New Jersey's Clean Energy Program™
Fiscal Year 2022 Program Descriptions and Budget

Energy Efficiency and Renewable Energy Program Plan Filing

FY22 Compliance Filing

June 24, 2021

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Introduction

This Fiscal Year 2022 ("FY22") compliance filing ("Compliance Filing") presents the program plans, budgets, and anticipated savings of the initiatives of *New Jersey's Clean Energy Program*™ ("NJCEP").[1]

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

Budgets

Budget information for the programs implemented by the TRC Team ("TRC") can be found in Appendix E: Program Budgets.

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

Savings Goals

Energy savings projections for the programs implemented by TRC can be found in Appendix F: Program Goals and Performance Metrics.

New Jersey's Energy Efficiency Program Transition

In 2018, Governor Murphy signed into law the landmark legislation known as the Clean Energy Act. The law called for a significant overhaul of New Jersey's clean energy systems by building sustainable infrastructure in order to fight climate change and reduce carbon emissions, which will in turn create well-paying local jobs, grow the State's economy, and improve public health while ensuring a cleaner environment for current and future residents.

As part of this statewide undertaking, the Clean Energy Act required New Jersey's investor-owned gas and electric utility companies to reduce their customers' use of gas and electricity by set percentages over time. To help reach these targets, the BPU approved a comprehensive suite of efficiency programs that would transition the State to some of the highest energy savings in the country.

These "next generation" energy efficiency programs feature new ways of managing and delivering programs historically administered by NJCEP. Some of the programs will continue to be administered by NJCEP, but during FY22, many will transition to administration by the utilities. Many of the details of that transition have been and will be provided through means other than this Compliance Filing, but many of the key elements of the transition are summarized in the text and table immediately below.

[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.

There will essentially be three main categories of what are now NJCEP programs:

1. Programs that will remain administered by and through NJCEP.

    a. Residential New Construction ("RNC");

    b. Commercial and Industrial ("C&I") Buildings - New Construction ("C&I NC" or "SmartStart NC");

    c. C&I Buildings: Pay for Performance ("P4P") - New Construction ("P4P NC");

    d. C&I Buildings: Customer Tailored Energy Efficiency Program ("CTEEP" or "Cust Tailored"), as to new construction only;

    e. C&I Buildings: Large Energy Users Program ("LEUP");

    f. Local Government Energy Audit ("LGEA");

    g. Combined Heat and Power – Fuel Cells ("CHP-FC"); and

    h. Renewable Energy (i.e., solar) Programs ("RE").

    During FY22, these programs are expected to continue to be administered in a way substantially similar to the way they have been administered for the last several years. Complete descriptions of these programs and their incentives are set out in this Compliance Filing.

2. Programs that will transition to the utilities, but will remain open for the limited purpose of accepting applications for equipment purchased on or before June 30, 2021. It is anticipated that the new utility programs will commence operation on or about July 1, 2021 for equipment purchased on or after July 1, 2021. The NJCEP programs listed below will remain open for the limited purpose of accepting applications for equipment purchased on or before June 30, 2021.

    a. Existing Homes: Residential Gas & Electric HVAC Program ("HVAC")

    b. Energy Efficient Products ("EEP");

    c. C&I Buildings: Retrofit ("C&I Retrofit" or "SmartStart Retrofit"); and

    d. C&I CTEEP, as to retrofits only.

    If the applicant satisfies the June 30, 2021 deadline by purchasing the product or piece of equipment, the applicant must then comply with all other applicable program rules to receive an incentive, including those that set deadlines for the submission and/or completion of an application for the purchased product or equipment. For example, if an applicant purchases a piece of eligible equipment for a C&I retrofit on June 29, 2021 and submits a completed application to the C&I Retrofit Program by June 28, 2022 (i.e., within the program's rule requiring an application within one year of purchase), it would be eligible for an incentive for that piece of equipment. Regarding this category, this Compliance Filing contains only a reference to and incorporation of the applicable provisions of the FY21 Compliance Filing.

