and accurate projected savings.
3. The **High-Performance Pathway** encourages the deepest energy savings by requiring that applicants take a whole-building approach and either exceed code requirements by a certain percentage or meet one of several sets of stringent technical standards set by Proxies for new construction. This pathway largely replaces the Legacy RNC and P4P NC Programs.

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

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

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

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

Table 1: Eligibility for Pathways by Building Type

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

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

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

Partner Network

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

Program Requirements

The NCP's several pathways provide New Jersey's builders and developers with a range of participation options to suit different levels of effort and experience with energy efficient design. Minimum energy performance requirements across all pathways are measured from IECC 2018/2021 or ASHRAE 90.1-2016/2019²⁵ energy code baselines. Therefore, the pathways all result in energy performance better than that required by the applicable IECC or ASHRAE code, i.e., the applicable New Jersey energy codes. The following sets out additional details regarding each pathway.

Bundled Pathway

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

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

Table 2: Bundled Pathway Credits, CZ 4A

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

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

Table 3: Bundled Pathway Credits, CZ 5A

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

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

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

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

Streamlined Pathway

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

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

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

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

The following types of buildings are currently capable of being entered into Sketchbox and are thereby potentially eligible for incentives through this pathway³⁰:

Table 4: Building Types Eligible for Streamlined Pathway

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

Further, the Program Guide³¹ and/or other Program documents may limit eligibility beyond the requirements set forth in this Compliance Filing. By way of example, buildings with more than three (3) building shells and/or with different types of HVAC systems are required to seek and obtain the Program Manager's approval to participate in this pathway, and certain conditions may be imposed on the application. In addition, the Program documents may impose stricter requirements for certain ECMs than those set forth in this Compliance Filing, including, among others, those related to natural gas equipment.

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

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

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

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

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

High Performance Pathway

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

ASHRAE Modeling Approach (aka “non-Proxy”)

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

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

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

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

LEED

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

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

Table 5: LEED Point Requirements.

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

US EPA ENERGY STAR Program

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

ENERGY STAR SFNH Program

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

ENERGY STAR MFNC Program

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

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

US DOE Zero Energy Ready Home (“ZERH”) Program

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

Passive House

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

Incentives

Project Incentives

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

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

Incentives			
Pathway	Incentive Rate (\$/sqft)	GHG Reduction Bonus	
		Tons CO ₂ e per kSF	\$/sqft
Bundled	\$0.25	n/a	n/a
Streamlined	\$0.50	0.7 - 0.99 tons 1.0 - 1.99 tons 2.0 - 2.99 tons 3.0+ tons	\$0.25 \$0.50 \$1.00 \$1.50
High-Performance <i>Non-Proxy</i>	\$1.00		
High-Performance <i>LEED V4.1</i>	\$1.00		
High-Performance <i>ENERGY STAR</i>	\$1.00		
High-Performance <i>DOE Zero Energy Ready Home</i>	\$1.75		
High-Performance (choose one): <i>PHIUS Core 2021</i> <i>PHIUS Zero 2021</i> <i>PHIUS CORE REVIVE 2021</i> <i>PHI Classic V10</i> <i>PHI Plus V10</i> <i>PHI Premium V10</i>	\$2.50		

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

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

Notes to Table 6 and Table 7:

For Single Family Homes and Townhomes:

1. The minimum floor for calculating incentives will be 2,000 square feet (“sqft”), even if the subject home is less than 2,000 sqft. By way of example only, a 1,500 sqft home that qualified for an ENERGY STAR incentive would be paid a base incentive of \$2,000 (2,000 sqft x \$1/sqft). It might also be eligible for a GHG reduction incentive or Additional Incentive, each of which would, if earned, be calculated as if the home were 2,000 sqft.
2. The maximum ceiling for calculating incentives will be 4,000 sqft, even if the subject home is greater than 4,000 sqft. By way of example only, a 5,000 sqft home that qualified for an ENERGY STAR incentive would be paid a base incentive of \$4,000 (4,000 sqft x \$1/sqft). It might also be eligible for a GHG reduction incentive or Additional Incentive, each of which would, if earned, be calculated as if the home were 4,000 sqft.

Workforce Development Reimbursement

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

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

Table 8: Eligible Certifications

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

Cooperative Marketing

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

Expirations & Extensions

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

Quality Control Provisions

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

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

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

Distributed Energy Resources

Overview

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

Combined Heat and Power - Fuel Cell

Program Purpose, Strategy, and Description

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

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

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

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

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

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

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

For the purposes of this program, fuel cell (“FC”) is defined as follows:

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

FCs are further broken down between “ $\geq 60\%$ FCs” that can achieve an annual system efficiency of $\geq 60\%$ (Higher Heating Value – HHV), based on total energy input and total utilized energy output (Efficiency) and “ $\geq 40\%$ FCs” that can achieve an Efficiency $\geq 40\% < 60\%$.

CHPs and FCs are all eligible for incentives through this program as set forth in more detail below.

Support for EMP Goals and Strategies

This program will support many of the EMP's strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey's overall energy efficiency).
- Goal 2.1 (100% clean power by 2050), especially Goal 2.1.6 (Develop mechanisms to compensate distributed energy resources for their full value stack at the regional and federal level).

Target Market and Eligibility

This CHP-FC Program is open to all New Jersey C&I utility customers paying into the SBC. Applications are reviewed and funds are committed on a first come, first served basis provided all program requirements are met. CHP-FC systems that receive funding from the Energy Resiliency Bank will not be eligible for incentives through NJCEP.

Equipment Eligibility

Natural gas, hydrogen, biogas, and mixed fuel (e.g., natural gas and biogas) CHP-FC equipment, as well as FC equipment using any fuel that is installed on the customer side of the utility meter, is eligible for incentives. For the avoidance of doubt, 100% renewable fueled projects, including biogas and landfill gas-fueled projects that meet CHP-FC Program criteria, are also eligible to receive incentives.

To qualify for incentives, CHP and FC projects must meet all the following eligibility criteria:

- Equipment must be new, commercially available, and permanently installed. Expansion of an existing system with new equipment is also eligible. However, only the incremental expansion would be eligible for incentives;
- Systems must operate a minimum of 5,000 full load equivalent hours per year (i.e. run at least 5,000 hours per year at full rated KW output). Board Staff may grant exceptions to the minimum operating hours requirement for Critical Facilities (as identified in the CHP Incentives section of this Compliance Filing), provided the proposed system operates a minimum of 3,500 full load equivalent hours per year and has islanding capability;
- All FC project submissions must include documentation that the purchase price includes at least one stack upgrade at no additional cost to the customer/applicant so that the equipment's maximum useful life is realized;
- All project submissions must contain specific cost data for providing the unit with blackstart/islanding capability regardless of whether the project will have that capability; and
- Installations of multiple systems planned for the same site within a twelve (12) month period must be combined into a single project.

To qualify for incentives, CHP projects must also meet all the following eligibility criteria:

- The CHP system must achieve an annual system efficiency of at least 60% (Higher Heating Value – HHV) based on total energy input and total utilized energy output. Mechanical energy may be included in the efficiency evaluation; and
- Waste heat utilization systems or other mechanical recovery systems are required for CHP projects. New electric generation equipment which captures waste heat or energy from existing systems is also allowed.

To qualify for incentives, FC projects must also meet the following eligibility criteria:

- FC systems must achieve an annual electric system efficiency of at least 40% (HHV) based on Net Useful Electric Power plus Net Useful Thermal Production (if any) divided by the Total Fuel Input at HHV.

Third party ownership (or leased equipment), such as procured under Power Purchase Agreements, is permitted within the program with the following provisions:

- In order to ensure the equipment remains on site and operational for the term of the agreement, a binding agreement is required between the parties. A copy of this agreement shall be provided to the Program Manager prior to commitment of incentives. The agreement should state that the equipment could be transferred to new owners should the property be sold or otherwise have a buyout provision such that the equipment remains on site and stays in operation. Only permanently installed equipment is eligible for incentives and must be physically demonstrable upon inspection prior to receiving an incentive. This can be demonstrated by electrical, thermal, and fuel connections in accordance with industry practices for permanently installed equipment and be secured to a permanent surface (e.g., foundation). Any indication of portability, including but not limited to, temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer, or platform will deem the system ineligible;
- The customer/applicant will be allowed to sign over the incentive to the third-party owner. A valid project cost shall be demonstrated as part of the application in order to establish an appropriate incentive level; and
- All other program rules apply.

Not Eligible for CHP-FC Incentives

The following types of generating systems/equipment are not eligible for this CHP-FC Program:

- Used, refurbished, temporary, pilot, demonstration, or portable equipment/systems;
- Back-up generators (systems intended for emergency or backup generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

Manufacturer Diversity Caps for $\geq 40\%$ FCs

During FY26, new incentive commitments for projects primarily involving equipment from any single $\geq 40\%$ FC manufacturer are capped at \$5,000,000. By way of example, if during FY26

applicants A, B, C, and D have each been issued a \$1,250,000 commitment for $\geq 40\%$ FC projects using equipment primarily supplied by manufacturer Y, no further commitments would be issued during FY26 for $\geq 40\%$ FC projects using manufacturer Y's equipment.

Board Staff may approve exceptions to the above caps on a case-by-case basis if it determines that doing so is necessary to ensure full use of the current FY's FC and/or CHP-FC budgets.

Feasibility Studies

CHP and $\geq 60\%$ FCs are eligible for incentives for having completed and submitted to NJCEP a feasibility study. To be eligible for an incentive, the applicant must first submit its proposal for the feasibility study and have such proposal approved by the Program Manager. The applicant must also submit the completed study itself, along with proof of its cost. The Program Manager will approve the proposal and final submittal only if it determines that that each is technically sound and is at a reasonable cost. Additional requirements are outlined in the Program Guidelines.

Incentives

Incentives vary based on CHP-FC technology, fuel source, type, the presence or absence of heat recovery, project size, and total project cost. Details on qualifying technologies and available incentives can be found in the Tables below in this Incentives subsection.

Applicants will not be allowed to receive incentives for the installed generation equipment from other available SBC-funded programs or from the Energy Resilience Bank. CHP-FC projects will be evaluated on a per site basis and incentives awarded accordingly. For the avoidance of doubt, if at any time prior to system installation and operation a project is cancelled or abandoned, the incentive funds paid to date must be promptly returned to NJCEP.

Feasibility Study Incentive for CHP and $\geq 60\%$ FCs Only

75% of the cost of the study, capped at an incentive of \$75,000 and payable upon NJCEP approval of the completed study. This incentive would, among other things, count towards all other applicable NJCEP caps.

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Other CHP-FC Incentives

Table 9: CHP-FC Technology and Incentive Levels

Eligible Technology	Size (Installed Capacity) Rated	Incentive (\$/Watt) ⁽⁵⁾	% of Total Cost Cap per project	\$ Cap per project
CHPs powered by non-renewable or renewable fuel source, or a combination ⁽⁴⁾ : • Gas Internal Combustion Engine • Gas Combustion Turbine • Microturbine ≥ 60% FCs	≤500 kW ⁽¹⁾	\$2.00	30-40% ⁽²⁾	\$2 million
	>500 kW – 1 MW ⁽¹⁾	\$1.00		
	>1 MW – 3 MW ⁽¹⁾	\$0.55	30%	\$3 million
	>3 MW ⁽¹⁾	\$0.35		
≥ 40% FCs	All of the above ⁽¹⁾	Applicable amount above	30%	\$1 million
WHPs ⁽³⁾ Powered by non-renewable fuel source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g., steam turbine)	≤1 MW ⁽¹⁾	\$1.00	30%	\$2 million
	>1 MW ⁽¹⁾	\$0.50	30%	\$3 million

1. Incentives are tiered, which means the incentive levels vary based upon the installed rated capacity, as listed in the chart above. For example, a 4 MW CHP system would receive \$2.00/watt for the first 500 kW, \$1.00/watt for the second 500 kW, \$0.55/watt for the next 2 MW, and \$0.35/watt for the last 1 MW (up to the caps listed).
2. The maximum incentive will be limited to 30% of total project. This cap will be increased to 40% where the recovered heat is used in a cooling application (e.g., absorption chiller) at the facility at which the CHP-FC system is located.
3. Projects installing CHP with WHP will be eligible for incentives shown above, not to exceed the lesser of percent per project cap or dollars per project cap of the CHP. Minimum efficiency will be calculated based on annual total electricity generated, utilized waste heat at the host site (i.e., not lost/rejected), and energy input.
4. Systems fueled by a Class 1 renewable fuel source are eligible for a 30% incentive bonus (additional to the incentives calculated in accordance with the table immediately above). If the fuel is mixed, the bonus will be prorated accordingly. For example, if the mix is 60/40 (60% being a Class 1 renewable), the bonus will be 18%. This bonus will be included in the final partial payment, based on system performance and fuel mix consumption data.

5. All CHP-FC systems incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above).
6. The incentive bonuses described in the notes above shall count towards neither the % of Total Cost Cap per project nor the \$ Cap per project, in each case as included in Table 9: CHP-FC Technology and Incentive Levels.

Table 10: CHP-FC Incentive Payment Schedule (other than for Feasibility Studies)

1st – Purchase	2nd – Installation	3rd - Acceptance of post-installation data
30%	50%	20%

1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on 12 months of continuous operating data submitted within 18 months of installation, with the foregoing deadline being subject to being extended for six (6) additional months by the Program Manager upon the request of the applicant submitted prior to the expiration of the deadline and for good cause shown.
2. Regarding the third incentive, if all other required performance thresholds are achieved:
 - a. And the total annual net kWh generated is $\geq 80\%$ of that specified in the Program-approved application, the full third incentive is earned.
 - b. But the total annual net kWh generated is $\geq 50\%$ but $< 80\%$, of that specified in the Program-approved application, the amount of the third incentive earned is reduced proportionately by the ratio of actual total annual net kWh generated to the approved application total annual net kWh generated.
 - c. But the total annual net kWh generated is $< 50\%$ of that specified in the Program-approved application, no third incentive is earned.

Quality Control Provisions

Quality control provisions are designed to ensure that systems that receive incentives are operating as expected and providing the desired benefits to the State. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and Program Administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

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

Renewable Energy

Solar Registration Programs

Program Purpose and Strategy Overview

New Jersey’s solar policies and Renewable Portfolio Standards (“RPS”) have been established through legislation and implemented mainly through regulations and Board Orders. NJCEP’s Solar Renewable Energy Certificate (“SREC”) Registration Program (“SRP”) was designed to meet the goals and objectives of the regulations in place at the time of its design. In 2020, the Board proposed and adopted regulations establishing a solar Transition Incentive (“TI”) Program to provide a bridge between the legacy SRP and the then soon to be established Successor Program. In 2021, the Board proposed and adopted additional regulations establishing the Successor Solar Incentive (“SuSI”) Program. The SuSI Program is comprised of two (2) sub programs: 1) the Administratively Determined Incentive (“ADI”) Program; and 2) the Competitive Solar Incentive (“CSI”) Program, which CSI Program’s application portal was opened to new applications on April 15, 2023. In 2024, the Board approved the addition of a new segment to the ADI program for Remote Net Metered facilities. On October 23, 2024, the Board launched the Dual Use Pilot Program that would allow dual use of certain land for both farmland and solar generation, in accordance with the Dual Use Act, L. 2021, c. 170; N.J.S.A. 48:3-87.13 *et seq.*

Support for EMP Goals and Strategies

The Solar Programs support many of the EMP’s strategies and goals, including, among others, the following:

- Goal 2.1 (100% clean power by 2050), especially Goal 2.1.1 (Meet the 50% Renewable Portfolio Standard by 2030 and explore possible regulatory structures to enable New Jersey to transition to 100% clean energy by 2050), Goal 2.1.2 (Ensure at least 75% of electricity demand is met by carbon-free renewable generation by 2050 and set interim targets), and Goal 2.1.3 (Routinely model scenarios and pathways to achieve 100% clean energy generation by 2050 with consideration for least-cost options).
- Goal 2.3 (Maximize local (on-site or remotely-sited) solar development and distributed energy resources by 2050), especially Goal 2.3.2 (Transition to a successor solar incentive program), which has been achieved.

Program Description

The Solar Registration Programs (“Solar Programs”) provide registration for RECs for solar projects, including behind-the-meter, community solar, and direct grid-supply projects connected to the New Jersey electric distribution system. The Generation Attribute Tracking System (“GATS”) operated by PJM Environmental Information Services is used for the tracking and trading of RECs.

Pursuant to the Board’s regulations, each megawatt hour (“MWh”) of solar generation generates one solar renewable energy certificate (“REC”), which REC represents the clean energy benefits related to the MWh. For the SREC Registration Program, the RECs are called “SRECs” and are tradable in an open market; for the TI Program, they are called “Transition RECs” (“TRECs”) and can be sold to a utility at a fixed price set by the Board; and, for the SuSI Program, they are called

“SREC IIs” and can be sold to a utility at a fixed price. The values of the SREC-IIs under the ADI Program are set by the Board, and the values of the SREC-IIs under the CSI Program will be set through a solicitation process.

