



Agenda Date: 3/24/20  
Agenda Item: 8F

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CLEAN ENERGY

IN THE MATTER OF THE UNITED STATES )  
DEPARTMENT OF ENERGY – STATE ENERGY )  
PROGRAM – JULY 1, 2021 – JUNE 30, 2022 )  
 ) DOCKET NOS. QO20020109  
 ) AND QO21020626

**Parties of Record:**

**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel  
**Michael Ambrosio**, TRC Solutions

BY THE BOARD:

By this Order, the Board of Public Utilities (“Board”) considers the Division of Clean Energy (“DCE”) 2021–2022 State Energy Program (“SEP”) Plan for submission to the United States Department of Energy (“USDOE”). Board Staff (“Staff”) seeks Board approval of the proposed 2021–2022 SEP Plan at a budget level of \$1,474,770 in new federal funding, \$294,954 in new state match, \$1,399,516.66 in federal carryover funds, and \$279,903.33 in state match carryover for a total budget of \$2,874,286.66 in federal funding and \$574,857.33 in state match.

By this Order, the Board considers Staff’s program recommendation to continue the five Market Titles, which include: (1) Incorporating Health and Safety Measures into Energy Efficiency Upgrades; (2) Building Sector Decarbonization Roadmap;(3) a State Energy and Water Benchmarking Study; (4) Non-IOU Programs (Direct Install; Home Performance with Energy Star and HVAC); and (5) Staff Training and Development at the budget levels described below.

**BACKGROUND AND PROCEDURAL HISTORY**

The SEP was established in 1996 by consolidating two existing programs: (1) the State Energy Conservation Program (“SECP”) and (2) the Institutional Conservation Program (“ICP”).<sup>1</sup> Both the SECP and ICP were established during the energy crisis of the early 1970s when there was an increase in the United States’ dependence on foreign oil. Congress responded with legislation establishing a broad range of conservation programs, supporting the development of new and more efficient sources of energy and requiring the USDOE to lead and administer the conservation effort. The SECP was established under the Energy Policy and Conservation Act

<sup>1</sup> 61 Fed. Reg. 35,890 (July 8, 1996).

of 1975, which provided funding to states for a variety of energy efficiency and renewable energy activities.<sup>2</sup> The ICP provided schools and hospitals with technical analyses of their buildings and identified the potential savings from proposed energy conservation measures.<sup>3</sup> By combining the two programs to create the SEP, USDOE made it easier for states to apply for grants and to enable both the USDOE and the states to more efficiently manage the grants.<sup>4</sup> Thus, the USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the SEP.<sup>5</sup> The SEP seeks to promote the efficient use of energy and reduce the rate of growth of energy demand through the development and implementation of specific state energy programs. States must comply with USDOE rules governing these financial awards.

To be eligible for SEP grant funding, a state must submit an annual application executed by the state's Governor or his/her designee to the USDOE by April 7, 2021. The USDOE must approve the activities that the state is planning to undertake for the fiscal year concerned.

USDOE allocates each year to New Jersey in support of its USDOE-approved State Plan. In accordance with the formula provided in 10 C.F.R. § 420.11, New Jersey's 2021–2022 SEP allocation is \$1,474,770. Pursuant to USDOE regulations, New Jersey is required to match its allocation either through cash, in-kind contribution, or both, in an amount totaling no less than 20% of the federal allocation.<sup>6</sup> Therefore, New Jersey's required match is \$294,954. Each state can propose how it intends to use its allocated share of funds to address both the national criteria and specific environmental conditions within the state. Staff proposes that New Jersey's 20% match for these federal funds come from Staff salaries for time spent managing the grant and New Jersey's Clean Energy Program ("NJCEP").

#### **PROGRAM PROPOSAL:**

The 2021–2022 SEP Plan proposal aligns with both SEP and New Jersey Energy Master Plan ("EMP") goals. The proposal includes the continued development and implementation of programs to incorporate health and safety measures into energy efficiency upgrades for low- to moderate- income residents, as well as the development of roadmaps to achieve both the benchmarking requirements and decarbonization goals set forth in the Clean Energy Act of 2018 and the EMP. The proposal would also continue a program that expands the eligibility of customers served by NJCEP.

The proposal includes the following Market Titles:

#### **Market Title: Incorporating Health and Safety Measures into Energy Efficiency Upgrades**

**Budget: \$1,000,000.00 federal funding; state match: \$200,000**

(federal funds: \$500,000; state match (20% of total budget): \$100,000; federal carryover funds: \$500,000; state match carryover: \$100,000)

**Program Description:** The program will expand clean energy offerings for income-restricted residents, as well as address long-term health impacts, through developing a collaborative,

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<sup>2</sup> 61 Fed. Reg. 35,890 (July 8, 1996).

<sup>3</sup> Ibid.

<sup>4</sup> Id. at 35,891.

<sup>5</sup> 10 C.F.R. § 420 et seq.