3. Programs that will be transitioning to the utilities and/or will be closed to new applications but will remain open for the limited purpose of processing applications submitted or funds committed, as applicable, on or before June 30, 2021. The June 30, 2021 deadline can be satisfied by submitting a completed application and/or other item(s) specified in Table 1:

    a. Existing Homes: Home Performance with ENERGY STAR ("HPwES");

    b. C&I Buildings - P4P – Existing Buildings ("P4P EB"); and

    c. Direct Install ("DI")

    If the applicant satisfies the June 30, 2021 deadline by submitting the required item(s), the applicant must then comply with all other applicable program rules to receive an incentive. For example, if a P4P EB partner submits a completed application on June 28, 2021, and the application is approved on July 28, 2021, the applicant's Energy Reduction Plan ("ERP") would be due by January 28, 2022 (i.e., within the program's expiring rule requiring the submission of an ERP within six months of the application approval date.) All other program deadlines and requirements would apply thereafter. Regarding this category, this Compliance Filing contains only a reference to and incorporation of the applicable provisions of the FY21 Compliance Filing.

In addition, the non-Investor-Owned Utility ("IOU") State Energy Program ("SEP") will be transitioning in a manner that follows the transitional rules that apply to the substantive program to which the SEP application is submitted.

Once an applicable deadline is met, all other existing program rules, including the availability of exceptions and appeals, apply. Applications not timely filed will be rejected. However, a rejection for a late submission as it applies to this section of the Compliance Filing will not necessarily render a project ineligible for programs administered by the utilities.

Set forth below is a table that summarizes the key elements of the transition:

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Table 1: Transition Summary

PROGRAMS	REMAINS WITH NJCEP?	DEADLINE EVENT	DEADLINE DATE
Energy Efficiency Programs			
Res EE Programs			
Existing Homes			
HPwES		Reserve/claim funding (1)	6/30/2021
HVAC		Purchase of Equipment	6/30/2021
RNC	X	NA	NA
EE Products (appliances only)(3)		Purchase of Product	6/30/2021
C&I EE Programs			
C&I Buildings			
C&I NC	X	NA	NA
C&I Retrofit		Purchase of Equipment	6/30/2021
P4P NC	X	NA	NA
P4P EB		Complete Application	6/30/2021
Cust Tailored	See note 2	Purchase of Equipment	6/30/2021
LEUP	X	NA	NA
LGEA	X	NA	NA
DI		Complete Application, including EAT & SoW	6/30/2021
Distributed Energy Resources			
CHP – FC	X	NA	NA
RE Programs			
SREC Registration		Deadline passed	Deadline passed
TI Program	X	NA	NA
Successor Program	X	NA	NA
SEP		Dependent on substantive program (4)	6/30/2021
Outreach and Education			
Outreach, Website, Other	X	NA	NA

Notes to the table immediately above:

1. I.e., the participating contractor must have completed the modeling for the application in SnuggPro and have moved the application into "Bid Approved Status."
2. NC remains with NJCEP; retrofits transition in accordance with this table.
3. The lighting and recycling components of EEP will cease to provide any incentives to manufacturers/retailers/applicants for sales or pickups, as applicable, that occur after June 30, 2021.

4. The SEP is a means to use federal funding to allow fuel oil, propane, and municipal and cooperative electric utility customers, i.e., customers who do not pay Societal Benefit Charges, to participate in select NJCEP programs. In FY21, those select programs consisted of the HVAC, HPwES, and DI Programs. By way of example only, the table above would require that an HVAC applicant have purchased her equipment by June 30, 2021 and submit her application within the time period required by the program rules (i.e., within 180 days of purchase in most cases) that an HPwES applicant have reserved/claimed funding by June 30, 2021.

Table References

Residential Energy Efficiency Programs

Existing Homes: Residential Gas & Electric HVAC Program

"New Jersey *WARM*Advantage & *COOL*Advantage"

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

Existing Homes: Home Performance with ENERGY STAR Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

Residential New Construction Program ("RNC Program")

Program Purpose and Strategy Overview

The RNC Program is designed to increase the energy efficiency 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® Certified New Homes Program, EPA ENERGY STAR Multifamily High Rise ("MFHR") Program, 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 energy efficiency 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 building stronger relationships with the participating builders through the development and use of a Builder's Participation Agreement clarifying the builders' relationship with the RNC Program, 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.