The Solar Registration Program team processes registrations and certifies solar projects as eligible for each of the three programs noted above. The SRP team will continue to process SREC and TI registrations submitted before those programs closed to new registrations and it will process any new registrations submitted under the SuSI Program.

FY26 Program Changes

The Solar Programs will be modified as required to remain consistent with any revisions to the programs approved by the Board.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

- Sustain the growth of New Jersey’s solar markets, while communicating accurate and objective information on market development activity.
- Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g., new RPS levels, net metering rules), and translate new policies into program operational procedures, as required.
- Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Solar Act of 2021, N.J.S.A. 48:3-114 et seq., L. 2021, c.169.

Target Markets and Eligibility

Eligible solar technology is defined as a system that utilizes semi-conductor technologies to produce electricity directly from sunlight. All systems must meet program requirements regarding equipment certification, proper installation practices, and compliance with program procedures and processes. Solar PV systems connected to the electric distribution system serving New Jersey can participate in the programs.

Offerings and Customer Incentives

The Solar Programs provide a means for solar electric generation facilities to access a market where their RECs can be sold or traded. Solar generating facilities that are interconnected with the electric distribution system serving New Jersey and that meet all applicable rule requirements, as well as all program requirements will be eligible to generate RECs upon successful completion of all requirements. The regulations governing RECs can be found at N.J.A.C. 14:8-2, 14:8-10, and 14:8-11. The program rules will continue to conform to these regulations.

In addition:

- A web based solar portal will be used for submitting registrations; and
- The Program Manager will prepare monthly reports identifying program results and trends including tracking capacity blocks for the SuSI Program.

Quality Control / Quality Assurance Provisions

All renewable energy systems facilitated through the SRP must be installed in accordance with program equipment requirements, program performance requirements, manufacturer specifications, and provisions of the National Electrical Code (“NEC”). The installer is also required to meet Solar Program’s contractor license requirements.

Quality Control (“QC”) serves as a check to ensure specific parameters of a renewable energy installation have been achieved. Quality Assurance (“QA”) defines processes that ensure quality standards using efficient and cost-effective mechanisms.

The QA protocol requires diligence on the part of the “in-office” processing team to ensure the “Final As-Built” (Post-Construction) project information submitted as part of the final application paperwork is complete, correct, and in compliance with all program requirements. This review process is critical for the success of the QA function, which complements the on-site QC inspection process to ensure program compliance.

On-site verifications will be conducted for a pre-determined percentage of projects for residential and add-on systems that add additional capacity to a previously installed solar systems. An on-site verification will be performed for all grid-supply projects, behind the meter projects with a capacity greater than 500 kW, and community solar projects. The Program Manager may also conduct on-site verifications upon written request from Board Staff or PJM-GATS to verify the cause for high meter reads or system production reading anomalies and submit written explanation of the findings to Board Staff and PJM-GATS.

A pre-determined percentage of the projects that receive an inspection waiver will be randomly selected for a more in-depth paperwork review. The Program Manager reserves the right to request additional information, including, PV watts, shading analysis, photos, etc.

The Program Manager will utilize the Contractor Remediation Procedures, as necessary or appropriate, to address significant performance or other problems with Contractors participating in the New Jersey Solar Programs.

Outreach, Website and Other - Outreach Plan

Outreach Plan

Executive Summary

This Outreach Plan (“Plan”) highlights the strategies and tactics that the TRC Outreach Team will implement to raise awareness and drive project submissions for NJCEP. The team will actively engage and educate potential applicants, contractors, and stakeholders to bring new projects into the programs.

This Plan supports the State’s EMP and, specifically, the existing and proposed NJCEP programs:

- Combined Heat & Power and Fuel Cell Program
- Large Energy Users Program
- LEUP Decarbonization Pilot
- Local Government Energy Audit Program
- New Construction Program

The Plan’s tactics support the priorities and focus areas of BPU NJCEP and include:

- Support for the anticipated launch of the unified New Construction Program through enhanced education for trade allies and new program awareness tactics;
- Within the New Construction Program, support for the launch of the Workforce Development and Garden State Challenge Pilot with program awareness efforts, higher education collaboration, and ongoing applicant engagement;
- Provision of NJCEP program awareness at public events; and
- Expansion of external-facing program awareness through support in the development of collateral and messaging via coordinated efforts with BPU.

The Outreach Team will continue to focus on LMI customers and underserved communities as they continue to help raise awareness about the programs and how to use them. The New Construction Program will be a specific focus for this audience.

Background

The Outreach Team continued to increase its presence and participation in EE and industry events in FY25, which contributed to increased application enrollment during the same period. This Outreach Plan incorporates lessons learned from past years and prioritizes tactics that increase engagement and energy savings.

Support for State’s Clean Energy Goals and Strategies

The Outreach Plan supports many of the State’s goals and strategies, as set forth in more detail below under Outreach Goals.

Outreach Goals

The Outreach Team supports the goals of NJCEP, as well as those of BPU and the Administration, including:

- ***Support the Administration’s goal of 100% clean energy by 2035*** – The Outreach Team will continue to support the State’s clean energy goals, working to meet the objectives set forth in Executive Orders 315, 316, and 317.
- ***Promote programs to customers, contractors, and trade allies*** – TRC will actively represent NJCEP in the marketplace for all programs and program enhancements. We will work across all target markets to have the necessary information and training to fully engage in the programs.
- ***Support Environmental Justice to Overburdened Communities and customers*** – To support environmental justice for OBCs (defined by NJDEP) and customers, the Outreach Team will continue to collaborate with the BPU, other state agencies, and community organizations.
- ***Support the Marketing Team’s promotional efforts*** – Collaborate with BPU and their Marketing Team to deliver consistent marketing messages and themes. Program information will be shared as requested to highlight successes around program opportunities, successes, and events.
- ***Collaborate with BPU to reach specific sectors and customers*** – Jointly develop outreach strategies for specific sectors to leverage contacts and expertise.






The tactics outlined in this Plan support these goals. The Key Performance Indicators (“KPIs”) and highlights will be included in a monthly report to track progress toward these goals.

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Target Markets

Outreach efforts address a vast audience across multiple markets including residential, business, local government, and nonprofit entities. The tactics described within this plan address these target markets to increase the reach and success of NJCEP programs.

Table 11: Market Category Definitions

Market Category	Definition
 Customer	Homeowners, Property Owners/Managers, Renters, Businesses, NPOs, State, County and Municipal Government Entities, Schools
 Contractor	HVAC & Insulation Contractors, Plumbers, Remodelers, Electricians, Program Contractors
 Trade Ally	Builders, Developers, Architects, HERS Raters, Consultants, ESCOs, Engineers, Realtors, Manufacturers, Distributors, Retailers, Certification Technicians
 Stakeholder	Community Organizations, Membership Organizations, Green Teams, State Agencies, Chambers of Commerce, Business and Economic Development Associations, Municipal Permitting and Local Code Enforcement Offices
 Partner	Sustainable Jersey, NJ Institute of Technology, GreenFaith, County Improvement Authorities, Utilities (Atlantic City Electric, Elizabethtown Gas, Jersey Central Power & Light, Public Service Electric & Gas, New Jersey Natural Gas, Rockland Electric, South Jersey Gas), American Public Power Association, Environmental Protection Agency, ENERGY STAR, Department of Energy, United States Department of Agriculture (New Jersey), New Jersey Department of Environmental Protection, New Jersey Business Action Center, Passive House, United States Green Building Council, Public Power Association of New Jersey

Outreach Tactics

Tactics are how we achieve our goals. They are specific steps and actions taken to support the outreach strategy and give structure to day-to-day activities. Most tactics employed address the goals of the State along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below.

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Customized Program-Specific Outreach

Each program requires unique outreach tactics. These customized approaches allow Outreach Account Managers to serve as single points of contact for their assigned stakeholder groups and focus their outreach efforts accordingly.

The Outreach Team's work to improve awareness of relevant programs among trade allies and customers is a primary source of project referrals. The Outreach Team identifies the program path that best fits their projects and offers ongoing support as they re-engage in the program with additional projects.

The Outreach Team will continue our training series specific to each sector to educate stakeholders, helping to identify program paths most-suited to their unique needs. We will represent the entire NJCEP portfolio at events and refer inquiries about other BPU-led initiatives to the BPU. Utility-run programs will be included as a standard part of the messaging for increased clean energy awareness.

New Construction Program: Engage Contractors, Trade Allies, Technical Institutions, and Construction Permit Offices

The residential and C&I new construction are being merged into a single streamlined NCP as referenced in this filing. The Outreach Team will play a pivotal role in expanding awareness and understanding of the NCP among relevant stakeholder groups, with a special emphasis on trade allies, since they will likely be most impacted by changes to the program.

New construction contractors and approved Partners have direct contact and influence with potential new construction customers. The Outreach Team will serve as single points of contact for registered NCP Partners. They cultivate and maintain relationships with these Partners through regular dialogue, meetings, roundtables, and engagement with trade organizations. The Team will work to minimize lost opportunities by monitoring Partner participation. They will proactively educate and remind Partners about program benefits during the planning and design phases of their new construction projects. Some educational materials may include website text, fact sheets, the NJCEP quarterly newsletter, social media content development, program overview presentations/webinars, application training presentations/webinars, educational webinars, in-person lunch and learn staff trainings, project meetings, feedback roundtables, and events. Co-op marketing processes will also be developed and managed. Account Managers will also support their assigned Partners by creating awareness of other BPU administered programs for an inclusive brand awareness.

Through the proxy design of the New Construction Program, the Outreach Team will take a more streamlined approach to partnering with organizations. Additional memberships and partnerships that support new construction offerings include among others:

- Associated Builders & Contractors
- Commerce & Industry Association of New Jersey
- Commercial Real Estate Development Association

program
awareness



single point of
contact



individualized
program path



ongoing
support



- Construction Roundtable of New Jersey
- New Jersey Alliance for Action
- New Jersey Apartment Association
- New Jersey Association of Energy Engineers
- New Jersey Builders Association
- Jersey Shore Builders
- International Facility Management Association of New Jersey
- Metropolitan Builders & Contractors Association of New Jersey
- Society of Mechanical Engineers New Jersey
- Southern New Jersey Development Council

As the new construction industry in New Jersey continues to expand, we are actively updating our list of new construction stakeholders while encouraging NJCEP trade ally network participation. The active stakeholder list will be used to share program launch information and invite key decision-makers to NJCEP-hosted events including webinars, presentations, and NJCEP booths at industry trade shows and conferences.

During this period, it's important that outreach efforts drive demand for energy-efficient buildings. The outreach team will encourage developers and builders to design for high-efficiency equipment bundles or choose more efficient building methods by partnering with programs like ENERGY STAR, LEED, Passive Home, or Zero Energy Ready Homes. The team will collaborate with the BPU to develop effective program awareness strategies or campaigns. Awareness may include educational awareness such as co-op advertising, sponsorship of events, project site construction signage, and post project completion placards.

The Outreach Team will support a new Workforce Development reimbursement component of the New Construction Program with an emphasis on underserved student populations and institutions within New Jersey's overburdened communities. Outreach will collaborate with the certifying organizations and publicize the various courses and certifications offered for reimbursements and encourage students to participate.

Garden State Challenge Pilot: Promote a Low- to No-Carbon Future

The Outreach Team will support the New Construction Program's Garden State Challenge Pilot by engaging architects, engineers, developers, builders, and trade allies within the targeted new construction building categories. A targeted messaging campaign will launch with the pilot, focusing on NCP Partners and stakeholders to identify and support new projects from the planning stages. New Jersey colleges and universities will also be engaged to involve students and connect them with project teams.

A dedicated team will collaborate with the program manager and the BPU to develop engaging marketing material, website content, and social media messaging. A dedicated Outreach Account Manager will orchestrate focused outreach campaigns, monitor outreach effectiveness, attend groundbreaking events and ribbon cutting ceremonies, and provide ongoing support to program applicants.

Local Government Energy Audit Program

An Account Manager will coordinate LGEA outreach efforts, including informational campaigns, newsletter content, and participation in annual conferences, ensuring equitable outreach. Organizational involvement will continue with the Association of Counties, Conference of Mayors, School Buildings and Grounds Association, School Boards Association, and League of Municipalities. The Outreach Team will conduct outreach for targeted overburdened towns and authorities.

Large Energy Users Program

We will continue to maintain relationships with past program participants to ensure they remain engaged in the program as many applicants tend to re-apply each FY.

Combined Heat & Power and Fuel Cell Program: Targeted Trade Allies

The Outreach Team will communicate any updated program information for the Combined Heat & Power and Fuel Cell Program via webinars and outreach to developers early in the planning stage of suitable projects.

Trade Ally Development

Recruiting, maintaining, and supporting a healthy trade ally network supports the overall success of the programs. To streamline support for potential and existing trade allies, the network will be segmented into three sub-groups: solar trade allies, CHP-FC trade allies, and approved NCP Partners. The NJCEP trade ally list will continue to be divided among Account Managers, each serving as a single point of contact for new inquiries and program communication. The lead Account Manager will develop content to recruit, train, and support trade allies, while individual Account Managers will provide one-on-one, project-specific assistance.



Recruit

The Outreach Team will continue to support recruitment efforts by providing program collateral and promoting engagement opportunities. Additionally, the Outreach Team will assist in outreach to contractors and residential raters who have previously participated in NJCEP programs.

Train

The Outreach Team will provide support where appropriate by promoting trainings and collaborating on the development of supplemental training materials. These trainings will cover key topics, including recruitment, program benefits, success stories, requirements, and application



The New Jersey League of Municipalities' 107th annual conference provided meaningful face-to-face networking and a showcase of BPU and NJCEP programs

assistance. Training sessions will be recorded and made available through the program website and the Clean Energy Learning Center.

Support

The Outreach Team offers ongoing support to program contractors and the Partner Network by soliciting input on needs, gathering feedback on their experience with the programs, and facilitating discussions on potential program changes or enhancements. Partner support includes:

- **Collateral:** Fact sheets, targeted advertisements, and booth displays are developed to support general program awareness. Sector-specific collateral may be created as needed.
- **Co-op Advertising:** The NJCEP brand will continue to be leveraged to assist NCP Partners in their marketing efforts.
- **Success Story Collaboration:** A structured process will be developed to ensure a consistent flow of new case studies highlighting successful projects and trade allies.
- **In Person Contractor Engagement:** The Outreach Team will host three to four Partner Coffee events annually, allowing NCP Partners to ask questions, discuss the application process, and network with program staff who will be available for detailed inquiries.
- **Annual/Bi-Annual Survey:** The Outreach Team will use a formalized feedback mechanism to better understand Program Partner needs, allowing both the Outreach Team and the program design team to enhance program effectiveness.

Additionally, the Outreach Team will continue to recruit, train, and support CHP-FC trade allies to encourage increased participation in this program. Given the technical nature of CHP-FC projects, the Outreach Team will work closely with Program Managers to ensure targeted engagement strategies, facilitate connections between Trade Allies and potential customers, and support the program's long-term growth.

Call Center Customer Support

An efficient and effective Outreach Team is characterized by its ability to provide informed responses to customer inquiries, creating a seamless pathway to program enrollment. One of the first contacts with a stakeholder may be through the Call Center which supports program outreach and operations by responding to inquiries about the Clean Energy Programs. Two call center phone numbers are managed and answered by TRC: Comfort Partners and NJCEP. The Comfort Partners inquiries are by phone and are directed to their respective utility company. The NJCEP inquiries come from the toll-free telephone number (866-NJSMART), website, and email inquiries. Call center support includes the following activities:

- Represent NJCEP in responding to public inquiries and requests;
- Discuss NJCEP programs with potential applicants; directing callers to appropriate NJCEP and/or BPU program website(s); and
- Forward inquiries that need further follow-up to NJCEP or BPU contacts.

TRC staffs the Call Center from 8:00 a.m. ET to 7:00 p.m. ET, Monday through Friday, excluding State holidays. TRC responds to email inbox inquiries and voicemails within 24-48 business hours of receipt.

Call Center operations as described above will continue to support the Clean Energy Program. As new programs and initiatives are established, call scripts, and email templates will be updated for use by Call Center staff.

Multilingual Educational Outreach

Equity

English.

According to the U.S. Census Bureau, New Jersey has a higher percentage of Spanish speaking households than the average in the United States. To promote equitable outreach, outreach pass-through funds have been set aside to have applicable new and updated collateral to be made available in Spanish and

A Hispanic Account Manager oversees Spanish educational outreach, working with the Outreach Team to address the needs of Hispanic customers. This service will continue to align with new programs and will be a key outreach resource when engaging with bi-lingual organizations including the Statewide Hispanic Chamber of Commerce, and regional Chamber of Commerce - Hispanic Business Committees.

While Spanish is the main language spoken after English in NJ, the Outreach Team will also work with any community organizations that may request NJCEP collateral in other languages to offer translation services.



