

Agenda Date: 1/27/21 Agenda Item: 8E

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.nj.gov/bpu/</u>

CLEAN ENERGY

ORDER

IN THE MATTER OF A MEMORANDUM OF UNDERSTANDING AMONG THE NORTHEAST ENERGY EFFICIENCY PARTNERSHIPS, THE RUTGERS CENTER FOR GREEN BUILDING, AND THE BOARD OF PUBLIC UTILITIES REGARDING THE NEW JERSEY ZERO ENERGY BUILDINGS CODE COLLABORATIVE

DOCKET NO. QO21010002

Parties of Record:

Susan Coakley, Executive Director, Northeast Energy Efficiency Partnerships **Jennifer Senick**, PhD, Executive Director, Rutgers Center for Green Building

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") approves the terms and conditions of the Memorandum of Understanding ("MOU") among Northeast Energy Efficiency Partnerships ("NEEP"), the Rutgers Center for Green Building ("RCGB"), and the Board (collectively, "Parties") regarding the New Jersey Zero Energy Buildings Code Collaborative and authorizes the execution of the MOU by the Board President.

I. BACKGROUND AND PROCEDURAL HISTORY

On May 23, 2018, Governor Murphy signed into law the Clean Energy Act of 2018 ("CEA").¹ The CEA plays a key role in achieving the State's goal of 100% clean energy by 2050 by establishing aggressive energy reduction requirements, among other clean energy strategies. The CEA emphasizes the importance of energy efficiency ("EE") and peak demand reduction ("PDR") and requires the Board to adopt an EE program "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities"²

¹ <u>L.</u> 2018, <u>c.</u> 17 (N.J.S.A. 48:3-87.8 <u>et seq.</u>).

² N.J.S.A. 48:3-87(g).

EE is also one of the seven key strategies identified in New Jersey's 2019 Energy Master Plan³ ("EMP") and will play an essential role in meeting the State's long-term clean energy goals, including by strengthening building and energy codes and appliance standards, along with other key strategies and goals, such as reducing energy consumption and emissions from the building sector.

On June 10, 2020, the Board approved an EE transition framework for implementation of EE and PDR programs in New Jersey, including requirements for the electric and natural gas public utilities ("Utilities") to establish programs that reduce the use of electricity and natural gas within their territories.⁴ As part of this framework, the Board allocated administration of EE and PDR programs between the Utilities and the State.⁵ The Board also established overall annual Utility-territory specific energy use reduction targets and State targets, with State targets in each Utility territory representing the energy use reductions to be achieved by programs administered or sponsored by the State.⁶

Among the initiatives led by the BPU, through its Division of Clean Energy and in collaboration with the New Jersey Department of Community Affairs ("DCA"), are building energy codes and standards.⁷ To this end, the Board authorized Staff to establish a stakeholder group (dubbed an Energy Codes and Standards Subcommittee within the Evaluation, Measurement, and Verification Working Group) whose purpose would be to identify opportunities to achieve greater EE via building energy code strategies and to quantify the energy savings that could result from updates to energy codes.⁸

Northeast Energy Efficiency Partnerships ("NEEP"), a 501(c)(3) non-profit organization, proposes to assist the Board, the Codes and Standards Division of DCA, and others concerned with advancing zero energy building standards statewide as a key strategy to meet the State's clean energy goals and its directives to aggressively reduce building sector greenhouse gas emissions. More specifically, NEEP, in partnership with the Rutgers Center for Green Building ("RCGB"), proposes to convene and engage stakeholders in a New Jersey Zero Energy Building Energy Code Collaborative ("NJ ZEB Collaborative") that will guide the development of a New Jersey Zero Energy Building Roadmap ("NJ ZEB Roadmap") that is aligned with the EMP, CEA, June 10, 2020 Order, and other relevant State policies and directives.

To this end, NEEP, RCGB, and Staff have developed an MOU for consideration by the Board, pursuant to N.J.S.A. 52:14-1 et seq.

³ 2019 New Jersey Energy Master Plan: Pathway to 2050, available at www.bpu.state.nj.us/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

⁴ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040 (Order dated June 10, 2020) ("June 10, 2020 Order").