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 MMBtu incremental

savings compared to the User Defined Reference Home ("UDRH").[2] 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 a 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 a ZERH single-family or multi-single home;
- 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;
- 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.

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

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 IECC 2009/2015/2018 energy code sets the minimum energy performance requirement for newly constructed homes. Therefore, they all result in energy performance that is better than that required by IECC 2009/2015/2018, as applicable, depending on the home's permit date.

ENERGY STAR Home

Builders that enroll in this pathway will satisfy the requirements for ENERGY STAR certification utilizing the Performance Path by way of the ERI, including full inspection checklist requirements. This pathway includes ENERGY STAR Version 3.0 or 3.1, depending on the date of the applicable building permit for single-family and multi-single homes. 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 energy efficiency achievement in new home construction. Program requirements include meeting or exceeding all DOE ZERH[3] technical standards, building in compliance with the ENERGY STAR Homes Program and all checklists, meeting 2015 IECC insulation levels, and certifying under EPA's Indoor airPLUS 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 renewable energy systems installed prior to completion of the home. 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. 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.

ENERGY STAR Multifamily High Rise (MFHR) / ENERGY STAR Multifamily New Construction (MFNC)

On January 1, 2019, EPA launched its new ENERGY STAR MFNC Program that combines low, mid, and high rise buildings under one program. By July 1, 2021, EPA will cease using its predecessor programs for any multi-family buildings. This pathway will satisfy the requirements for ENERGY STAR MFNC Version 1.1 certification, meeting the performance targets of the ERI or ASHRAE pathways, including full inspection checklist requirements.

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[3] https://www.energy.gov/eere/buildings/guidelines-participating-doe-zero-energy-ready-home-program

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., townhouses), multifamily buildings are eligible for RNC Program benefits if the home/building will use natural gas and/or electricity as the heating fuel supplied by a New Jersey public utility. 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 in order to receive incentives.

For buildings and projects registered in this RNC Program during FY20 and thereafter, the Decision Tree used in the new ENERGY STAR MFNC Program, which is set forth in this Compliance Filing as Appendix D, 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, including but not limited to the Residential HVAC Program (*COOL*Advantage/*WARM*Advantage) or Existing Homes 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 Certified Home, ZERH, ZERH+RE, ENERGY STAR MFHR, or ENERGY STAR MFNC 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 Certified Homes and ZERH Program requirements (e.g., checklists, standards and modeling inputs) are periodically updated by EPA ENERGY STAR and supersede requirements of this program.

ENERGY STAR Certified Homes

Meet or exceed all EPA ENERGY STAR Certified Homes version 3.1 or 3.0 (based on permit date) Performance Path standards[4] including:

- Meet or exceed the ENERGY STAR Certified Homes version 3.1 or 3.0 Energy Rating Index Target; and

[4] ENERGY STAR Certified Homes: https://www.energystar.gov/newhomes/homes_prog_reqs/national_page

- Complete all ENERGY STAR Certified Homes version 3.1 or 3.0 mandated checklists.

Zero Energy Ready Home (ZERH)

Meet or exceed all DOE ZERH Performance Path technical standards[5] including:

- Complete all ENERGY STAR Certified Homes Version 3.1 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 electric site energy usage must be met by renewable energy systems installed onsite prior to completion of the home.

ENERGY STAR Multifamily High Rise (MFHR)

Meet or exceed EPA ENERGY STAR MFHR Program standards[6] including:

- Follow Performance Path which utilizes ASHRAE approved energy modeling software to determine energy savings of a customized set of measures; and
- NJCEP will require the application of a specific baseline within six months of EPA imposing such a requirement.