Statewide Hispanic Chamber of Commerce Event

Support BPU-Led Initiatives

BPU and TRC each lead the development and delivery of NJCEP initiatives. BPU-led initiatives include EVs, Comfort Partners, and Community Energy Plan Grants, for example. To effectively serve the full scope of customer needs, TRC will collaborate with the BPU to ensure consistent and comprehensive messaging.

The Outreach Team engages with customers to discuss their needs and raise awareness of the entire NJCEP portfolio. The Outreach Team will continuously refine presentations to address audience-specific needs.

The Clean Energy Champion (“CEC”) outreach role conducts community outreach to enhance public awareness of NJCEP. By building relationships with community organizations and engaging target audiences, the CEC broadens the BPU’s reach through measurable activities such as event participation, partnership development, presentations, and material distribution. To support ongoing engagement, the CEC will collect contact information at events for follow-up outreach, ensuring continued program visibility. All outreach activities will be systematically tracked through structured logging for performance assessment.

The Outreach Team also manages the printing and distribution of program collateral related to TRC-led EE programs as needed for the BPU. The Outreach Team provides a current stock to the BPU and Outreach Team members, as well as at meetings and events.

BPU Support and Coordination

The Outreach Team will work closely with BPU Staff to align program messaging and event representation with the priorities of the BPU. This includes regular status meetings to inform BPU Staff of outreach activities, events, and speaking opportunities identified for BPU staff and/or Commissioners.

Support Commissioner Engagement

BPU Commissioners have expressed interest in continuing their involvement in the promotion of the programs, along with experiencing some of the interactions that take place between NJCEP participants and program staff. Commissioner participation supports the NJCEP, demonstrates program enthusiasm, and allows Commissioners to receive direct feedback from participants and stakeholders.

We will continue to identify speaking opportunities for BPU Commissioners and BPU Staff participation and look for opportunities for the Commissioners to engage with customers on a one-on-one basis.

We will continue the “Commissioner Concierge” approach to support Commissioner events. A team member is assigned to supply the Commissioners and their staffs with a seamless speaking engagement experience. The Commissioner Concierge supplies specific background details as defined by BPU speaking engagement templates. The Outreach Team will also provide site support for the Commissioners and their staff. Additional support requirements will be defined as required.

Coordinate with BPU Staff

The Outreach Team will continue to support the BPU through the Energy Efficiency Stakeholder Meetings, Renewable Energy Stakeholder Meetings, public messaging, and website updates.

Coordination with the Division of Clean Energy and Ombudsman’s Office is critical to ensure our messages are consistent, that we are not duplicating efforts, and that we are documenting both successes and opportunities for additional communication and outreach. We will coordinate with BPU Staff to support and monitor cross-team outreach efforts to community organizations, local governments, and state agencies.

Regular reports, meetings, and calls will continue to address specific events and provide more in-depth knowledge into program information. We will continue to share event calendars and presentation content.

Outreach staff will attend meetings, site visits, or events as requested by the BPU Staff. The Outreach Team will provide the relevant program presentation and materials for the meeting, in addition to conducting any follow-up needed to assist the customer in using the programs.

event
identification



single point of
contact



slides & talking
points



onsite support



Utility Coordination

TRC will attend the Energy Efficiency Marketing Working Group meetings when scheduled with utilities and BPU Staff to participate in joint efforts around messaging and marketing. Additionally, TRC will continue to coordinate “key utility implementor” contacts for sharing information about projects with the potential to participate in the utility-sponsored programs. For example, when LGEA projects are at their final stage, the Outreach Team coordinates with their utility counterparts to provide existing building retrofit program information. TRC has also begun direct coordination with utilities on LEUP and LGEA projects to prioritize the best interests of the customer.

Coordinate with NJCEP Marketing

The Outreach Team will support the BPU Marketing Team’s marketing campaigns, both by responding to data information requests and by preparing program-specific plans. Collaboration will be critical as specific marketing plans are developed and implemented so that the Outreach Team can be prepared to support and provide the data needed.

The NJCEP branding and messaging that the Outreach Team uses will be consistent with the messaging of the marketing campaigns. The program benefits most from synchronized Marketing and Outreach coordination to best target NJCEP programs and provide equitable awareness of the programs. The Outreach Team will continue to host monthly meetings with the BPU Marketing Team and BPU Communications Team to understand their timelines and to prepare the program staff for the upcoming focuses and workload shifts.

Create, Develop, and Maintain Partnerships

Maintaining partnerships is key to ensuring that the Outreach Team and partners are aware of the other’s initiatives and changes that occur. We will continue to build upon our existing partnerships and pursue new partnerships that include Overburdened Communities, targeted community organizations, and new trade specific membership organizations.

Sustainable Jersey

Coordination with Sustainable Jersey will continue to support its participants who are interested in NJCEP and offer program guidance to their Energy Team. Outreach efforts will focus on collaborating with the active Regional Hubs, co-presenting webinars, and participating in the Sustainable Jersey Energy Task Force Meetings to align NJCEP initiatives.

Additionally, the team will coordinate with Sustainable Jersey through monthly meetings to discuss upcoming events and inquiries. Training sessions will also be provided for Sustainable Jersey’s Environmental Defense Fund interns and staff on the LGEA process and how to refer new construction opportunities to NJCEP.

County Improvement Authorities

County Improvement Authorities play a key role in business retention and attraction, offering financing opportunities, tax incentives, and collaboration with municipalities on local growth initiatives. Account Managers will maintain engagement with these authorities, seeking opportunities to promote NJCEP offerings and identify potential projects through meetings and events.

Investor-Owned Utilities

Collaboration with the State's utilities is critical to providing customers with a clear path for EE projects and incentives. The Outreach Team will strengthen these relationships, co-promote program offerings, and ensure utilities are informed of program changes. Account Managers will work closely with utility representatives to guide projects to the most suitable programs. We will continue to offer joint presentations with utilities to educate relevant audiences on the transition, program offerings, and other key topics, leveraging partnerships and conferences for broader outreach.

Organizations, State, and Federal Agencies

The Outreach Team actively participates in several key organizations and will explore additional memberships and partnerships to increase speaking engagements and promotional opportunities, such as newsletter articles and success stories.

The team will also maintain relationships with state and federal agencies, including coordinating projects with the U.S. Department of Agriculture, collaborating with the NJ Business Action Center on referrals and joint presentations, participating in Design Lights Consortium and ENERGY STAR outreach initiatives, and providing educational content to the New Jersey Institute of Technology's Clean Energy Learning Center.

Prepare the Market for Program Enhancements

The Outreach Team supports customers, contractors, Trade Allies, and other stakeholders through these program changes to meet program goals. Current efforts include training sessions, webinars, newsletter articles, and presentations at conferences and trade shows. The team engages directly with stakeholders that include customers, contractors, trade allies, and industry professionals through various channels, including in-person visits, virtual meetings, and email communications. Collaboration with the BPU Marketing Team ensures updates are reflected in public-facing materials, presentations, and website content.

Delivery

The Team

The Outreach Team typically consists of an Outreach Manager, an Administrative Coordinator, Account Managers, a Clean Energy Champion, staff promoting Program awareness, and a Market Analyst, all working closely with BPU Staff and identified market sectors.

Outreach Manager

The Outreach Manager coordinates with the BPU and the Outreach Team to implement this plan and prioritize the priorities of the Division of Clean Energy. The Outreach Manager oversees open and effective communication with the BPU and partner organizations and monitors regular reporting on KPIs and event follow-ups.

Administrative Coordinator

The Administrative Coordinator plays a key, office-based role in support of the larger outreach team. The coordinator manages event logistics, supplies literature and giveaways, maintains the

calendars of events and approvals, and processes purchasing. The role may require attendance at some events and presentations in support of Outreach Team activities.

Outreach Account Managers

Outreach Account Managers (“AM”) are the cornerstone of the Outreach Team, tailoring engagement strategies to promote NJCEP programs and assist customers and Trade Allies with application submissions. They focus on specific programs, with each AM assuming a lead or assistant role such as managing outreach campaigns. The team also supports new program launches and broader awareness initiatives, assisting with contributing to the content and design elements of public facing collateral.

Expanded Program Awareness

Expanded program awareness focuses on supporting new program launches and increasing NJCEP brand recognition statewide. Dedicated outreach staff will assist the BPU in developing public-facing content and materials, including tasks like resuming the NJCEP Newsletter and contributing to the design of program fact sheets, case studies, slides, social media content, and sponsorship advertisements.

For FY26, the New Construction Programs will require additional public awareness efforts, which this team will support. The New Construction Program will need ongoing deliverables throughout the initial launch phases. The team will collaborate with NCP Partners and utilize project sites to expand awareness. Additional resources have been allocated for additional public facing program awareness to target potential applications for the New Construction Program.

CEC



The Clean Energy Champion (CEC) serves as a dedicated outreach role focused on increasing public awareness and equitable access to NJCEP programs. With an emphasis on engaging Overburdened Communities (“OBCs”), the CEC helps ensure these communities benefit from clean energy initiatives in alignment with state-level equity goals. Historically, reaching OBC residents through event attendance alone has been challenging. To enhance engagement, the CEC will implement additional outreach strategies in FY26, supplementing traditional event-based efforts with more targeted approaches.

In addition to its focus on OBCs, the CEC promotes general awareness of all NJCEP programs, including those administered directly by the BPU. The primary objective is to enhance brand recognition and drive program participation. To achieve this, the CEC will identify, organize, manage, and attend residential and community clean energy events across New Jersey, thereby ensuring broad and effective program visibility.

Market Analyst

This position focuses on evaluating the current construction market in the state, evaluating the market potential for program participation, and using market research to quantify program awareness and any program or outreach changes that would increase program awareness and participation.

Key Performance Indicators and Reporting

Key Performance Indicators

The Outreach Team measures its effectiveness through Key Performance Indicators (KPIs) outlined in and in Table 12 below. Monthly reports to BPU staff summarize progress, planned activities, and outreach efforts, including sub-metrics like event engagement and Local Government Energy Audit (LGEA) applications attributed to outreach. The team will continue working with BPU staff to refine reporting for accuracy and relevance.

Table 12: Outreach Key Performance Indicators

Outreach	Target
Application Enrollments: # of applications received attributed to outreach ³⁴	300
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	1,440
Events: Events such as conferences and trade shows attended promoting NJCEP included events attended by the CEC	140
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	70

These KPIs are informed by the previous fiscal year’s performance and assume a continued hybrid outreach approach, combining virtual and in-person engagement. If conditions change, KPI targets may be adjusted accordingly to reflect shifts in outreach strategy and execution.

Reporting

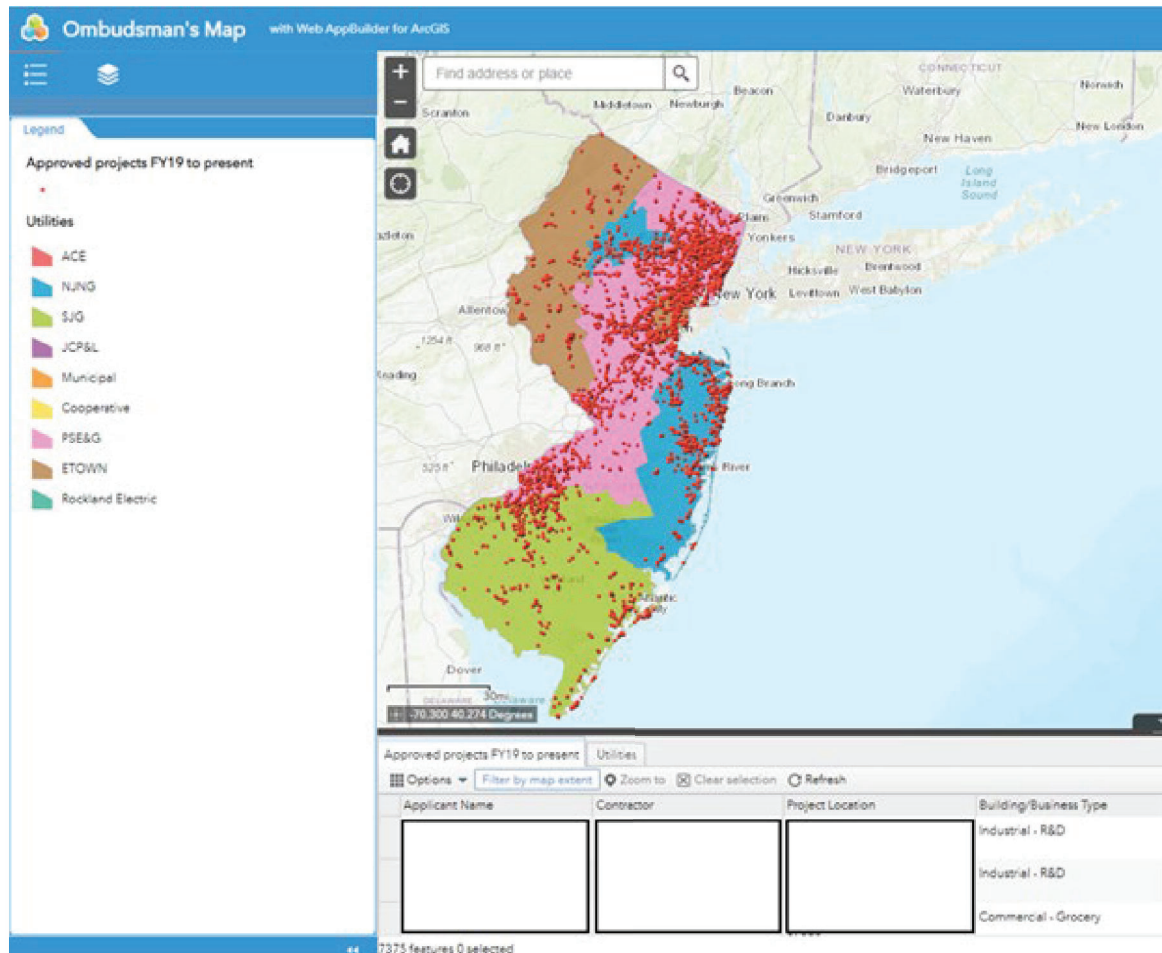
The Outreach Monthly Progress Report is the primary reporting tool. It contains a dashboard overview of KPI metrics and progress towards the goals. It highlights themes, events, and purchases completed throughout the month, as well as joint planning initiatives and partner collaboration. Additional reporting includes invoice back-up, a list of approved program projects, monthly call center summary, and updates made to the Office of the Ombudsman’s GIS reporting system, described below.

GIS Reporting

A geographic information system (“GIS”) reporting platform delivers monthly data on incoming projects, offering regional visualization for internal planning and inclusion in NJCEP quarterly reports to the BPU. The platform is accessible to Account Managers, BPU staff, and the BPU’s Office of the Ombudsman. It can be updated with additional layers upon request and is used as an

³⁴ Many applications involve larger entities and/or larger projects that require multiple touch points prior to submitting an application.

outreach management tool, with maps available for BPU presentations. Data is updated monthly to reflect Outreach campaigns, opportunities, and project submissions.



The Outreach Team manages the Ombudsman's Office ArcGIS access to "layers" such as these shaded zones showing utility coverage and the red circles indicating NJCEP approved project data that has been filtered by the user using any number of data fields.

Rider A: Website

TRC will continue to host New Jersey's Clean Energy Program website.

A redesign of the website has been identified as a priority by the BPU. The Outreach Team looks forward to supporting those redesigning the site, and it will continue to provide feedback from interactions with trade allies and the public. An updated design will improve the user experience and facilitate customer and partner use of the site by making it easier for them to find the most frequently used documents, submit applications, and identify new content. The new website will, through the use of website analytics, provide a better user experience and logical points of engagement along the customer's journey.

Rider B: Outreach Pass-Through Budget

The Outreach Pass-through budget supports activities specifically related to implementing the Outreach tactics described in the Outreach Plan. All expenses are approved in advance by BPU Staff. Examples of expenses that support Outreach may include:

- Booth space at trade shows
- Event registration costs
- NJCEP promotional giveaways
- Sponsorship at events and local chamber of commerce meetings
- Advertisements at events attended by outreach staff
- Printing of program collateral
- Translation services for program information/collateral

Appendix A, C&I EE, NCP, and DER Incentive Caps and General Rules

Incentive Caps

Incentive caps have been established where appropriate to ensure that there is equitable access to the C&I EE, NCP, and DER programs (“App A Programs”) for all qualifying customers. These caps have been established because in some cases a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most App A Programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost of measures installed or performed.³⁵

General Rules

SBC

Unless specifically stated otherwise in the description of any specific one of the App A Programs, customers eligible for incentives under the App A Programs are defined as non-residential electric and/or gas customers of one of New Jersey’s regulated electric or gas utilities who contribute to the SBC. With the exception of the NCP, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous 12 months.