⁵ Id. at 10–11, 14–15.

⁶ Id. at 18.

⁷ Id. at 14.

⁸ Id. at 37.

II. MOU

The MOU provides in part that:

- a. NEEP, RCGB, and the BPU will participate in the NJ ZEB Collaborative to provide a timely and robust, stakeholder-guided, six-month process to research and develop a NJ ZEB Roadmap that provides options to build government and market capacities to effectively adopt and implement an increasingly more energy-efficient building energy code with a high level of compliance aligned with relevant clean energy policies of the State of New Jersey, including 2019 NJ Energy Master Plan goals and recommendations.
- b. Through a grant from the Energy Foundation, NEEP will lead, plan, and manage the NJ ZEB Collaborative and NJ ZEB Roadmap development. NEEP will survey stakeholders and invite stakeholder participation, convene and facilitate five NJ ZEB Collaborative meetings, conduct research and analysis to inform NJ ZEB Roadmap content and recommendations, lead NJ ZEB Roadmap drafting guided by research, BPU, Rutgers, and stakeholder input and comment, and coordinate NJ ZEB Roadmap dissemination, including at least one general public presentation.
- c. BPU will advise the NJ ZEB Collaborative, serve as a liaison to inform and engage other affected state agencies, attend and contribute to NJ ZEB Collaborative meetings, and inform NJ ZEB Roadmap development and dissemination to align with relevant state policies and the 2019 NJ Energy Master Plan.
- d. RCGB will assist NEEP in planning and convening the NJ ZEB Collaborative, assist the stakeholder survey and engagement, attend and contribute to NJ ZEB Collaborative meetings, and provide expertise and technical assistance for NJ ZEB Roadmap research, development, and dissemination.
- e. The Parties will engage representation from key stakeholders groups (e.g., state and local government, the building design and construction industry, code enforcement professionals, building managers and operators, business and consumer groups, public health and environmental groups, gas and electric utilities) and others identified through stakeholder outreach.

III. DISCUSSION AND FINDINGS

The Board now considers entering into the MOU. NEEP's proposal to engage stakeholders through a ZEB Collaborative to guide the development of a ZEB Roadmap – which will include options to advance zero energy code development and improve code administration, enforcement, and compliance – is consistent with the Board's vision and will satisfy the Board's directive to establish a Codes and Standards Subcommittee that identifies opportunities to achieve greater EE via building energy code strategies. This focus on energy codes, including co-facilitation of a code collaborative with NEEP and collaborative assessment of opportunities to realize greater EE through building energy code strategies, is also contemplated by RCGB's existing FY21–22 scope of work with the BPU.

Having thoroughly reviewed the MOU, the BPU <u>HEREBY</u> <u>FINDS</u> that the MOU establishes the proper terms and conditions, including roles and responsibilities of the Parties, for commencement of a ZEB Collaborative.

IV. CONCLUSION

The Board <u>HEREBY APPROVES</u> the terms and conditions of the MOU and <u>HEREBY</u> <u>AUTHORIZES</u> the execution of the MOU by the President.

The effective date of this order is February 6, 2021.

DATED: January 27, 2021

BOARD OF PUBLIC UTILITIES BY:

JOSEPH L. FIORDALISO PRESIDENT

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MARY-ANNA HOLDEN COMMISSIONER

UPENDRA J. CHIVUKULA COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH SECRETARY