ENERGY STAR Multifamily New Construction (MFNC)

Meet or exceed EPA ENERGY STAR MFNC Version 1.1 performance path standards[7] including:

- Meet or exceed the ENERGY STAR MFNC 1.1 following either the Energy Rating Index or ASHRAE pathways; and
- Complete all ENERGY STAR MFNC 1.1 mandated checklists.

Incentives

The RNC Program incentive tables can be found in Appendix A.

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 MFHR and MFNC utilizing the ASHRAE pathway, the applicable code is IECC. For MFHR and 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 building permit. The ASHRAE reference building is incorporated in the

[5] Zero Energy Home Standards https://www.energy.gov/eere/buildings/zero-energy-ready-home

[6] https://www.energystar.gov/partner_resources/residential_new/program_reqs/mhrp/program

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

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 Low- and Moderate Income (LMI).[8]

ZERH Rater Incentive

The RNC Program will offer Rater incentives to Raters for each single-family or multi-single 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 fiscal year 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 Enrollment 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

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

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.

Energy Efficient Products Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

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 energy efficiency 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 energy efficiency 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 energy efficiency 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;
- Prescriptive incentives for pre-identified energy efficient equipment and custom incentives for more complex and aggressive measures to permanently raise the efficiency levels of standard equipment;

- Pay for Performance ("P4P") opportunities that emphasize building operation and performance in addition to the efficiency of installed equipment;
- 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 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 12 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, by submitting an application to the program and receiving program incentives, customers self-certify that they are complying with prevailing wage requirements.

C&I Buildings: C&I New Construction and Retrofit Programs

"SmartStart"

Program Purpose and Strategy Overview

The C&I New Construction and Retrofit ("SmartStart") Programs were part of the original suite of C&I programs available through the NJCEP.

The applicable portions of the FY21 Compliance Filing, Rev 1.0 will govern the SmartStart Retrofit Program until that program transitions to the utilities and/or out of existence in accordance with the discussion in the Introduction to this Compliance Filing. By contrast, the SmartStart New Construction ("SmartStart NC") Program will continue under NJCEP and be governed by this FY22 Compliance Filing.

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 energy efficiency professionals to better solicit a prospective energy efficiency project.

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 energy efficiency measures. On September 3, 2019, the State of NJ adopted the ASHRAE 90.1-2016 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 energy efficiency 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 include:
    - Electric Chillers;
    - Natural Gas Chillers;
    - Unitary HVAC (Heating, Ventilating, Air Conditioning) Systems;
    - Ground Source Heat Pumps ("Geothermal");
    - Gas Furnaces;
    - Variable Frequency Drives ("VFDs");
    - Gas Fired Water Heating;

- Gas Fired Water Booster Heating;
- Tankless Water Heaters;
- Performance Based Lighting;
- Kitchen Hood Variable Frequency Drives;
- Low Intensity Infrared Heaters;
- Boiler/AC Economizing Controls; and
- Food Service Equipment.

- **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 B found in the *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).[9] 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, the Local Government Energy Audit Program, and the Direct Install Program. Applicants to the program must be contributors to the SBC.

Incentives

The tables in Appendix B: Commercial and Industrial Incentives and General Rule 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 90.1-2016 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2016 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

[9] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this RNC 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.

prescriptive standard and incentive once it has received three or more custom applications for the same measure.

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 – Existing Buildings

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

C&I Buildings: Pay for Performance New Construction

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 cost savings. The P4P NC Program does this by requiring the use of standardized energy simulation software to estimate energy 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, ENERGY STAR, and ASHRAE Building Energy Quotient.

Program Description

The P4P NC Program takes a comprehensive, whole building approach to energy efficiency in the design and operation of new commercial and industrial buildings, as well as in substantial renovations.[10] The program provides tiered incentive levels correlated to the modeled 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 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.

Participants will be required to work with an approved partner to develop the Proposed ERP and facilitate the incorporation of the recommended energy efficiency measures. The submitted Proposed ERP must include a package of energy efficiency measures that achieve the minimum performance target of 5% savings for commercial and industrial buildings and 15% for multifamily buildings compared to ASHRAE 90.1-2016.[11] The minimum performance target will be measured in terms of energy cost, which is consistent with ASHRAE 90.1, Appendix G, EPAct Federal Tax

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[10] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this RNC 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.