Prevailing Wage

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

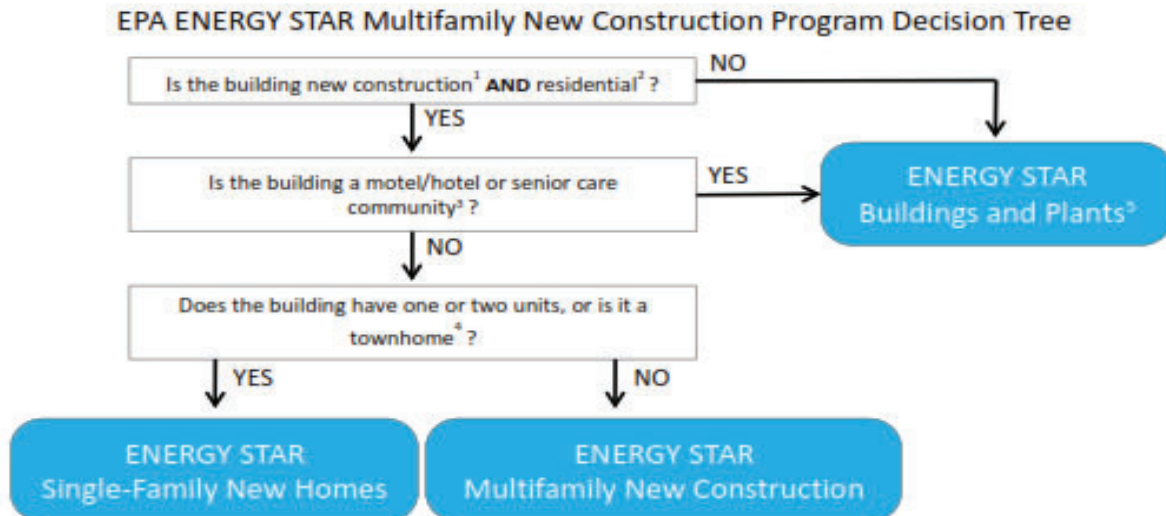
³⁵ Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Extensions

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six (6) months or one (1) year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in this Compliance Filing and in Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

Appendix B, Multifamily Decision Tree

Figure 1 ENERGY STAR Multifamily Decision Tree (May 2021)



NOTES:

1. New construction can include significant gut rehabilitations if the building is able to meet all the program requirements.
2. The primary use of the building must be for a residential purpose. In a mixed-use building, the dwelling units, sleeping units, and common space combined must exceed 50% of the building's square footage. Parking garage square footage is excluded from this calculation. Common space includes any spaces in the building that serve a function in support of the residential part of the building, that is not part of a dwelling or sleeping unit. This includes spaces used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, residential recreation rooms, and dining halls, as well as offices and other spaces used by building management, administration, or maintenance in support of the residents.
3. Assisted living and skilled nursing facilities that meet the definition of [Senior Care Communities](#) are not eligible for the MFNC program. Dormitories, residence halls, buildings with single-room occupancies, supportive housing, cohousing, and other non-senior assisted living facilities are eligible for the MFNC program.
4. Townhomes may choose to use the Multifamily New Construction Checklists as well, but they must use the ERI Path and Single-Family New Homes Reference Design. A townhome is defined as a single-family dwelling unit constructed in a group of three or more attached units in which each unit extends from the foundation to roof and with open space on at least two sides.
5. As of September 16, 2014, multifamily buildings, with at least 1 year of actual, whole building energy use data are eligible to earn the ENERGY STAR using EPA's Portfolio Manager. Portfolio Manager compares a multifamily building's measured performance against a database of similar buildings to generate a 1-100 score. Buildings that score 75 or above earn the ENERGY STAR. For more information on how multifamily buildings can earn the ENERGY STAR with Portfolio Manager please visit [the eligibility criteria for the 1-100 ENERGY STAR score page](#).

New construction commercial facilities such as motels/hotels, nursing homes, and assisted-living facilities do not qualify under the Multifamily New Construction program, however, they may be eligible to earn the ENERGY STAR through the EPA's commercial and industrial programs. To learn more about how these and other existing commercial buildings can earn ENERGY STAR certification, please visit the [Buildings and Plants](#) page. To learn more about the new construction program for commercial buildings visit www.energystar.gov/DesignToEarn.

May 2021

Appendix C, Program Budgets for FY26

TRC FY26		FY26 Cost Category Budgets					
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
Total TRC	\$163,310,855	\$10,816,989	\$4,902,217	\$45,500	\$144,046,370	\$3,499,779	\$0
EE Programs	\$136,668,469	\$8,356,632	\$365,460	\$37,500	\$125,883,475	\$2,025,402	\$0
<i>New Construction Program</i>	<i>\$69,204,679</i>	<i>\$4,895,015</i>	<i>\$121,820</i>	<i>\$25,000</i>	<i>\$62,697,488</i>	<i>\$1,465,356</i>	<i>\$0</i>
New Construction Program	\$69,204,679	\$4,895,015	\$121,820	\$25,000	\$62,697,488	\$1,465,356	\$0
<i>C&I EE Programs</i>	<i>\$67,463,790</i>	<i>\$3,461,617</i>	<i>\$243,640</i>	<i>\$12,500</i>	<i>\$63,185,987</i>	<i>\$560,046</i>	<i>\$0</i>
C&I Buildings	\$60,390,071	\$2,268,346	\$121,820	\$0	\$57,789,487	\$210,418	\$0
LGEA	\$7,073,719	\$1,193,271	\$121,820	\$12,500	\$5,396,500	\$349,628	\$0
Distributed Energy Resources	\$19,323,828	\$941,580	\$121,820	\$0	\$18,162,895	\$97,533	\$0
CHP - Fuel Cell	\$19,323,828	\$941,580	\$121,820	\$0	\$18,162,895	\$97,533	\$0
RE Programs	\$3,025,441	\$1,518,777	\$121,820	\$8,000	\$0	\$1,376,844	\$0
Solar Registration	\$3,025,441	\$1,518,777	\$121,820	\$8,000	\$0	\$1,376,844	\$0
Planning and Administration	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0
<i>Outreach and Education</i>	<i>\$4,293,117</i>	<i>\$0</i>	<i>\$4,293,117</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Outreach, Website, Other	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0

Appendix D, Program Budgets for FY25

<i>TRC FY25</i>		<i>FY25 Cost Category Budgets</i>					
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
Total TRC	\$156,136,177	\$11,147,275	\$4,902,212	\$100,000	\$135,751,671	\$4,235,019	\$0
EE Programs	\$116,216,017	\$8,534,508	\$365,457	\$50,000	\$105,527,058	\$1,738,994	\$0
New Construction Program	\$60,404,447	\$5,070,893	\$121,819	\$37,500	\$54,304,775	\$869,460	\$0
New Construction Program	\$60,404,447	\$5,070,893	\$121,819	\$37,500	\$54,304,775	\$869,460	\$0
C&I EE Programs	\$55,811,570	\$3,463,615	\$243,638	\$12,500	\$51,222,283	\$869,534	\$0
C&I Buildings	\$47,479,975	\$2,269,345	\$121,819	\$0	\$44,910,310	\$178,501	\$0
LGEA	\$8,331,595	\$1,194,270	\$121,819	\$12,500	\$6,311,973	\$691,033	\$0
Distributed Energy Resources	\$31,500,694	\$942,579	\$121,819	\$0	\$30,224,613	\$211,683	\$0
CHP - Fuel Cell	\$31,500,694	\$942,579	\$121,819	\$0	\$30,224,613	\$211,683	\$0
RE Programs	\$4,126,349	\$1,670,188	\$121,819	\$50,000	\$0	\$2,284,342	\$0
Solar Registration	\$4,126,349	\$1,670,188	\$121,819	\$50,000	\$0	\$2,284,342	\$0
Planning and Administration	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0
Outreach and Education	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0
Outreach, Website, Other	\$4,293,117	\$0	\$4,293,117	\$0	\$0	\$0	\$0

Appendix E, Program Goals and Performance Metrics for FY26

NJCEP FY26 Energy Savings Goals: Portfolio Summary					
<i>Program/Budget Line</i>	<i>Annual MWH Savings</i>	<i>Lifetime MWH Savings</i>	<i>MW Savings</i>	<i>Annual MMBTU Savings</i>	<i>Lifetime MMBTU Savings</i>
Total TRC	90,721	1,560,370	11.9	246,434	4,668,280
EE Programs	52,716	895,402	6.7	150,764	2,994,088
C&I EE Programs	30,297	509,119	4.8	72,968	1,488,147
C&I Buildings	30,297	509,119	4.8	72,968	1,488,147
P4P EB	11,261	177,689	3.5	44,806	981,240
LEUP	19,036	331,430	1.4	28,163	506,907
LGEA	0	0	0.0	0	0
New Construction	22,419	386,283	1.9	77,796	1,505,941
NCP	0	0	0.0	0	0
RNC	4,155	83,100	1.0	59,739	1,194,768
C&I NC	15,229	254,682	1.4	9,554	169,765
P4P NC	3,035	48,502	(0.5)	8,503	141,408
Distributed Energy Resources	38,004	664,968	5.2	95,670	1,674,192

Appendix F, Cost-Benefit Analysis

Cost-effectiveness analysis compares the costs and benefits of EE and renewable energy measures, programs, and portfolios of programs. Estimates of both costs and benefits are relative to those that would otherwise have been incurred had “baseline” or “standard” equipment, building systems and/or energy using practices been purchased or remained in place. A measure, program, or portfolio is considered cost-effective if the benefit-cost ratio is 1.0 or greater.

TRC, in collaboration with the Center for Green Building of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, conducted a cost-benefit analysis (“CBA”) for residential, commercial, and industrial NJCEP EE programs.

Cost-Benefit Tests

Benefit cost ratios for each of the five traditional cost-effective tests were developed. The five tests are: Participant Cost Test, Program Administration Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test and Societal Cost Test.³⁶ In addition, a benefit cost ratio was also developed using the New Jersey Cost Test.

Participant Cost Test: The measure of the quantifiable benefits and costs to the customer attributed to participation in a program. The participant benefits are equal to the sum of any participant incentives paid, any reductions in bills, and any federal or state tax deductions or credits. Participant costs include any out-of-pocket costs associated with the program.

Program Administrator Cost Test: The costs of a program as a resource option based on the costs incurred by the program administrator including incentive costs and excluding any costs incurred by the participant. The benefits are the avoided supply costs of energy and demand and the reduction in capacity valued at marginal costs for the periods when there is a load reduction. The costs are the program costs incurred by the administrator, the incentives paid to the customers, and the increased supply costs for the periods in which load is increased.

Ratepayer Impact Measure Test: Measure of what happens to customer bills or rates due to changes in revenues and operating costs caused by the program. The benefits equal the savings from avoided supply costs, including the reduction in capacity costs for periods when load has been reduced and the increase in revenues for periods in which load has increased. The costs are the program costs incurred by administration of the program, the incentives paid to the participant, decreased revenues for any periods in which load has been decreased and increased supply costs for any periods when load has increased.

Total Resource Cost Test: The costs of a program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. This test represents the combination of the effects of a program on both the participating and non-participating customers. The benefits are the avoided supply costs, federal tax credits, and the reduction in generation and capacity costs valued at marginal cost for the periods when there is a load reduction. The costs are the program costs paid by the utility and participants plus the increase in supply costs for the periods in which load is increased.

³⁶ California Standard Practice Manual. Economic Analysis of Demand-Side Programs and Projects. (October 2001).

Societal Cost Test: Attempts to quantify the change in the total resource costs to society as a whole rather than only to the utility and its ratepayers. Costs include all consumer, utility and program expenses. Benefits associated with the societal perspective include avoided power supply costs, capacity benefits, avoided transmission and distribution costs, and emissions savings. It has been assumed that wholesale electricity prices account for the national sulfur dioxide and nitrogen oxide allowance. Therefore, the societal cost test includes only emissions savings accrued from carbon dioxide. Federal tax credits are not included.

Triennium 2 New Jersey Cost Test: In accordance with the Board’s Triennium 2 Framework Order, I/M/O the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, Docket Nos. QO19010040, QO23030150, & QO17091004 (May 24, 2023) (“Triennium 2 Framework Order”), the Triennium 2 New Jersey Cost Test (“Triennium 2 NJCT”) is the State’s primary test for determining the cost-effectiveness of EE and Peak Demand Reduction programs during Triennium 2. As explained in more detail in the Triennium 2 Framework Order’s Attachment F, the NJCT includes all costs and benefits relevant to a portfolio of such programs that are reasonably quantifiable and align with the State’s policy objectives.

The table below includes the results of the benefit cost modeling:

NJCEP FY26 Prospective Benefit Cost Analysis						
<i>Program/Budget Line</i>	<i>PCT</i>	<i>PACT</i>	<i>RIM</i>	<i>TRC</i>	<i>SCT</i>	<i>Triennium 2 NJCT</i>
Total TRC	2.1	2.3	0.8	0.9	1.3	1.9
EE Programs	2.8	1.9	0.8	1.1	1.6	2.4
C&I EE Programs	2.8	1.9	0.8	1.1	1.6	2.4
C&I Buildings	2.8	2.8	0.9	1.2	1.7	2.7
P4P EB	3.5	2.7	1.1	1.8	3.4	3.7
LEUP	2.6	1.9	0.7	0.9	1.5	2.2
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
New Construction	3.3	1.5	0.6	1.1	1.7	2.5
NCP	3.3	1.5	0.6	1.1	2.5	1.7
RNC	2.4	1.1	0.6	0.7	0.9	1.4
C&I NC	4.6	3.2	0.8	1.8	2.8	4.2
P4P NC	3.0	0.3	0.2	0.4	0.8	1.2
Distributed Energy Resources	3.2	9.5	1.0	1.6	2.3	3.5

Appendix G, Key Performance Indicators

TRC Managed Programs	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Lifetime Energy Savings (Source MMBtu)	LMI OBC Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve (\$/Lifetime Source MMBtu)
Program Year 5	459,170	12.58	8,144,748	1,221,712	\$ 16.34

PART 2 (Legacy Programs being transitioned to NCP)

Residential Energy Efficiency Program

Residential New Construction Program

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

The Residential New Construction (“RNC”) Program is designed to increase the EE and environmental performance of residential new construction buildings (single and multifamily) in New Jersey. The RNC Program has the long-term objective of transforming the market to one in which a majority of residential new construction in the state is “net zero-energy” (i.e., extremely efficient buildings where low energy needs can be met by renewable energy generation).

The RNC Program strategy is to establish technical standards for energy efficient new construction in New Jersey utilizing nationally recognized platforms, including the EPA ENERGY STAR® Single Family New Homes Program (“SFNH”), EPA ENERGY STAR Multifamily New Construction (“MFNC”) Program, and U.S. Department of Energy (“DOE”) Zero Energy Ready Home (“ZERH”) Program. The RNC Program then provides technical support and incentives to home energy raters, architects, trade allies, builders, and homebuyers to enable them to design, build, and purchase homes that comply with these standards.

Using an account management approach, the RNC Program recruits new and supports existing energy professionals who oversee the EE work completed by participating builders. There are two paths for energy professionals to participate: 1) as a Home Energy Rating System (“HERS”) Provider approved by an EPA-Approved Verification Oversight Organization (“VOO”); and 2) as a Modeler approved by an EPA-Approved Multifamily Review Organization (“MRO”). Those approved through either path are generally, and in this Compliance Filing, referred to as “Raters” or “Rating Companies.”

The RNC Program is focusing on the use of account managers to provide more direct support to the builders and the use of the Outreach Team to recruit new builder participants with an emphasis toward ZERH Program projects. The RNC Program also provides the necessary training to Raters, trade allies, and builders to ensure they understand the program rules/requirements, and have the skill set to meet the higher-than-code program standards to build homes that contribute to New Jersey’s energy reduction efforts. Incentives are offered to partially offset the incremental construction costs associated with building higher efficiency homes and to generate interest and enthusiasm for the RNC Program among builders and homeowners.

Support for Energy Master Plan Goals

The RNC Program will support many of the 2019 EMP’s strategies and goals, including, among others, the following:

- Goal 3.1 (Increase New Jersey’s overall energy efficiency).
- Goal 4.1 (Start the transition for new construction to be net zero carbon), especially through the NC Program’s support for Zero Energy Ready Homes and Passive Houses.

Program Description

The RNC Program is market-based and relies on builders and Raters to build to nationally recognized platform standards, which are defined by core efficiency measures, energy modeling, rater and builder oversight, and checklists to ensure quality installation.

To participate in this RNC Program, HERS Raters must use modeling software approved by the Program to model savings, calculate the Energy Rating Index (“ERI”) and metric million British thermal units (“MMBtu”) incremental savings compared to the User Defined Reference Home (“UDRH”).³⁷ To be approved, the software must be accredited by an EPA-Approved VOO and be capable of providing batch reporting, including building components for QA review of rating files and savings utilizing the UDRH.