DIANNE SOLOMON COMMISSIONER

ROBERT M. GORDON COMMISSIONER

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SERVICE LIST

| North cost Energy Efficiency Dorth croking | New Jareev Deerd of Dublic Utilities |
|---------------------------------------------------------|------------------------------------------------------|
| Northeast Energy Efficiency Partnerships | New Jersey Board of Public Utilities |
| 81 Hartwell Avenue | 44 South Clinton Avenue, 9 th Floor |
| Lexington, MA 02421 | Post Office Box 350 |
| Super F. Cookley, Executive Director | Trenton, NJ 08625-0350 |
| Susan E. Coakley, Executive Director | Aida Camaaha Walah |
| scoakley@neep.org | Aida Camacho-Welch |
| Kai Palmer-Dunning | Secretary of the Board board.secretary@bpu.nj.gov |
| Buildings and Communities Associate | board.secretary@bpd.inj.gov |
| kpdunning@neep.org | Paul Flanagan, Esq., Executive Director |
| <u>kpddinning@nccp.org</u> | paul.flanagan@bpu.nj.gov |
| Darren Port | padi.nanagan@bpd.nj.gov |
| dport@neep.org | Bob Brabston, Esq. |
| | Deputy Executive Director |
| Rutgers Center for Green Building | robert.brabston@bpu.nj.gov |
| Edward J. Bloustein School of Planning | |
| and Public Policy | Counsel's Office |
| Rutgers, The State University of New Jersey | |
| 33 Livingston Ave #158 | Abe Silverman, Esq. |
| New Brunswick, NJ 08901 | General Counsel |
| | abe.silverman@bpu.nj.gov |
| Jennifer Senick, PhD, Executive Director | |
| jsenick@rutgers.edu | Carol Artale, Esq. |
| | Deputy Chief Counsel |
| Jennifer Souder | carol.artale@bpu.nj.gov |
| <u>Jws137@ejb.rutgers.edu</u> | |
| | Lanhi Saldana, Esq. |
| Atlantic City Electric Company | Legal Specialist |
| | lanhi.saldana@bpu.nj.gov |
| Pepco Holdings LLC – 92DC56 | |
| 500 N. Wakefield Drive | Office of the Economist |
| Newark, DE 19714-6066 | Dr. Don With a roll Director |
| Dhilin I Dessenante Faz | Dr. Ben Witherell, Director |
| Philip J. Passanante, Esq. Assistant General Counsel | benjamin.witherell@bpu.nj.gov |
| 92DC42 | Jackie O'Grady |
| Post Office Box 6066 | jackie.ogrady@bpu.nj.gov |
| Newark, DE 19714-6066 | |
| philip.passanante@pepcoholdings.com | |
| primp.puodananto e popuonoidingo.com | |
| | |
| | |

Marisa Slaten, Esq. Director, Regulatory Services and Strategy Pepco Holdings marisa.slaten@exeloncorp.com

Heather Hall heather.hall@pepcoholdings.com

Susan Marinelli smarinelli@pepcoholdings.com

David Pirtle david.pirtle@pepcoholdings.com

Wayne Hudders Manager, Demand Response and Energy Efficiency Evaluation 701 9th St NW Washington, DC 20068 (202) 872-2140 wayne.hudders@pepcoholdings.com

Butler Power and Light Company

Robert H. Oostdyk, Jr., Esq. Murphy McKeon P.C. 51 Route 23 South Post Office Box 70 Riverdale, NJ 07456 admin@butlerborough.com

Jim Lampmann Borough Administrator <u>ilampmann@butlerborough.com</u>

Elizabethtown Gas Company and South Jersey Gas Company

Deborah M. Franco, Esq. Regulatory Affairs Counsel SJI Utilities 520 Green Lane Union, NJ 07083 dfranco@sjindustries.com

Office of Policy and Planning

Hannah Thonet, Senior Policy Advisor hannah.thonet@bpu.nj.gov

Chris Colacello, Analyst I chris.colacello@bpu.nj.gov

Division of Clean Energy

Kelly Mooij, Director kelly.mooij@bpu.nj.gov

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

Sherri Jones, Assistant Director sherri.jones@bpu.nj.gov

Benjamin Goldstein, Program Specialist benjamin.goldstein@bpu.nj.gov

Mahogany A. Hall, Program Specialist 2 mahogany.hall@bpu.nj.gov

New Jersey Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003

Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director <u>sbrand@rpa.nj.gov</u>

Brian O. Lipman, Esq., Litigation Manager <u>blipman@rpa.nj.gov</u>

Felicia Thomas-Friel, Esq. Managing Attorney – Gas <u>fthomas@rpa.nj.gov</u>

Kurt Lewandowski, Esq. Assistant Deputy Rate Counsel <u>klewando@rpa.nj.gov</u>

Maura Caroselli, Esq. Assistant Deputy Rate Counsel maura.caroselli@rpa.nj.gov Maureen Minkel, General Manager Energy Efficiency and Conservation South Jersey Gas Company 1 South Jersey Place Atlantic City, NJ 08401 <u>mminkel@sjindustries.com</u>