[11] 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 90.1-2013 will have their P4P NC applications processed using ASHRAE 90.1-2013 as their baseline.

Deductions and LEED NC. Program Guidelines will outline equivalent savings values depending on the modeling compliance path chosen.

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 or as approved by the Program Manager. The program will offer two modeling compliance paths to demonstrate that the proposed design meets or exceeds the minimum performance target.

Path 1: ASHRAE Building Energy Quotient (bEQ) As-Designed Path

Under this path, the partner will develop a single energy model representing the proposed project design using prescribed modeling assumptions that follow *ASHRAE Building Energy Quotient ("bEQ") As-Designed* [12] simulation requirements. Proposed design simulation results, including Energy Use Intensity ("$EUI_{standard}$"), will be measured against the median EUI for the building type ("EUI_{median}") to evaluate the Performance Score.

$$\text{Performance Score} = (EUI_{standard} / EUI_{median}) \times 100.$$

Measures must be modeled within the same proposed design energy model, but as parametric runs or alternatives downgraded to code compliant parameters.

Path 2: ASHRAE 90.1-2016 Appendix G Path

Under this path, the partner will model a baseline and proposed building using ASHRAE 90.1-2016 Appendix G *modified by Addendum BM*. Addendum BM sets a common baseline building approach that will remain the same for ASHRAE 90.1-2016 and all future iterations of ASHRAE 90.1, and is roughly equivalent to ASHRAE 90.1-2004. To comply with ASHRAE 90.1-2016, a proposed building has to have energy cost savings of 11-40% from the Addendum BM baseline, depending on the building type and climate zone. Measures must be modeled as interactive improvements to the ASHRAE 90.1-2016 Appendix G baseline with Addendum BM accepted.

Each project, regardless of compliance path selected, 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 90.1-2016 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.

[12] http://buildingenergyquotient.org/asdesigned.html

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
- 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.[13] Multiple buildings that are grouped into one program application are viewed as a single

[13] 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).

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 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 the decision tree Appendix D: 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 90.1-2016. (See also the P4P EB section of this Compliance Filing.)

Program Offerings and Incentives

The P4P NC Program's incentive structure was conceived to encourage the design and achievement of comprehensive energy cost 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 2: P4P NC Incentive Schedule

	Cost or Source Energy Reduction from 90.1-2016 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. Entity caps also apply.
- 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 energy efficiency 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: Large Energy Users Program

Program Purpose and Strategy Overview

The purpose of the Large Energy Users Program ("LEUP") is to foster self-investment in energy efficiency and combined heat and power projects for New Jersey's largest C&I 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 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;
- Appealing incentive structure allowing customers to obtain up to 90% of their respective NJCEP contribution for qualifying projects; and
- Ability to participate in other programs while engaged in LEUP.

Program Description

Incentives are awarded to customers that satisfy the program's eligibility and program requirements ("Eligible Entities" or "Eligible Customers") for investing in self-directed energy projects that are customized to meet the requirements of the customers' existing facilities, while advancing the State's energy efficiency, conservation, and greenhouse gas reduction goals. The program relies on eligible customers and their technical consultants to identify and develop qualifying energy efficiency 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; [14]
- Review and approval/rejection of all submitted Final Energy Efficiency Plan ("FEEP") submittals;
- Technical assistance via email and telephone to assist entities in the proper submittal of the required information;
- Updates of data tracking tools to incorporate additional tasks related to this initiative; and

[14] Note: the approved entity may choose to skip the DEEP submittal and to submit only a FEEP.