There are a number of market barriers to efficiency investments in new construction in New Jersey. Key among these are:

1. Builders do not always see the value of the additional administrative procedures and associated costs of ENERGY STAR;
2. The higher incremental cost associated with the additional Rater administrative and field inspection requirements of a ZERH;
3. Builders and designers are not proficient with the energy code requirements that the RNC Program requires them to meet or exceed;
4. Conflicting motivations guiding design criteria and choices (i.e., builders who make design, procurement, and construction decisions do not pay the homeowners’ operating costs associated with those decisions);
5. Lack of local market awareness regarding the benefits of efficiency and environmental performance on the part of consumers, builders, lenders, appraisers, realtors and others;
6. Limited technical skills on the part of some builders and their trade allies to address key elements of efficiency;
7. Lack of local consumer marketing on the benefits of owning an RNC Program-participating home to drive demand;
8. Limited awareness of the ZERH requirements, benefits, and incentives that are available to support that market segment; and
9. Inability of consumers, lenders, appraisers, and others to differentiate between efficient and standard new construction homes.

The RNC Program employs several key strategies to overcome these barriers including:

- Direct financial incentives to builders of homes that meet program standards;
- An incentive to offset the incremental Rater cost associated with certifying ZERH single-family, multi-single (i.e., townhome), and low-rise multifamily homes;
- Multiple pathways that allow participation across efficiency levels, entice new builders to the RNC Program, support the NJ construction market for energy code, and promote increased efficiency and quality-assurance with higher incentives;

³⁷ I.e., a baseline home which, among other things, is defined and used in the NJCEP Protocols to Measure Resource Savings.

- Utilization of nationally recognized EPA ENERGY STAR and DOE ZERH brand and website to help promote residential energy programs;
- Technical assistance to inform builders and their trade allies on details of the program pathways and how to comply with the rigorous performance requirements; and
- ENERGY STAR and ZERH certification, inspections, and testing through third-party rating companies that compete in an open market for services.

Program Participation Pathways

The following participation pathways provide New Jersey’s builders and homeowners with a range of participation options to suit builders at different levels of experience with energy efficient construction techniques and homebuyers with varying interest and budgets. All are based on the presumption that the applicable IECC 2018/2021 or ASHRAE 90.1-2016/2019 energy code sets the minimum energy performance requirement for newly constructed homes and the basic requirement is that eligible buildings using the ERI pathway exceed the applicable energy code by 10% and that eligible buildings using ASHRAE modeling exceed the applicable energy code by 15%.³⁸ Therefore, they all result in energy performance that is better than that required by IECC 2018/2021 or ASHRAE 90.1-2016/2019, as applicable, depending on the home’s permit date.

ENERGY STAR

Builders that enroll in either the SFNH or MFNC pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI or ASHRAE pathway, including full inspection checklist requirements. This pathway includes the applicable version of ENERGY STAR SFNH and ENERGY STAR MFNC, depending on the date and eligibility determination per the EPA Multifamily Decision Tree (see [Appendix B](#), Multifamily Decision Tree, of this Compliance Filing), as well as the date of the applicable building permit. The incentive structure within this segment will include a base incentive plus a performance incentive using MMBtu saved as compared to the applicable code UDRH as the indicator.

Zero Energy Ready Home (“ZERH”)

This pathway recognizes a higher EE achievement in new home construction. Applicants must satisfy the requirements for the DOE ZERH certification following the applicable version of that program. The incentive structure within this pathway will include a base incentive plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator.

Zero Energy Home +RE (“ZERH+RE”)

This pathway has the same requirements as the ZERH pathway with the additional requirement that 100% of the building’s modeled energy usage is met by RE systems installed prior to completion of the home. The incentive structure within this pathway will include a base incentive

³⁸ The details of the implementation of these requirements, including which version of which energy code and/or version of ENERGY STAR and/or US DOE ZERH applies to which projects, and of a 90-day transition period regarding implementation of the new energy codes (i.e., IECC 2021 / ASHRAE 90.1-2019), will be provided to stakeholders and the public through means other than the present Compliance Filing.

plus a performance-based incentive using MMBtu saved as compared to the applicable UDRH as the indicator. Incentives will be paid based upon the ERI before the addition of renewables. An additional fixed incentive for the renewable energy system will be awarded for a project meeting the ZERH+RE eligibility requirements.

Target Market and Eligibility

Newly constructed or substantially renovated (also known as gut rehabilitated) single-family (i.e., one- and two-family homes), multi-single (i.e., townhomes), multifamily buildings are eligible for RNC Program benefits so long as their utility bills include or will include contributions to the SBC. The target market for this RNC Program is homebuilders and Raters.

Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction (“MFNC”) program may apply for NJCEP incentives through the RNC Program. Applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be satisfied to receive incentives.

For buildings and projects registered in this RNC Program, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as Appendix B, Multifamily Decision Tree, will be used to determine which ENERGY STAR Program will apply to the building or project.

Projects participating under this RNC Program are not eligible for participation or incentives under any other NJCEP program for any building envelope components, equipment, or appliances that were included as part of application to this RNC Program. However, a given substantial renovation project may be eligible for a utility-sponsored EE program, as well as for this RNC Program. In that case, the applicant would be able to choose which program it would utilize. However, the applicant could not have both programs cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Program Requirements

To qualify for the RNC Program, a home must meet ENERGY STAR SFNC or MFNC, DOE ZERH or ZERH+RE, requirements.

The technical details presented below address most program requirements. The full technical specifications for RNC Program compliance are available upon request. The ENERGY STAR and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by the EPA and/or the DOE and supersede requirements of this program.

ENERGY STAR SFNH

Meet or exceed all the applicable version of the EPA ENERGY STAR SFNH Performance Path standards including:³⁹

- Meet or exceed the applicable version of the ENERGY STAR SFNH Energy Rating Index Target; and
- Complete the applicable version of all ENERGY STAR SFNH mandated checklists.

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards including:⁴⁰

- Complete the applicable version of all ENERGY STAR SFNH Program and all ZERH checklists.

Zero Energy Ready Home + RE (ZERH + RE)

Meet or exceed all ENERGY STAR and ZERH requirements as described above.

Additional RNC Program Requirements:

- 100% of the building's modeled energy usage must be met by RE systems installed onsite prior to completion of the home.

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed the applicable version of the EPA ENERGY STAR MFNC performance path standards including:⁴¹

- Meet or exceed the applicable version of the ENERGY STAR MFNC following either the Energy Rating Index or ASHRAE pathways; and
- Complete the applicable version of all ENERGY STAR MFNC mandated checklists.

Incentives

The RNC Program incentive tables can be found in Appendix H, Residential Incentives (including Enhancements).

The incentives include a base incentive determined by building type, plus a performance-based incentive calculated using the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline, reference home defined by the applicable energy code. For all but MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFNC utilizing the ASHRAE pathway, the applicable code is ASHRAE 90.1. The IECC code reference home is a UDRH utilized in the rating software to compare the rated home to a home of the same dimensions, but with components meeting the applicable IECC code as determined by the date of the project's

³⁹ ENERGY STAR SFNH: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

⁴⁰ Zero Energy Home Standards <https://www.energy.gov/eere/buildings/zero-energy-ready-home>

⁴¹ Multifamily New Construction Standards:
https://www.energystar.gov/newhomes/homes_prog_reqs/multifamily_national_page#site-built

building permit. The ASHRAE reference building is incorporated in the EPA-approved rating software. The building component values used in the UDRH are included in the NJ Protocols to Measure Resource Savings.

Urban Enterprise Zone (“UEZ”) / Affordable Housing / Low- and Moderate Income Enhanced Incentive

The RNC Program will offer bonus incentives for eligible homes located in UEZs that are, or will be, Affordable Housing, and/or that are, or will be, occupied by those of LMI.

ZERH Rater Incentive

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single (i.e., townhome) homes that the Rater is successful in obtaining ZERH or ZERH+RE incentives.

Cooperative Marketing

The Cooperative Marketing Incentive offers cost-sharing for pre-approved advertising placed by contractors participating in the RNC Program. The cost sharing is for 25% of the cost of event booth spaces and 50% of the cost of other types of advertising. Those other types of advertising include print (newspaper, magazine, newsletter), yellow pages, direct mail, television, radio, web banner (digital), signage, billboard, and social media. In addition, other types of advertising may be approved on a case-by-case basis if the applicant can demonstrate its relative cost-effectiveness and benefits to NJCEP. The FY cap per contractor is \$50,000. Contractors seeking to utilize the Program should contact coop@NJCleanEnergy.com.

Planned Program Implementation Activities

The following program implementation activities will be undertaken. The RNC Program will:

- Implement the changes and updates described above;
- Continue to review applications and, on a first-in-time basis, issue Commitment Letters that indicate, among other things, the amount of program funds committed to projects whose applications demonstrate their eligibility for the program as long as funding is available;
- Continue to process incentives for completed projects meeting program requirements;
- Utilize the Outreach Team to recruit new builder participants with an emphasis on ZERH projects;
- Actively engage with DOE, Raters, and builders to identify challenges of participating in the ZERH pathway; and
- Work with Board Staff and/or the Board’s other contractors to identify a more consumer-friendly term for ZERH.

Quality Control Provisions

Market-based delivery of rating services and certifications requires an effective set of standards for quality assurance. The responsibility for builder quality and ENERGY STAR and/or ZERH Certification rests with Raters, ratings providers, DOE, and EPA-approved VOOs, and MROs. It is incumbent upon the program to ensure that a robust system for identifying and communicating quality issues exists to manage the credibility of the savings and associated incentives offered.

To maintain a robust rating marketplace, TRC will perform inspections and conduct oversight processes on Raters and projects. Quality Assurance activities will continue to be performed by TRC based on the track record of Raters and builders measured through program inspections.

In addition to reviews for data completeness on all checklists, forms and applications, on-site inspections, and technical review of building and Rater files will be required based upon the demonstrated proficiency of the builders and Raters. Inspection requirements will be adjusted based upon the track record of the program participants. Initial inspection rates for new builders and rating companies will be above average and will decrease as they demonstrate proficiency in proper building techniques and in understanding the qualifying requirements of the program.

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

Commercial and Industrial Energy Efficiency Programs

General Overview

The NJCEP C&I EE Programs are designed to help New Jersey's businesses use electricity and natural gas more efficiently. Efficiency in electricity and gas usage will promote competition and increase industry success ensuring job retention and creation. There is also an environmental benefit to electricity and gas usage efficiency. Each individual C&I Program is described in more detail in the relevant subsections below.

The C&I Programs are designed to:

- Provide information on how to meet and exceed current energy code requirements so buildings operate more efficiently thereby minimizing operating costs;
- Encourage customers to choose high efficiency options when undertaking construction or equipment upgrades (i.e., when customers normally construct buildings or purchase building systems equipment);
- Support market transformation by providing information and incentives to help customers and designers make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices; and
- Stimulate commercial and industrial customer investments in EE that will support the growth of the industries that provide these products and services.

The C&I Programs address the key market barriers that make it challenging for developers, designers, engineers, and contractors to routinely incorporate EE in their projects, including:

- Lack of familiarity or uncertainty with energy efficient building technologies and designs;
- Bias toward lower initial cost and lack of procedures for considering lifetime building operating costs during decision-making;
- Compressed time schedules for design and construction;
- Aversion to risk involved with specifying technologies less familiar to the local design community despite the proven reliability of efficient technologies and designs; and
- Priorities for engineers, designers, and contractors that often do not align with incentive structures and EE considerations.

The C&I Programs employ a set of offerings and strategies to address the market barriers noted above and to achieve market transformation in equipment specification, building/system design, and lighting design. These include:

- Program emphasis on intervention during customer-initiated construction and equipment replacement events that are a normal part of their business practice;
- Coordinated and consistent outreach to C&I customers, especially large and centralized players, such as national/regional accounts, major developers, etc.;
- Consistent incentive levels for efficient electric and gas equipment and design practices to permanently raise efficiency levels;

- Information and technical support provided to customers and designers to make energy efficient equipment specification, building/system design, lighting design, and commissioning part of standard business practices;
- Information and technical support provided to customers and designers to facilitate compliance with New Jersey's new commercial energy code, as well as future upgrades to that code; and
- Programs designed to meet the needs of a diverse set of customers, including non-profit entities, local governments, and businesses of all sizes.

Unless specifically stated otherwise in the following program descriptions, customers eligible for incentives under New Jersey's C&I EE Program are defined as non-residential electric and/or gas customers of one of New Jersey's regulated electric or gas utilities who contribute to the SBC. With the exception of the new construction segment, applicants to any of the NJCEP C&I EE Programs must be contributors to the SBC within the previous twelve months.

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by submitting an application to the program and receiving program incentives.

C&I Buildings: C&I New Construction

“SmartStart”

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

The C&I New Construction (“SmartStart NC”) Program was part of the original suite of C&I programs available through the NJCEP.

The SmartStart NC Program’s primary goals are to induce C&I customers to choose high efficiency equipment rather than standard efficiency equipment when they are making purchasing decisions. This is accomplished by providing incentives and information on a wide range of high efficiency alternatives. Prescriptive Incentives— where dollar amounts are fixed for specific categories of equipment— are offered where one-for-one, business as usual replacements are typical. The Prescriptive Incentive applications are labeled by technology, such as lighting and HVAC, and defined as equipment most commonly recommended for energy efficient projects with well-established energy savings. Custom incentives are offered for non-standard equipment, complex systems, and specialized technologies that are not easily addressed through prescriptive offerings. Customers are provided a discrete yet flexible application process with the ability to submit one or multiple applications for any size project. The transparency of incentives aids customers in making informed decisions, while assisting EE professionals to better solicit a prospective EE project.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

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

Program Description

The SmartStart NC Program offers both prescriptive and custom incentives for the broad range of C&I customers who are in the market to purchase EE measures. On September 6, 2022, the State of NJ adopted the ASHRAE 90.1-2019 energy code for all commercial and industrial buildings. NJCEP utilizes this code in determining performance requirements and incentive eligibility.

The SmartStart NC Programs will include the following offerings:

- ***Prescriptive Efficiency Measure Incentives*** that provide fixed incentives for EE measures. Incentives are based on incremental costs (i.e., the additional cost above baseline equipment) taking into consideration market barriers, changes in baselines over time, and market transformation objectives. Eligible measures are listed in [Appendix I, Part 2 Incentive Caps and General Rules](#) below.
- ***Custom Measure Incentives*** for more complex and aggressive efficiency measures. The process for calculating custom measure incentives is performance-based, which may

include a commissioning component. Incentives are evaluated and determined via an incremental cost and energy savings analysis to be provided by the customer or customer's authorized representative (vendor/contractor). Determination of the appropriate baseline (existing conditions and/or industry standard) will be reviewed on a case-by-case basis subject to program review and approval. For measures that appear to have no clear baseline per energy code or recognized industry standard, the Program Manager will work with the applicant to define an appropriate baseline. The Program Manager has the discretion to determine the reasonableness of project costs for proposed technologies based on industry standards and other market research. Eligible electric and gas measures include lighting systems, HVAC systems, motor systems, large boiler systems, gas-engine driven chillers, and other non-prescriptive measures proposed by the customer. Technologies not explicitly listed as custom (per the filing and/or Program Guide) will be reviewed for eligibility and are subject to approval at the discretion of the Program Manager. More details regarding this process can be found below in this Compliance Filing under the *Custom Measure Incentive Guidelines* section and in this Compliance Filing's Appendix I, Part 2 Incentive Caps and General Rules *Custom Measures* section.

Customers or their contractors must submit an application for the type of equipment they have chosen to install. The application should be accompanied by a related worksheet (where applicable), a manufacturer's specification sheet for the selected equipment, and one month of the most recent electric/natural gas utility bill. The Program Manager may also require additional utility bills if such bills are relevant to its review of any given application. To qualify for incentives, customers must be contributors to the SBC that corresponds to their incentive (e.g., must contribute to the SBC electric fund if applying for an electric incentive). For example, customers applying for lighting incentives must provide an investor-owned utility ("IOU") electric bill identifying SBC contribution. Similarly, an IOU gas bill identifying SBC contribution is required for natural gas saving measures such as gas heating. Program representatives will then review the application package and approve it, reject it, and/or advise of additional upgrades to equipment that will save energy costs.

Target Markets and Eligibility

The C&I New Construction Program targets commercial, educational, governmental/institutional, industrial, and agricultural customers engaged in customer-initiated construction events including public school construction, other new building construction, and substantial renovations (also known as gut rehabilitations).⁴² The program may be used to address economic development opportunities and transmission and distribution system constraints. It is primarily geared towards the mainstream C&I market, as opposed to programs that target specialized markets such as the Large Energy Users Program and, the Local Government Energy Audit Program. Applicants to the program must be contributors to the SBC.

⁴² A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Incentives

The tables in Appendix I, Part 2 Incentive Caps and General Rules list the incentives for the C&I New Construction Program. The incentives vary by size, technology, and efficiency level and will be paid based on specific eligibility requirements. The program offers both prescriptive incentives and custom measure incentives.