Elizabethtown Gas Company

Frank Vetri Manager, Energy Efficiency Programs 520 Green Lane Union, NJ 07083 <u>fvetri@sjindustries.com</u>

Jersey Central Power and Light Company

300 Madison Avenue Morristown, NJ 07962-1911

Joshua R. Eckert, Esq., Counsel jeckert@firstenergycorp.com

Troy Klink tklink@firstenergycorp.com

Cristy Ludrosky cludrosky@firstenergycorp.com

Diane Rapp drapp@firstenergycorp.com

Kurt Turosky kturosky@firstenergycorp.com

New Jersey Natural Gas Company

1415 Wyckoff Road PO Box 1464 Wall, NJ 07719

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

Anne-Marie Peracchio Director, Conservation and Clean Energy Policy <u>aperacchio@njng.com</u>

Rate Counsel Consultants

Ezra Hausman, Ph.D., President Ezra Hausman Consulting 77 Kaposia St. Auburndale, MA 02466 <u>ezra@ezrahausman.com</u>

New Jersey Division of Law

Department of Law and Public Safety Division of Law R.J. Hughes Justice Complex, 7th Floor West 25 Market Street P.O. Box 112 Trenton, NJ 08625-0112

David Apy, Assistant Attorney General <u>david.apy@law.njoag.gov</u>

Daren Eppley, Section Chief, DAG <u>daren.eppley@law.njoag.gov</u>

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

Michael Beck, DAG michael.beck@law.njoag.gov

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

Terel Klein, DAG terel.klein@law.njoag.gov

Brandon Simmons, DAG brandon.simmons@law.njoag.gov

Chemistry Council of New Jersey

Dennis Hart, Executive Director 150 West State Street Trenton, NJ 08608 <u>dhart@chemistrycouncilnj.org</u> John Astorino jastorino@njng.com

Jerry Ryan jryan@njng.com

Public Service Electric and Gas Company

PSEG Services Corporation 80 Park Plaza, T5 Post Office Box 570 Newark, NJ 07102

Matthew M. Weissman, Esq. General State Regulatory Counsel <u>matthew.weissman@pseg.com</u>

Joseph F. Accardo, Jr., Esq. Vice President – Regulatory and Deputy General Counsel joseph.accardo@pseg.com

Danielle Lopez, Esq. danielle.lopez@pseg.com

Tim Fagan Manager, Planning and Evaluation PSE&G – Renewables and Energy Solutions tim.fagan@pseg.com

Karen Reif karen.reif@pseg.com

Todd Van Aken todd.vanaken@pseg.com

Mark Scorsolini mark.scorsolini@pseg.com

Michael Palladino michael.palladino@pseg.com

Caitlyn White Regulatory Case Coordinator caitlyn.white@pseg.com

Environmental Defense Fund

Mary Barber Director, Regulatory and Legislative Affairs mbarber@edf.org

New Jersey Utilities Association

Thomas R. Churchelow President 154 West State Street, 1st Floor Trenton, NJ 08608 tchurchelow@njua.com

Urban League of Essex County

Vivian Cox-Frasier President and CEO 508 Central Avenue Newark, NJ 07107 vfrasier@ulec.org

South Jersey Gas Company

Peter Druckenmiller pdruckenmiller@sjindustries.com

Jim Fredericks jfredericks@sjindustries.com

Michael Savacool msavacool@sjindustries.com

Margaret Comes, Esq. Associate Counsel 4 Irving Place Room 1815-S New York, New York 10003 comesm@coned.com

John Carley, Esq. Associate General Counsel 4 Irving Place Room 1815-S New York, New York 10003 carleyj@coned.com

Charmaine Cigiliano, Section Manager Customer Energy Services Orange and Rockland Utilities, Inc. 390 West Route 59 Spring Valley, NY 10977 ciglianoc@oru.com

Donald Kennedy, Director Customer Energy Services Orange and Rockland Utilities, Inc. 390 West Route 59 Spring Valley, NY 10977 kennedyd@oru.com

Jon Hilowitz <u>hilowitzj@oru.com</u>