- 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. Eligible entities shall be defined as (1) Public: having distinct and separate budgetary authority; (2) Public Schools: having distinct and separate budgetary authority; and (3) Private: Non-residential companies including all related subsidiaries and affiliates regardless of separate EIN numbers or locations within New Jersey. Consistent with Docket No. EOO7030203.
- Further, in order to be considered for incentives, the average billed peak demand of all facilities included in the DEEP/FEEP must meet or exceed 400kW and/or 4,000 DTherms.
    - Example: Entity submits DEEP/FEEP for two buildings. Building one has a metered peak demand of 200kW; building two has a metered peak demand of 600kW. Per the above guideline, both buildings would be considered for incentives as the average would be equal to 400kW.

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:

- Number of buildings/sites and list of all associated utility and third-party supplier accounts;
- Total usage and number of location or premise IDs as provided by utility; and
- Total contribution to NJCEP fund in previous fiscal year from above buildings/sites.

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 ECM must meet Minimum Performance Standards, which may be fulfilled during professional engineer review, which shall be understood as the most stringent of:
    a. Pay for Performance Guidelines-Appendix B;
    b. ASHRAE 90.1-2016; and
    c. Local code
2. ECMs must be fully installed no later than twelve (12) months from approval of the FEEP. Extensions may be granted for a period of up to six (6) months with satisfactory proof of project advancement. This could be in the form of 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; however, these projects may be eligible for other NJCEP incentives.
2. Incentive will be limited to energy efficiency measures. The following shall not be included as part of this program:
    a. Renewable energy; and
    b. Maintenance energy saving projects
3. 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.
4. 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.
5. Federal grants/incentives are allowed. Other state/utility incentives are allowed provided they do not originate from NJCEP funds. NJCEP loan funds are allowed. Total of federal, state, utility, and LEUP funding shall not exceed 100% of total project cost.
6. No DEEP or FEEP may have more than 50% of the overall total energy savings coming from lighting and/or lighting controls measures.

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 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 M&V data as requested and will comply with any program evaluation activities.

Program Offerings and Incentives

The program will offer a maximum incentive per entity, which will be the lesser of:

- $4 million;
- 75% of total project(s) cost as identified in the FEEP. Total project costs may include pre-engineering costs, soft costs, and other costs associated with the preparation of the FEEP;
- 90% of total NJCEP fund contribution in previous year (i.e. from all entity facilities), provided, however, that an applicant may choose to bank and combine up to two (2) consecutive years of total NJCEP fund contributions for the purpose of calculating its maximum incentive in a given fiscal year, provided the applicant has not participated in LEUP in the fiscal year immediately preceding the subject application. For example, if a participant in FY15 contributed $500,000, in FY16 contributed $600,000, and in FY16 did not submit a LEUP application, the applicant's maximum incentive for a project in FY17 would be no more than $990,000 (.9 x (500,000 + 600,000)).

    - The total contribution is calculated as 3% of the annual energy costs described in the Target Markets and Eligibility subsection above.
- $0.33 per projected kWh saved annually; $3.75 per projected therms saved annually.

The program has a minimum incentive commitment of $100,000. Projects with incentives below this threshold will be redirected to other NJCEP 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. Incentive 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 energy efficiency 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: Customer Tailored Energy Efficiency

The applicable portions of the FY21 Compliance Filing, Rev 1.0 will govern the application of this Customer Tailored Energy Efficiency Program ("CTEEP") to retrofits until the applicability of this program to retrofits transitions to the utilities and/or out of existence in accordance with the discussion in the Introduction to this Compliance Filing. By contrast, that portion of this CTEEP that applies to new construction (for the avoidance of doubt, including substantial renovations (aka gut rehabilitations)) will continue under NJCEP and be governed by this FY22 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 energy efficiency 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 energy efficiency technologies that are not currently addressed under SmartStart;
- Technical assistance incentives offered to help minimize the soft costs associated with developing an energy efficiency project;
- Leverages existing energy efficiency professional networks;
- Larger customers with multiple measures can access incentives for their targeted energy efficiency 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 CTEEPP 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 energy efficiency 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.

Program Implementation Description

The CTEEPP 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 energy efficiency professionals.

The program process is as follows:

1. **Outreach and Recruitment** – The CTEEPP 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. **Benchmarking (Optional) –** CTEEP will offer benchmarking services to help customers identify which opportunities and facilities may benefit most from energy improvements.