Custom Measure Incentive Guidelines

The program utilizes a performance-based approach to determine incentives for custom equipment. Established incentive caps for the program are the lesser of:

- \$0.16/kWh and/or \$1.60/therm based on estimated annual savings;
- 50% of total installed project cost; or
- buy down to a one-year payback.

The program will allow a single facility with multiple utility accounts to submit a proposed custom project under one application. A customized set of Microsoft Excel-based forms is required for all projects. These forms summarize the critical components of the custom measure, including a detailed description of the technology, installed project cost, and projected savings. Upon project completion, additional documentation is required to confirm that the measures were installed as proposed and that any changes during construction are reflected in the final savings values. As is clearly described in the program forms, certain measures may require post-installation metering, trending analysis, and/or the installing contractor's Statement of Substantial Completion. Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency ("CEE"), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions. The Program Manager will provide contractors with program spreadsheets that include standard formats for reporting program savings, as well as standard incentive calculations.

As a general matter, the preference is to avoid repeated custom measure applications. Accordingly, the Program Manager will generally consider the possibility of developing and proposing a prescriptive standard and incentive once it has received three or more custom applications for the same measure.

Account/FY Cap:

In addition to any other caps described elsewhere in this Compliance Filing, SmartStart incentives will also be capped at a maximum of \$500,000 per electric account and \$500,000 per natural gas account, in each case, per FY.

C&I New Construction Application Deadlines

To be eligible for related incentives, an application for custom measures must be submitted to the Program Manager prior to the installation of any equipment and applications for all other measures must be submitted within 12 months of equipment purchase. Documentation confirming the date

the equipment was purchased, such as a material invoice or purchase order, must be provided to the Program Manager.

Notwithstanding the above, all applicants are strongly encouraged to obtain the Program Manager's approval and an incentive commitment prior to commencing installation or construction. Customers implementing projects without the Program Manager's approval risk having their project deemed ineligible for incentives.

Delivery Methods

As new technologies are introduced and prices for measures change, sometimes in response to program offerings, Program Managers will continuously monitor technologies and costs and adjust program incentives accordingly. The Program Manager will propose adjustments to program offerings based on program experience, the results of any evaluations, program and market studies, as well as other state/regional market research, and current pilot/demonstration projects.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all C&I program participants. All applications received are reviewed to confirm compliance with eligibility requirements. Additionally, all technical information submitted in support of the application is reviewed to confirm measure qualification and to verify the incentive calculation. Applicant-supplied information and Program Manager-performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence.

A sample percentage of applications will be randomly selected for inspections and Quality Control file reviews. The specific percentages by program are outlined in the individual program guideline documents. Inspections include a site visit to verify customer eligibility and energy efficient measure technical specifications that result in a verification of the incentive calculation. A field inspection report is prepared and maintained in the project file for future verification.

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

C&I Buildings: Pay for Performance - New Construction

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

The Pay for Performance – New Construction Program (“P4P NC”) is intended to encourage developers and design professionals to look for ways to optimize design, operation, and maintenance of new construction and substantial renovation projects in order maximize energy and energy cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy use and costs of the proposed design compared to a code compliant baseline. A portion of project incentives is tied to actual building performance to emphasize to building owners the critical value of addressing operational practices. The P4P NC Program aligns with other rating authorities such as LEED and ENERGY STAR.

Support for EMP Goals

This program will support many of the EMP’s strategies and goals, including, among others, the following:

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

Program Description

The P4P NC Program takes a comprehensive, whole building approach to EE in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.⁴³ The program provides tiered incentive levels correlated to the modeled energy and energy cost savings as demonstrated in the proposed design and includes a performance component to reflect the value that effective building operation has in determining energy use. This market-based program relies on a network of partners selected through a Request for Qualifications process. Once approved, partners may provide technical services to program participants. Although partners work under contract with building owners, acting as their “energy expert”, they are required to strictly follow program requirements. Partners will be required to develop a Proposed Energy Reduction Plan (“ERP”) for each project. The Proposed ERP details a set of recommended measures that will achieve the minimum performance target. Partners will then provide an As-Built ERP, along with a Commissioning Report to demonstrate that recommended measures are installed and functioning. Lastly, the partner will benchmark the building following one year of operation to document how well the building is operating relative to the As-Built ERP.

⁴³ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this NJCEP Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

Participants will be required to work with an approved partner to develop the Proposed ERP and facilitate the incorporation of the recommended EE measures. The submitted Proposed ERP must include a package of EE measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2019.⁴⁴ The minimum performance target will be measured in terms of energy cost and source energy savings, which is consistent with Appendix G of ASHRAE 90.1-2019, EPC Act Federal Tax Deductions and LEED NC.

Partners are required to develop whole building energy simulations using approved simulation tools. The list of approved tools will be based on the software requirements outlined in ASHRAE 90.1, Section 11 or Appendix G of ASHRAE 90.1 or as approved by the Program Manager. The program follows Appendix G of ASHRAE 90.1-2019 to demonstrate that the proposed design meets or exceeds the minimum performance target.

Appendix G of ASHRAE 90.1-2019

Under this path, the partner will model a baseline and proposed building using Appendix G of ASHRAE 90.1-2019. Appendix G of ASHRAE 90.1-2019 uses a common baseline building approach that will remain the same for all future iterations of ASHRAE 90.1 and is roughly equivalent to ASHRAE 90.1-2004, Appendix G. Program Guidelines and tools will outline/calculate equivalent savings values relative to Appendix G of 90.1-2019. Measures must be modeled as interactive improvements to Appendix G of ASHRAE 90.1-2019.⁴⁵

Each project must have at least one measure addressing *each* of the following building systems: envelope, heating, cooling, and lighting (e.g., increased insulation, improved HVAC efficiency, lighting power density below code requirements, etc.). Buildings that are not heated (e.g., refrigerated warehouse) or not cooled (e.g., warehouse) will not be required to have a measure addressing the missing building system. Measures are defined as components that exceed ASHRAE 90.1-2019 requirements.

Core and Shell vs. Tenant Fit-Out Considerations

Generally, P4P NC projects are required to evaluate the whole building design. Further, if a P4P NC application is submitted to the Program, that same building(s) cannot also submit applications to other programs. An exception to this rule may apply to eligible projects pursuing Core & Shell separate from tenant fit-out improvements, which may fall into one of two scenarios below.

Scenario 1: Core & Shell and Tenant Fit-out are combined - In this scenario, all aspects of the design (whole building) must be included under a single P4P NC application and treated as a single project following all Program Guidelines, as typical. This may apply where:

- Developer is funding and constructing both Core & Shell and Tenant Fit-out; or

⁴⁴ Energy Target is rounded down to two significant figures e.g., 0.0487 is rounded to 0.04 or 4%.

Note also that applications for projects that submit documentation they received their construction/building permits under ASHRAE 90.1-2016 will have their P4P NC applications processed using ASHRAE 90.1-2016 as their baseline.

⁴⁵ For the avoidance of doubt, as so outlined, modeled or calculated, they must meet the minimum performance target set out above in this Program Description.

- High performance systems are specified and funded for the tenant space separate from Core & Shell, but the building owner and tenant have come to an agreement to include both scopes of work under a single project.

Scenario 2: Core & Shell Separate from Tenant Fit-out - This scenario applies when the Core & Shell work is known, but the tenant space development is unknown and/or is funded separately. In this case, the Core & Shell is treated as a separate project from the Tenant Fit-out and a building may apply for P4P NC for either Core & Shell or Tenant Fit-out(s), but not both. The determining factor depends on which scope will include design and construction of the central HVAC system, in which case:

- P4P NC incentives will apply to all conditioned square footage of the building serviced by the central HVAC in the project's scope of work;
- The project scope applying for P4P NC (e.g., Core & Shell or Tenant Fit-out) must be able to meet all requirements for P4P NC on its own;
- Any Tenant Fit-out or Core & Shell work not included in P4P NC (and connected to a non-residential electric/gas account paying into the SBC) may seek incentives through the C&I Prescriptive or Custom Measure programs for eligible equipment.

A project may apply to the program at any point during the design phase. Projects that have begun construction may still apply so long as measures have not been purchased prior to receipt of the program application. Any measures installed prior to approval of Proposed ERP are done so at the project's risk. In the event the equipment selected does not qualify for an incentive, it will be removed from the Proposed ERP. Projects that cannot identify efficiency improvements that meet the above requirements will be referred to the appropriate C&I Buildings Program(s).

See Program Guidelines at www.njcleanenergy.com for additional modeling considerations.

Target Market and Eligibility

The P4P NC Program is open to new C&I construction projects with 50,000 square feet or more of conditioned space. The Program Manager has the discretion to approve projects that are within 10% of the minimum 50,000 square foot threshold. Projects may include a single building meeting square footage requirements or multiple buildings provided those buildings are owned by the same entity, are located on adjacent properties, and are designed and constructed within the same time period.⁴⁶ Multiple buildings that are grouped into one program application are viewed as a single project that is eligible for one set of program incentives and all incentive caps apply to the group of buildings.

Due to the comprehensive design of this program, projects may not apply for incentives in other NJCEP programs while enrolled in P4P NC for the same facility(ies). All eligible measures must be considered in P4P NC, with the exception of on-site generation (e.g. CHP program). Exceptions

⁴⁶ For the purpose of tracking technical reviews and site inspections, each building addressed within a multi-building ERP may be considered a separate project. This is necessary because although a single ERP will include all of the necessary project information, the review of each of the building simulation models will require individual attention. Similarly, site inspections will take considerably longer for multi-building projects as each building will require an inspection. Where applicable, administrative tracking will be associated with any approved sampling of building simulation models (i.e., if a single model is developed to represent several similar buildings).

also apply to Core & Shell and/or Tenant Fit-out projects as set out in the foregoing paragraphs. Additional exceptions may be considered by the Program Manager on a case-by-case basis.

Multifamily Buildings

The P4P NC Program accommodates certain types of multifamily buildings. Applicants who pursue their multifamily projects through the ENERGY STAR Multifamily New Construction (MFNC) program may apply for NJCEP incentives through the RNC Program; applicants who do not pursue their multifamily projects through the ENERGY STAR MFNC program may apply for NJCEP incentives through the P4P NC Program. Regardless of which program the applicant pursues, all applicable NJCEP program requirements must be *satisfied* in order to receive incentives. Please see Appendix B, Multifamily Decision Tree, for further guidance on multifamily program eligibility.

Low-rise (and mid-rise where appropriate), garden-style complexes will be treated as one project under the P4P program. In other words, if there are 10 garden-style buildings that are part of one multifamily community, all 10 will be aggregated into one P4P NC application. The 50,000-square-foot participation threshold will be met through this aggregation (including common area and in-unit). The minimum performance target (as well as all other program requirements) will also be determined on an aggregated basis. Only one set of incentives will be paid per project and all incentive caps apply.

Partner Network

Existing approved P4P NC Partners will need to complete online re-training on a regular basis as determined by the Program Manager in order to remain an approved partner in the program. The Program Manager may offer select partners one-on-one training on projects to ensure success in the program, as well as kick-off meetings upon project enrollment. Depending on program demand, the Program Manager may provide subsidized Energy Modeling Training Sessions for Program Partners related to ASHRAE 90.1-2019.

Program Offerings and Incentives

The P4P NC Program's incentive structure was conceived to encourage the design and achievement of comprehensive energy savings and are, therefore, released in phases upon satisfactory completion of each of these three program milestones:

1. Submittal and approval of a Proposed ERP with proposed design meeting all program requirements;
2. Submittal and approval of an As-Built ERP and Commissioning Report confirming installation and operation of recommended measures per the Proposed ERP. Changes between proposed and as-built design must be accounted for at this point, although as-built project must still meet all program requirements; and
3. Submittal of ENERGY STAR Portfolio Manager benchmark based on first year of operation with score of 75 or higher. Building types not eligible for ENERGY STAR Certification can qualify for this incentive by obtaining *ASHRAE Building Energy Quotient (bEQ) In-Operation* Certification with equivalent score as set by Program Guidelines. Additional certification for compliance may be considered by Program Manager.

Incentives are paid based on the rate schedule in the table below. At the customer's written request, incentive payments may be assigned or directed (including re-assignment or re-direction) to either the customer, the partner, or other designated representative.

Table 13: P4P NC Incentive Schedule

	Cost or Source Energy Reduction from 90.1-2019 Baseline	Incentive by Building Type Per Square Foot	
Minimum Performance Requirement	15% Multifamily 5% All other	Industrial/High Energy Use Intensity	Commercial and Multifamily
Incentive #1 Proposed Energy Reduction Plan	+ 0 - <2% (Tier 1)	\$0.10	\$0.08
	+ 2 - <5% (Tier 2)	\$0.12	\$0.10
	+ 5% or greater (Tier 3)	\$0.14	\$0.12
	Max	\$50,000.00	
	Pre-Design Bonus	\$0.04	
	Max	\$20,000.00	
Incentive #2 As-Built Energy Reduction Plan and Cx Report	+ 0 - <2% (Tier 1)	\$1.00	\$0.80
	+ 2 - <5% (Tier 2)	\$1.20	\$1.00
	+ 5% or greater (Tier 3)	\$1.40	\$1.20
Incentive #3 Building Performance		\$0.40	\$0.35

- Incentive #1 is contingent on moving forward with construction and must be supported by required program documentation (e.g., signed Installation Agreement). The Program Manager, in coordination with the Division of Clean Energy, may waive this contingency in extreme situations where construction is halted due to economic or other external factors. If a project is cancelled after the receipt of Incentive #1, the incentive amount shall be returned to NJCEP. If the Incentive #1 payment is not returned to NJCEP, the customer/partner will not be eligible in the future for another Incentive #1 payment for the same facility.
- The total of Incentives #1, #2, and #3 combined shall not exceed \$2,000,000 per project, assuming both electric and natural gas measures are recommended and implemented. Should only electric measures or only gas measures be recommended and implemented, then the total of Incentive #1, #2, and #3 combined shall not exceed \$1,000,000 per project. The foregoing would place a \$1,000,000 per project cap on electric-only facilities.
- Certain circumstances may impact an incentive amount after a commitment has been made:
 - Increase or decrease in project square feet may increase (budget permitting) or decrease the incentive;
 - Significant modifications to the approved scope of work, including addition and removal of a measure, may impact the overall project savings causing a project to move between incentive tiers. Incentives will be adjusted up (budget permitting) or down, accordingly; and

- Generally, any required adjustments will also include under or overpayment of incentives already paid.

Incentive #1 Pre-Design Bonus (Integrative Process): Projects that are in pre-design or schematic design may be eligible for a higher Incentive #1. The goal is to incentivize applicants to think critically about their building design from an EE standpoint early in the process when changes are easier to make, thereby supporting high-performance, cost-effective project outcomes. To qualify, the partner will need to work with the applicant beginning in pre-design and continuing throughout the design phases. They will perform a preliminary “simple box” energy modeling analysis before the completion of schematic design that explores how to reduce energy loads in the building and accomplish related sustainability goals by questioning default assumptions. They will then document how this analysis informed building design decisions relative to owner’s project requirements, basis of design, and eventual design of the project. This submittal shall be submitted after application approval, but prior to the Proposed ERP. Although pre-construction inspections are not routinely performed in this program, TRC may inspect projects applying for this bonus.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all P4P NC Program projects. All applications received are reviewed to confirm compliance with eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of measure qualification and incentive calculation. Applicant supplied information and project technical data are entered into the database. Electronic files are created for all documents and for ongoing project correspondence. The Program Manager reviews submitted ERPs.

The Program Administrator quality control staff will perform pre- and post-construction inspections, will regularly conduct pre-approval technical reviews of ERPs, and will perform file reviews on a sampling of applications prior to incentive payments. The selection of inspections and reviews will be based on a pre-determined, random sampling percentage.

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

C&I Buildings: Customer Tailored Energy Efficiency – New Construction

As noted in the Introduction to this Compliance Filing, this program is being replaced by NCP on a schedule publicly announced by means other than this Compliance Filing.

Program Purpose and Strategy Overview

This program supplements the current New Jersey C&I incentive programs by offering a streamlined approach to developing and implementing EE projects for mid-to-large customers. The key features of the program:

- Allows customers to bundle multiple prescriptive and custom measures into one application with one project delivery approach;
- Customers can receive incentives for qualified advanced and emerging EE technologies that are not currently addressed under SmartStart;
- Technical assistance incentives offered to help minimize the soft costs associated with developing an EE project;
- Leverages existing EE professional networks;
- Larger customers with multiple measures can access incentives for their targeted EE projects without enrolling in a whole-building program; and
- Performance verification to engage customers after their project is complete to ensure persistence of savings.

The goals of the program are to:

- increase participation among mid to large customers;
- increase the amount of energy saved per project for participating customers;
- understand from participating customers whether assistance beyond measure incentives will facilitate the installation of EE projects;
- promote the installation of advanced lighting controls in conjunction with high efficiency LED luminaires; and
- collect information and data that can inform program changes or new program designs in the future.