<sup>6</sup> 10 C.F.R. § 420.12(a).

interagency approach to addressing a broader array of residential health and safety concerns that are not currently addressed through the Comfort Partners Program or the Weatherization Assistance Program. This approach allows for “whole home solutions” for income-restricted customers. Whole home solutions include both directly addressing residents’ in-home energy efficiency and health and safety needs and developing an associated clearinghouse to improve coordination among the several different agencies, programs, and contractors. The program will expand upon existing programs that provide energy efficiency upgrades to also provide health and safety solutions to income-eligible residents completely free of charge. This approach will reduce administrative barriers to accessing energy efficiency services and provide residents with structural, energy efficiency, and health and safety improvements through a streamlined approach. By working collaboratively with several additional state agencies, including the New Jersey Department of Community Affairs (“NJCA”), New Jersey Department of Health (“NJDOH”), New Jersey Department of Environmental Protection (“NJDEP”), and New Jersey Department of Labor and Workforce Development (“NJLW”), the state can leverage existing opportunities to additionally address household determinants of long term health and expand the population of eligible households.

Board Staff is proposing to address both administrative and structural barriers through a partnership with other state agencies and will engage with the public on ways to make sure that communities across New Jersey, particularly those that are over burdened by pollution and the effects of climate change, receive services that improve their long-term health and safety and eliminate many of the cyclical challenges faced by New Jersey’s most burdened households.

**Market Title: Building Sector Decarbonization Roadmap**

**Budget: federal funding: \$800,000; state match \$160,000**

(federal funds: \$400,000; state match (20% of budget): \$80,000; federal carryover funds: \$400,000; state match carryover: \$80,000)

**Program Description:** Achieving New Jersey’s climate goals will require the decarbonization of the state’s building sector. The Board will develop a roadmap to transition the building sector away from fossil fuels through consideration of best practices, best available technologies, and affordability concerns. Complementary studies/reports necessary for the roadmap’s development may include, without being limited to, the following:

- Building stock inventory;
- Beneficial electrification studies for various sectors/building uses;
- Economic and potential studies related to specific technologies (e.g., heat pumps); and
- Studies to identify needs in workforce development/education and consumer education.

**Market Title: State Energy and Water Benchmarking Study**

**Budget: federal funding \$400,000; state match: \$80,000**

(new federal funds: \$200,000; state match (20% of budget): \$40,000; federal carryover funds: \$200,000; state match carryover (20% of budget): \$40,000)

**Program Description:** In 2018, New Jersey established a foundational benchmarking requirement that, by May 23, 2023, the Board shall direct all building owners and operators of

commercial buildings over 25,000 square feet to benchmark energy and water for the prior calendar year using ENERGY STAR Portfolio Manager. In order to administer and implement this requirement, the Board proposes to undertake a study that will assess how to accomplish the following: establish a system to uniquely identify all properties subject to this requirement, notify their owners and operators, and track compliance; facilitate the adoption of tools and processes that will enable customers to easily access their consumption data from energy and water utilities; and develop a database for managing all components of administering and implementing the benchmarking requirement.

**Market Title: Non-IOU Program**

**Budget: federal funds: \$666,786.66; state match: \$133,357.33**

(new federal funds: \$374,770; state match (20% of budget): \$74,954; federal carryover funds: \$292,016.66; state match carryover: \$58,403.33)

**Program Description:** The Non-IOU Program complements the NJCEP by extending its offerings to customers who do not pay a societal benefits charge and therefore do not qualify for state-funded clean energy programs. The program offers incentives for energy efficiency measures for both the residential and commercial and industrial sectors.

**Market Title: Training and Conferences**

**Budget:** federal carryover funds: \$7,500; state match carryover (20% of budget): \$1,500

**Program Description:** Funds will enable Staff to participate in relevant training programs and conferences.

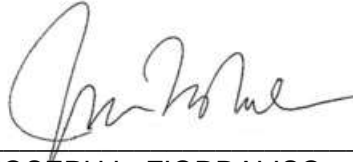
**DISCUSSION AND FINDINGS**

The Board **HEREBY FINDS** that the 2021–2022 SEP Plan, as detailed above, will contribute to conservation of energy, reduce the rate of growth of energy demand and resource dependence on oil, and advance state and federal energy conservation and efficiency goals. The Board **HEREBY APPROVES** the SEP budget of \$1,474,770 in new federal funding, \$294,954 in new state match; \$1,399,516.66 in federal carryover funds and \$279,903.33 in state match carryover for a total budget of \$2,874,286.66 in federal funding and \$574,857.33 in state match and **HEREBY DIRECTS** Staff to submit the USDOE SEP Application to the USDOE on behalf of the Board as proposed and to take appropriate measures to implement such programs subject to and consistent with the USDOE’s approval of the plan. Based upon the foregoing recommendations of Staff, the Board further **APPROVES** the 2021–2022 SEP Plan as proposed above and **HEREBY AUTHORIZES** the President of the Board or his designee to sign the necessary documents to submit as part of a complete 2021–2022 SEP Plan to the USDOE for approval.

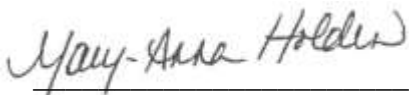
This Order shall be effective on March 24, 2021.

DATED: March 24, 2021

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

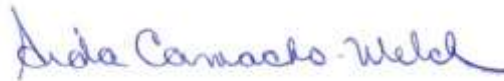


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

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DOCKET NOS. QO20020109 AND QO21020626

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