Support for EMP Goals

This program will support many of the EMP's strategies and goals, including, among others, the following:

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

Program Implementation Description

The program was developed and launched in FY18 in response to customer concerns regarding the application process for projects involving completion and submission of multiple SmartStart applications. It will be promoted through traditional methods, the C&I Outreach Account Managers, and EE professionals.

The program process is as follows:

1. **Outreach and Recruitment** – The CTEEP NC will be included in any C&I customer outreach conducted by the Account Managers. Information about it will be placed on the web site and shared with the Ombudsman’s office and trade allies who can assist in promoting the pilot to their customers.
2. **Enrollment** - The enrollment application will allow the Program Management team to assess the opportunities, the status of the potential project, and to schedule a Scoping Session meeting where the Case Manager performs a needs assessment to determine whether the customer requires additional assistance such as referral to technical expertise, financial assistance, internal sales, or benchmarking.
3. **Energy Efficiency Plan Development** - Upon application acceptance, the customer works with its technical experts to develop the EEP.
4. **Incentive Commitment** - Upon acceptance of a complete EEP, the Program Manager will commit incentives as defined by the EEP and program requirements. The incentive commitment will be valid for twelve (12) months. The Program Manager may extend the initial expiration period in two, six (6) month intervals.
5. **ECM Installation** – The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.
6. **Performance Verification** – The performance verification submission applies to custom measures only. A customer will receive the final 10% of custom measure incentives consistent with the schedule defined below.

Target Markets and Eligibility

The target customer size is 50,000 square feet.

Additional criteria that will be considered for inclusion:

- Customers with complex operations and/or unique energy usage profiles who would most benefit from custom assessments of efficiency opportunities;
- Customers whose efficiency opportunities, barriers to investment, and/or business needs suggest they may benefit from support beyond just financial incentives (e.g. technical analysis, financial analysis, etc.);
- Customers with projects requiring multiple applications under existing program offerings; and
- Customers who are good candidates for installation of new, innovative, or advanced efficiency technologies.

Program Offering and Incentives

Financial incentives offered to customers of the CTEEP NC will be the same as those available through the existing prescriptive and custom program offerings. However, for ease of customer participation, the financial incentives will be bundled into a single “package” application. The

total incentive available for any project will be equal to the sum of the incentives available through the existing prescriptive and custom program offerings for the measures installed. For ECMs possessing both prescriptive and custom features, the Program Manager will have discretion to determine if some or all of the EE benefits will be eligible under the custom incentive structure.

Prescriptive Measures:

- Measures meeting the requirements of the current SmartStart Building Program will receive the established incentive (including any applicable enhancements) under that program.

Custom Incentives:

- \$0.16 per kWh
- \$1.60 per therm
- 50% of project cost
- Buy-down to 1-year payback
- Same enhanced incentives as for the current SmartStart Building Program

Technical Assistance:

In addition to measure incentives, where initial design costs are a barrier to the pursuit of projects that appear to be promising, the Pilot may offer customers an additional incentive towards design assistance or technical support provided by an independent⁴⁷ third party design professional. Incentives will be available for up to 50% of the cost of the design/technical assistance up to a maximum of \$10,000 upon approval of the NJCEP Program Manager, with half of the incentive payable upon proof of construction kick-off and the remainder upon installation of the recommended measures.

Incentive cap:

The same caps in SmartStart Program apply here, including the \$500,000 per utility account cap; however, the Technical Assistance incentive does not count towards this incentive cap.

⁴⁷ Independent in this case means the design professional does not sell or represent products that are being considered for installation.

Payment Schedule

Incentive payments are made along the life of a project as outlined below.

Project material/labor invoices will signify projected completion followed by a post-inspection as deemed appropriate.

Table 14: CTEEP NC Schedule of Payments

Schedule of Payments			
Type of Incentive	Milestone 1 Construction Kick-Off	Milestone 2 Substantial Completion	Milestone 3 Performance Verification
Technical Assistance Incentive	50%	50%	-
Base Incentives – Prescriptive	-	100%	-
Base Incentives – Custom	-	90%	10%

Milestone 1: The EEP is approved and construction contracts are in place.

Milestone 2: All work is installed and new equipment and systems are generating energy savings. Multiple payments may be provided.

Milestone 3: Performance Verification is complete. Multiple payments may be provided. This milestone may occur between 3-6 months after substantial completion.

Program Standards

- **Prescriptive measures** must meet the minimum requirements of the SmartStart Buildings program.
- **Custom measures** must meet or exceed current SmartStart Custom requirements (with the exception of minimum energy savings requirements) or the MPS for the LEUP.
- **Advanced Lighting Control Systems** must be listed on the Design Lights Consortium's Qualified Products List.
- **Emerging Technologies** must meet current building codes or industry standards, as applicable.

Limitations/Restrictions

- Renewable and power storage technologies including, but not limited to, photovoltaics, fuel cells, battery storage, and microturbines are not eligible.
- Combined heat and power systems are incentivized under New Jersey's Combined Heat and Power program and are not eligible for CTEEP NC incentives.
- Previously installed measures (i.e., any measures installed prior to enrollment) are not eligible.

- Measures that do not save energy (kWh or therms) are not eligible. Customers may install measures that exclusively reduce operating costs and/or energy/demand costs, but they may not be included in the CTEEP NC EEP.
- Operations & Maintenance and behavioral measures are not eligible. Behavioral measures include those where equipment is adjusted to improve performance or change energy use. Behavioral measures may include boiler clean and tunes, commissioning of existing equipment, thermostat adjustment, or seasonal equipment removal.

Quality Control Provisions

All applications are reviewed upon receipt to verify adherence to eligibility requirements. Applicant eligibility information is verified, along with all technical information in support of energy efficient measure qualification and incentive calculation. Applicant supplied information and program administrator performed incentive calculations are entered into the database, and files are created for all documents and ongoing project correspondence. Inspection protocols for custom measure projects will require a pre-determined percentage of pre- and post-inspections. Pre-inspections may be waived after successful completion of a Scoping Session.

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

Appendix H, Residential Incentives (including Enhancements)

Residential New Construction

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

Table 15: RNC Financial Incentives per Unit for ENERGY STAR New Construction Programs, Zero Energy Ready Home, and Zero Energy Home + RE

Program	Single Family (1 & 2 Family Homes)	Townhome (as defined by EPA)	Multifamily (as defined by EPA)
Energy Star	\$1,000 per home + \$30 per MMBtu saved	\$500 per home + \$30 per MMBtu saved	\$500 per unit + \$30 per MMBtu saved
ZERH (Zero Energy Ready Home)	\$4,000 per home + \$30 per MMBtu saved Rater Incentive: \$1,200 per home	\$2,500 per home + \$30 MMBtu saved Rater Incentive: \$1,200 per home	\$1,500 per unit + \$30 per MMBtu saved
ZERH + Renewables	\$6,000 per home + \$30 per MMBtu saved Rater Incentive: \$1,200 per home	\$4,000 per home + \$30 per MMBtu saved Rater Incentive: \$1,200 per home	\$2,250 per unit + \$30 per MMBtu saved
UEZ/Affordable Housing Bonus	+\$500 per home	+\$500 per home	N/A

Notes:

1. The above \$30/MMBTU is based on savings before any savings from Renewable Energy. MMBtu is the incremental annual MMBtu saved as compared to the calculated annual usage of the baseline reference home, defined by the applicable energy code as described in more detail in the New Jersey Clean Energy Program Protocols to Measure Resource Savings
2. Building types are determined using the EPA MFNC Program Decision Tree, located at this Compliance Filing's [Appendix B](#), Multifamily Decision Tree.

Appendix I, Part 2 Incentive Caps and General Rules

Incentive Caps

Incentive caps have been established where appropriate to ensure that there is equitable access to the Programs included in Part 2 of this Compliance Filing (“Part 2 Program”) for all qualifying customers. These caps have been established because, in some cases, a few extremely large projects could otherwise consume a significant share of the available budgets, leaving other customers unable to access project funding.

Program / Project Incentive Caps

Most Part 2 Programs set incentive caps on a program per FY and/or per project basis; those caps are described in the program descriptions and/or incentive descriptions in this Compliance Filing.

Total Cost Incentive Cap

No project shall receive incentives from one or more NJCEP programs and/or Board-approved utility programs in an amount that exceeds the total cost⁴⁸ of measures installed or performed.

General Rules

SBC

Unless specifically stated otherwise in the description of a Part 2 Program, customers eligible for incentives under the Part 2 Programs are defined as electric and/or gas customers of one of New Jersey’s regulated electric or gas utilities who contribute to the SBC; for the C&I Programs, the customers must also be non-residential. With the exception of the RNC and the New Construction sub-programs, applicants to any of the Part 2 Programs must be contributors to the SBC within the previous twelve (12) months.

Prevailing Wage

Construction projects are subject to prevailing wage requirements pursuant to L. 2009, c. 203, which amends L. 2009, c. 89, as well as the prevailing wage regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to L. 1963, c. 150 as amended, and N.J.A.C. 17:27-1.1 et seq. and Affirmative Action rules. The prevailing wage rate shall be paid to workers employed in the performance of any construction undertaken in connection with BPU financial assistance programs. This law applies to contracts greater than the amount set forth by the New Jersey Department of Labor and Workforce Development. Unless otherwise stated in a program description, customers self-certify that they are complying with prevailing wage requirements by applying to the program and receiving program incentives.

⁴⁸ Total cost is usually determined by reference to a sales invoice. It is not, for example, impacted by federal tax credits that will become available to the applicant on its next tax return or grants from sources other than NJCEP or Board-approved utility programs.

Extensions

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six (6) months or one (1) year from the date of the letter approving the initial application. NJCEP provides for extensions of deadlines provided certain conditions are met. Program Managers in general are authorized to approve first and, in some cases, second extensions. Additional standards/guidelines for approving extensions and/or reinstatements are set out in this Compliance Filing and/or in the Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two (2) extensions, each of a length set by the Program Administrator with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

C&I New Construction Incentives

As noted elsewhere in this Compliance Filing, this program and these incentives will, on a reasonable and orderly schedule provided to stakeholders and the public through means other than this Compliance Filing, eventually be replaced and superseded by the NCP and its incentives.

Custom Measures

- Performance incentives of \$0.16/kWh and \$1.60/therm of first year savings, 50% of total installed project cost, or buy down to 1-year payback, subject to enhancement, where applicable, pursuant to the table immediately below. Based on estimated savings as approved by the Program Manager.
- Projects will use ASHRAE 90.1-2019 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2019 standards, where applicable. In cases where ASHRAE guidelines do not apply, the program will require that custom measures meet or exceed industry standards per the Consortium for Energy Efficiency (“CEE”), EPA ENERGY STAR, or using such resources as the current New Jersey baseline studies and other market research; the program experience of the Commercial/Industrial Program Manager; and experience of the New Jersey utilities or utility/public program experience from other comparable jurisdictions.

Table 16: C&I Custom Measure Incentives

Equipment Type	Incentive Cap	Incentive Amount
Custom Measures	First-Year Savings Cap	Electric Savings: \$0.16/kWh
		Gas Savings: \$1.60/therm
	Project Cost Cap	50% of Total Installed Project Cost
	Buy-Down Cap	Amount to buy-down to 1-year payback

Electric Chillers

- **Note:** - The manufacturer’s published chiller efficiency must be determined using the Air-Conditioning, Heating and Refrigeration Institute (“AHRI”) 550/590 test procedures and at the AHRI standard evaporator and condenser temperatures. If an applicant has a water-cooled centrifugal chiller that is designed to operate at other than the AHRI standard conditions the procedure in Standard 90.1-2019, Section 6.4.1.2.1 may be used by the applicant to adjust the manufacturer’s published efficiency at non-AHRI conditions to the efficiency at AHRI standard conditions. The applicant will need to provide the

manufacturer's non-AHRI ratings, as well as the calculations for the chiller efficiency at AHRI conditions.

- Electrically operated comfort cooling air-cooled and water-cooled chillers are eligible for incentives under the prescriptive path. Chillers for process cooling (e.g., manufacturing, data center, food storage or processing, etc.) loads may apply for an incentive under the custom path.
- Performance Incentives apply for each 0.1 EER above the Incentive Minimum EER or for each 0.01 kW/ton below the Incentive Minimum kW/ton.
- Proposed equipment must exceed minimum program efficiency requirements for Path A (constant speed) IPLV and Path B (variable speed) Full Load.

Table 17: C&I Electric Chiller Incentives

Equipment Type	Capacity	New Construction			
		Constant Speed		Variable Speed	
		Base \$/ton	Performance \$/ton	Base \$/ton	Performance \$/ton
Air Cooled Chiller	tons < 150	\$10.00	\$3.50	\$45.00	\$4.00
	tons ≥ 150	\$10.00	\$2.75	\$46.00	\$4.00
Water Cooled Chiller, Positive Displacement	tons < 75	\$6.50	\$2.25	\$20.00	\$2.50
	75 ≤ tons < 150	\$10.00	\$2.00	\$21.50	\$2.00
	150 ≤ tons < 300	\$8.50	\$2.00	\$21.50	\$2.00
	300 ≤ tons < 600	\$7.50	\$2.25	\$18.50	\$2.00
	tons ≥ 600	\$15.00	\$2.00	\$22.00	\$2.00
Water Cooled Chiller, Centrifugal	tons < 150	\$12.00	\$2.25	\$12.00	\$2.75
	150 ≤ tons < 300	\$5.00	\$2.00	\$15.00	\$2.50
	300 ≤ tons < 400	\$4.00	\$2.00	\$10.00	\$2.00
	400 ≤ tons < 600	\$4.00	\$2.00	\$12.50	\$2.00
	tons ≥ 600	\$4.00	\$2.00	\$12.50	\$2.00

Table 18: C&I Electric Chiller Minimum Efficiency Requirements

Equipment Type	Capacity	Constant Speed		Variable Speed		Constant Speed		Variable Speed	
		Incentive Minimum Full Load kW/ton	Qualifying IPLV kW/ton	Qualifying Full Load kW/ton	Incentive Minimum IPLV kW/ton	Incentive Minimum Full Load EER	Qualifying IPLV EER	Qualifying Full Load EER	Incentive Minimum IPLV EER
Air Cooled Chiller	tons < 150					10.3	13.7	9.7	16.12
	tons ≥ 150					10.3	14.0	9.7	16.42
Water Cooled Chiller, Positive Displacement	tons < 75	0.735	0.60	0.78	0.49				
	75 ≤ tons < 150	0.706	0.56	0.75	0.48				
	150 ≤ tons < 300	0.647	0.54	0.68	0.431				
	300 ≤ tons < 600	0.598	0.52	0.625	0.402				
	tons ≥ 600	0.549	0.50	0.585	0.372				
Water Cooled Chiller, Centrifugal	tons < 150	0.598	0.55	0.695	0.431				
	150 ≤ tons < 300	0.598	0.55	0.635	0.392				
	300 ≤ tons < 400	0.549	0.52	0.595	0.382				
	400 ≤ tons < 600	0.549	0.50	0.585	0.372				
	tons ≥ 600	0.549	0.50	0.585	0.372				

Gas Cooling

- For gas chillers, full load efficiencies are determined in accordance with AHRI 560; however, part load efficiencies are not rated.

Table 19: C&I Gas Absorption Chiller Incentives

Equipment Type	Size Range	Min Efficiency	Incentive
Gas Absorption Chiller	< 100 tons	> 1.1 Full Load COP	\$450/ton
	100 to 400 tons		\$230/ton
	> 400 tons		\$185/ton

Table 20: C&I Regenerative Desiccant Unit Incentives

Equipment Type	Requirement	Incentive
Regenerative Desiccant Unit	Must be matched with core gas or electric cooling equipment.	\$1.00/CFM of process air flow

Electric HVAC

- To be eligible for an incentive, the equipment must exceed the requirements in the tables below.
- For systems < 65,000 British thermal units (“Btu”) per hour (“Btu/h”), if the equipment is rated using SEER2 efficiency units, SEER2 shall be used to determine eligibility. Otherwise, the SEER rating may be used.
- For systems < 65,000 Btu/h, if equipment is rated using HSPF2 efficiency units, HSPF2 shall be used to determine eligibility. Otherwise, the HSPF rating may be used.

Table 21: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive \$/Ton
			SEER/ SEER2	EER	IEER	
Unitary HVAC Split System	< 65,000	1	15.2 / 14.4			\$92
		2	17.4 / 16.5			\$105
Unitary HVAC Single Package	<65,000	1	15.2 / 14.4			\$92
		2	17.4 / 16.5			\$103
Unitary HVAC Single Package or Split System	$\geq 65,000$ and < 135,000	1		11.5	15.0	\$73
		2		12.5	16.1	\$79
	$\geq 135,000$ and < 240,000	1		11.5	14.2	\$79
		2		12.0	16.1	\$89
Central DX AC	$\geq 240,000$ and < 760,000	1		10.5	13.2	\$79
		2		11.0	14.2	\$85
	$\geq 760,000$	1		9.7	12.5	\$72
		2		10.0	13.4	\$77

Table 22: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency					Incentive \$/ton
			SEER/ SEER2	HSPF/ HSPF2	EER	IEER	COP	
Air Source Heat Pump Split System	< 65,000	1	15.4 / 14.6	9.1 / 7.7				\$92
		2	16.6 / 15.8	9.2 / 7.8				\$100
Air Source Heat Pump Single Package	< 65,000	1	14.4 / 13.7	8.2 / 6.9				\$92
		2	15.6 / 14.8	8.5 / 7.1				\$100
Air Source Heat Pump Split System and Single Package	$\geq 65,000$ and < 135,000	1			11.5	14.1	3.5	\$73
		2			12.1	14.8	3.6	\$77
	$\geq 135,000$ and < 240,000	1			11.5	13.5	3.4	\$79
		2			11.7	15.0	3.4	\$82
	$\geq 240,000$	1			9.5	12.5	3.3	\$79
		2			9.7	14.2	3.3	\$82

Table 23: C&I Water Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Water to Air, Water Loop Heat Pump	< 17,000	1	12.4	4.3	\$20
		2	14.0	4.8	\$23
	$\geq 17,000$ and < 65,000	1	13.3	4.3	\$30
		2	15.0	4.5	\$34
	$\geq 65,000$ and < 135,000	1	13.3	4.3	\$40
		2	15.0	4.5	\$45

Table 24: C&I Single Packaged Vertical AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Single Packaged Vertical AC - SPVAC	< 65,000	1	11.2		\$10
		2	11.8		\$12
	$\geq 65,000$ and < 135,000	1	10.2		\$10
		2	10.7		\$12
	$\geq 135,000$ and < 240,000	1	10.2		\$10
		2	10.7		\$12
Single Packaged Vertical Heat Pump - SPVHP	< 65,000	1	11.2	3.4	\$10
		2	11.8	3.5	\$12
	$\geq 65,000$ and < 135,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12
	$\geq 135,000$ and < 240,000	1	10.2	3.1	\$10
		2	10.7	3.2	\$12

Table 25: C&I Ground Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency		Incentive \$/Ton
			EER	COP	
Ground Source Heat Pump	< 135,000	1	14.4	3.2	\$40
		2	18.0	3.6	\$50
Groundwater Source Heat Pump	< 135,000	1	18.4	3.7	\$40
		2	22.0	3.9	\$48

Table 26: C&I Packaged Terminal AC and Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/hr)	Minimum Efficiency		Incentive \$/Ton
		EER	COP	
Packaged Terminal AC	< 7,000	12.0		\$20/ton (all cooling capacities)
	≥ 7,000	12.0		
	≥ 8,000	11.7		
	≥ 9,000	11.4		
	≥ 10,000	11.1		
	≥ 11,000	10.8		
	≥ 12,000	10.5		
	≥ 13,000	10.2		
	≥ 14,000	9.9		
	≥ 15,000	9.6		
Packaged Terminal Heat Pump	< 7,000	12.0	3.4	
	≥ 7,000	12.0	3.4	
	≥ 8,000	11.7	3.3	
	≥ 9,000	11.4	3.3	
	≥ 10,000	11.1	3.2	
	≥ 11,000	10.8	3.2	
	≥ 12,000	10.5	3.1	
	≥ 13,000	10.2	3.1	
	≥ 14,000	9.9	3.0	
	≥ 15,000	9.6	3.0	

Table 27: C&I Electric HVAC Controls Incentives

- Hospitality/institutional buildings with more than 50 units are not eligible for Occupancy Controlled Thermostats for Hospitality/Institutional Facilities incentive.

Equipment Type	Controlled Unit Size	Incentive
Occupancy Controlled Thermostats for Hospitality/Institutional Facilities	Any capacity	\$75 per occupancy-controlled thermostat
A/C Economizing Control	< 4.5 tons	\$85/control

Gas Heating

Table 28: C&I Non-Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Non-Condensing	Hot Water	< 300 MBtu/h	85% AFUE	\$0.95/MBH; Min \$400
		≥ 300 and < 1,000 MBtu/h	85% Et	\$1.75/MBH
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$400
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	\$1.20/MBH
		> 1,500 and ≤ 2,500 MBtu/h	81% Et	\$1.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	\$1.00/MBH
	Steam, natural draft	< 300 MBtu/h	82% AFUE	\$1.40/MBH; Min \$300
		≥ 300 and ≤ 1,500 MBtu/h	81% Et	\$1.00/MBH
		> 1500 and ≤ 2,500 MBtu/h	81% Et	\$0.90/MBH
		> 2,500 and ≤ 4,000 MBtu/h	81% Et	\$0.70/MBH
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 29: C&I Condensing Boiler HVAC Incentives

Equipment Type	Boiler Type	Size (Input Rate)	Minimum Efficiency	Incentive
Gas Boiler, Condensing	Hot Water	< 300 MBtu/h	88% AFUE	\$1.35/MBH; Min \$1,000
			93% AFUE	\$2.00/MBH; Min \$1,000
		≥ 300 and < 1,000 MBtu/h	92% Et	\$2.00/MBH; Min \$1,000
			95% Et	\$2.20/MBH; Min \$1,000
		≥ 1,000 and ≤ 2,500 MBtu/h	92% Et	\$1.85/MBH
			95% Et	\$2.20/MBH
		> 2,500 and ≤ 4,000 MBtu/h	92% Ec	\$1.55/MBH
			95% Ec	\$2.00/MBH
		> 4,000 MBtu/h		Treated under Custom Measure Path

Table 30: C&I Gas Furnace and Infrared Heater Incentives

Equipment Type	Capacity	Requirement	Minimum Efficiency	Incentive
Gas Furnace	All Sizes	ENERGY STAR® Qualified, 2.0% Fan Efficiency	$\geq 95\%$ AFUE	\$400
			$\geq 97\%$ AFUE	\$500
Gas Infrared Heater	≤ 100 MBtu/h	Low intensity infrared heater with reflectors. For indoor use only.	n/a	\$500
	> 100 MBtu/h			\$300

Table 31: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2019 Table 6.8.3-1.

Equipment Type	Pipe Diameter	Incentive
Domestic Hot Water Pipe Wrap Insulation	≤ 0.5 inch diameter piping	\$1/linear foot
	> 0.5 inch diameter piping	\$2/linear foot

Gas Water Heating

Table 32: C&I Gas Water Heating Incentives

Equipment Type	Water Heater Type	Size (Input Rate)	Min Efficiency	Incentive
Gas Water Heaters	Gas-fired, Storage	≤ 75 MBtu/h (consumer)	≥ 0.64 UEF	\$1.75/ MBtu/h
			≥ 0.85 UEF	\$3.50/ MBtu/h
		>75 MBtu/h and ≤ 105 MBtu/h (residential duty commercial)	$\geq 82\%$ Et or ≥ 0.64 UEF	\$1.75/ MBtu/h
			$\geq 90\%$ Et or ≥ 0.85 UEF	\$3.50/ MBtu/h
		> 105 MBtu/h (commercial)	$\geq 82\%$ Et	\$1.75/ MBtu/h
			$\geq 92\%$ Et	\$3.50/ MBtu/h
	Gas-fired, instant (tankless)	< 200 MBtu/h (consumer)	$\geq 90\%$ Et or ≥ 0.90 UEF	\$300/unit
		≥ 200 MBtu/h (commercial)	$\geq 90\%$ Et	\$300/unit
	Gas-fired, Water Booster Heater	$\square 100$ MBtu/h	n/a	\$35/ MBtu/h
		> 100 MBtu/h	n/a	\$17/ MBtu/h

Table 33: C&I Low-Flow Fixture Incentives

- Public lavatory faucet aerators are not eligible for incentives.

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	1.5 GPM or Less	\$10/showerhead
Low Flow Faucet Aerator	1 GPM or Less	\$2/aerator

Variable Frequency Drives

- Motor Size (HP) Controlled per VFD is the cumulative motor HP controlled by each VFD.
- Controlled Motor HP less than the listed range of eligible values are ineligible for incentives.
- Controlled Motor HP more than the listed eligible values should use the C&I Custom program.
 - For all VFD measure except air compressors, the maximum controlled threshold is 50HP. VFDs controlling more than 50HP, except related to air compressors, will be reviewed through the custom measure path.
 - For new air compressors with VFDs, prescriptive incentives will be provided for units up to 200HP. VFDs controlling air compressor motors exceeding 200HP will be reviewed through the custom measure path.
- If the controlled HP falls in between the HP listed on the VFD incentive table, the incentive is based on the lower controlled HP listed.

Table 34: C&I VFD Incentives

Equipment Type	Motor Size (HP) Controlled per VFD	Incentive
Variable Frequency Drives	0.5	\$50
	1	\$75
	2	\$100
	3	\$200
	4	\$300
	5	\$900
	7.5	\$1000
	10	\$1,100
	15	\$1,200
	20	\$1,300
	25	\$1,400
	30	\$1,500
	40	\$2,500
	50	\$3,000
	60	\$3,500
	75	\$4,000
	100	\$5,000
	200	\$7,000

Table 35: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Air Compressor	25 HP \leq 200 HP	Must be installing VFD on new air or water cooled, single or double stage, oil lubricated or oil free twin rotor screw air compressors outfitted with VFDs (providing compressed air for typical plant air use). Only one VFD controlled air compressor will be eligible for an incentive for each compressed air system.

Performance Lighting

- Performance Lighting incentives are available for eligible indoor light fixtures and outdoor fixtures where electricity usage is billed through the applicant’s meter in new construction and substantial renovations of existing buildings. Substantial renovations of areas within existing buildings are also eligible only if existing lighting is completely removed.⁴⁹
- Proposed lighting design must demonstrate lighting power density (“LPD”) lower than specified by ASHRAE 90.1-2019 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and Table 9.2.3.1 of ASHRAE 90.1-2019.
 - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 37: C&I DLC® Certified Indoor Horticultural LED Fixtures.
- Proposed lighting design must predominantly consist of LED fixtures and lamps qualified by DesignLights Consortium® or ENERGY STAR®.

Table 36: C&I Performance-Based Lighting Incentives

Equipment Type	Incentive Cap	Incentive Caps
Performance-Based Lighting	Design Wattage Cap	\$1/Watt over the LPD baseline per qualified area

Table 37: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures <u>Qualified Products List</u> ⁵⁰	Indoor Horticultural Facilities Operating ≥ 3000 hours/year	≥ 500 Watts	\$250/fixture
		< 500 watts	\$150/fixture
	Indoor Horticultural Facilities Operating < 3000 hours/year	≥ 500 Watts	\$200/fixture
		< 500 watts	\$50/fixture

⁴⁹ A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this Program. If it is, the applicant would be able to choose which program it would utilize. I.e., the applicant could have one or the other program, but not both, cover the project. NJCEP and the relevant utility-sponsored EE programs have, or will have, program rules and procedures to implement the foregoing.

⁵⁰ <https://www.designlights.org/>.

Food Service Equipment

Table 38: C&I Dishwasher Incentives

- Equipment must be qualified by the current version of ENERGY STAR® or CEE.

Equipment Type	Description	Incentive
Commercial Dishwasher	Under Counter	\$400 per unit
	Door Type	\$700 per unit
	Single Tank Conveyor	\$1,000 per unit
	Multiple Tank Conveyor	\$1,500 per unit

Table 39: C&I Cooking Equipment Incentives

- Equipment must be qualified by the current version of ENERGY STAR, CEE, or ASTM criteria defined in the table at the end of this section.
- Commercial Fryers: Multiple vat configurations are paid per qualifying vat.

Equipment Type	Description	Incentive
Commercial Combination Oven/Steamer	Electric	\$1,000 per oven
	Gas	\$750 per oven
Commercial Convection Oven	Electric	\$350 per oven
	Gas	\$500 per oven
Commercial Rack Oven	Single oven (Gas)	\$1,000 per single oven
	Double oven (Gas)	\$2,000 per double oven
Commercial Griddle	Electric	\$300 per griddle
	Gas	\$125 per griddle

Table 40: C&I ENERGY STAR® Refrigerator and Freezer Incentives

- The refrigeration system must be built-in (packaged).
- Cases with remote refrigeration systems do not qualify.
- Must meet ENERGY STAR Version 4.0 specification.

Equipment Type	Refrigerator/Freezer Internal Volume	Incentive
ENERGY STAR® Commercial Glass Door Refrigerator	< 15 ft ³	\$75 per unit
	≥ 15 to < 30 ft ³	\$100 per unit
	≥ 30 to < 50 ft ³	\$125 per unit
	≥ 50 ft ³	\$150 per unit
ENERGY STAR® Commercial Solid Door Refrigerator	< 15 ft ³	\$50 per unit
	≥ 15 to < 30 ft ³	\$75 per unit
	≥ 30 to < 50 ft ³	\$125 per unit
	≥ 50 ft ³	\$200 per unit
ENERGY STAR® Commercial Glass Door Freezer	< 15 ft ³	\$200 per unit
	≥ 15 to < 30 ft ³	\$250 per unit
	≥ 30 to < 50 ft ³	\$500 per unit
	≥ 50 ft ³	\$1,000 per unit
ENERGY STAR® Commercial Solid Door Freezer	< 15 ft ³	\$100 per unit
	≥ 15 to < 30 ft ³	\$150 per unit
	≥ 30 to < 50 ft ³	\$300 per unit
	≥ 50 ft ³	\$600 per unit

Table 41: C&I ENERGY STAR® Ice Machine Incentives

- Ice machines must be tested in accordance with the Air Conditioning and Refrigeration Institute (ARI) Standard 810.
- Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed, and fragmented ice makers.
- Only air-cooled machines (self-contained, ice making heads, or remote condensing) qualify.
- The entire ARI tested ice making system must be purchased.
- Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit.
- The efficiency specifications for the two qualifying tiers are equivalent to ENERGY STAR® or Super-Efficient. ENERGY STAR® ice machines must meet ENERGY STAR® Version 3.0 specification.

Equipment Type	Ice Harvest Rate	Incentive
ENERGY STAR® Commercial Ice Machine	101–200 lbs/day	\$50 per unit
	201–300 lbs/day	\$50 per unit
	301–400 lbs/day	\$75 per unit
	401–500 lbs/day	\$75 per unit
	501–1000 lbs/day	\$125 per unit
	1001–1500 lbs/day	\$200 per unit
	Greater than 1500 lbs/day	\$250 per unit
Super-Efficient Ice Machine	101–200 lbs/day	\$100 per unit
	201–300 lbs/day	\$100 per unit
	301–400 lbs/day	\$150 per unit
	401–500 lbs/day	\$150 per unit
	501–1000 lbs/day	\$250 per unit
	1001–1500 lbs/day	\$400 per unit
	Greater than 1500 lbs/day	\$500 per unit

Table 42: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	<ul style="list-style-type: none"> Must meet the idle energy rate requirements in the Electric Combination Oven/Steamer Table, utilizing American Society for Testing and Materials (ASTM) F2861. Must have a cooking energy efficiency of 55 percent or greater in steam mode and 76 percent cooking energy efficiency or greater in convection mode, utilizing (ASTM) F2861. Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
	Gas	<ul style="list-style-type: none"> Must have a cooking energy efficiency of 41 percent or greater in steam mode and 56 percent or greater in convection mode, utilizing ASTM F2861. Must meet the idle energy rate requirements in the Gas Commercial Combination Oven/Steamer Table, utilizing ASTM F2861. Combination oven/steamer pan capacity based on the maximum capacity of full-size 2 1/2-inch deep hotel pans. This must be consistent with the number of pans used to meet the energy-efficiency qualifications per ASTM F2861.
Commercial Convection Oven	Electric	<ul style="list-style-type: none"> Must have a tested heavy load (potato) cooking energy efficiency of 71 percent or more, utilizing ASTM F1496. Full-size electric ovens must have a tested idle energy rate of 1.6 kW or less, utilizing ASTM F1496. Half-size electric ovens must have a tested idle energy rate of 1.0 kW or less, utilizing ASTM F1496.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 46 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F1496.
Commercial Rack Oven	Gas	<ul style="list-style-type: none"> Single rack ovens must have a tested baking energy efficiency of 48 percent or greater and a total energy idle rate of 25,000 Btu/h or less, utilizing ASTM F2093. Double rack ovens must have a tested baking energy efficiency of 52 percent or greater and a total energy idle rate of 30,000 Btu/h or less, utilizing ASTM F2093.
Commercial Griddle	Electric	Must have a tested heavy load cooking energy efficiency of 70 percent or greater and an idle energy rate of 355 watts per square foot of cooking surface or less, utilizing ASTM F1275.
	Gas	Must have a tested heavy load cooking energy efficiency of 38 percent or greater and an idle energy rate of 2,650 Btu/h per square foot of cooking surface or less, utilizing ASTM F1275.

Note: The incentives identified above in this [Appendix I, Part 2 Incentive Caps and General Rules](#) may be reduced with the approval of the Division of Clean Energy.