4. **Energy Efficiency Plan Development -** Upon application acceptance, the customer works with its technical experts to develop the EEP.

5. **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.

6. **ECM Installation –** The customer will submit final documents necessary to process the incentive payment consistent with the schedule defined below.

7. **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 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 energy efficiency 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 independent[15] 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.

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.

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

Table 3: CTEEPP 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 Minimum Performance Standards 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 CTEEPP 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 CTEEPP 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 & 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.

Local Government Energy Audit Program

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 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 guide Applicants towards appropriate NJCEP funded 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.

Program Description

This program is implemented as follows:

- The Applicant will submit a pre-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;
- A case manager will assist the Applicant in determining the audit path that best addresses the Applicant's needs (as described below) before the Applicant submits additional information regarding utility accounts and associated bills and other applicable energy usage information for each building in the scope;
- Available energy audit paths include:
    - ASHRAE Level I audit[16];
    - ASHRAE Level II audit; and

[16] 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.

    - Add-on scope audits (i.e., a more detailed review of an existing or potential CHP or renewable energy system added on to the scope of a standard audit).[17]
- When an Applicant is enrolled in LGEA and participating in any NJCEP equipment incentive 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 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.
- The scopes of work of the energy audit paths are consistent with Section 3.8.1 of RFP 16-X-23938, dated April 21, 2015, and the related Technical Proposal and Contract (#A40225).
- In order to provide compatibility with the ESIP, the energy audit scope will include an evaluation of energy related water conservation measures, demand response potential, and estimated greenhouse gas reduction for each recommended measure.
- 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 $100,000 per fiscal year, per Applicant. 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 $100,000, the Program Manager will work with the Board Staff to determine and authorize a larger cost cap, not to exceed $300,000. Additionally, 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 $100,000 would be for auditing facilities designated as hospitals by the NJ Department of Health ("DOH").

Services offered under LGEA do not count towards the fiscal year incentive cap (see C&I / DER Entity Incentive Caps in Appendix B of this Compliance Filing).

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;

[17] 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.

- "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.

Buildings must demonstrate an average demand of 200kW or greater in the most recent twelve (12) months of electric utility bills (inclusive of all accounts in the building) in order to qualify to participate in LGEA. Buildings that do not meet this requirement will be recommended to apply for the Direct Install Program. The Program Manager will have the ability to grant exceptions to the kW requirement, on a per building basis, if the Applicant can demonstrate they meet at least one of the following criteria:

1. ESIP is an anticipated source of funding;
2. Master or campus metering arrangement on-site where demand of any single building is unknown; and
3. Demonstrates:
    a. The scope of one or more measures the Applicant would like to pursue is not available in the Direct Install Program; or
    b. The type of building is not a good fit for the Direct Install Program (e.g., it is an industrial building).

For #2 and #3 above, the Applicant must provide a detailed explanation as to how it meets the criteria for the claimed exception. LGEA is available to buildings never previously audited under the Program, as well as, buildings that have received an audit no less than three (3) years earlier (measured from the audit report approval date). All program requirements must be met in order for an entity to qualify for a second energy audit.

Quality Control Provisions

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all LGEA participants. All applications received are reviewed to confirm compliance with eligibility requirements and technical information. Applicant supplied information is entered into the database and electronic files are created for all documents, including project correspondence. The Program Manager will perform internal quality assurance reviews on audit reports.

On an annual basis program quality control staff will accompany each LGEA auditor on a visit to a randomly selected LGEA applicant's facility to verify that the audit is conducted in accordance with proper protocols, and to ensure the accuracy of the audit in documenting the facility's detailed building survey. Quality control staff will also regularly conduct technical reviews of full audit reports. The selection of projects will be based on a pre-determined, random sampling percentage.

Finally, audit pricing will be reviewed by the Program Manager for consistency and compared to LGEA historical data, referencing similar facilities for comparison.

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

Direct Install Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions to the utilities and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

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 either CHP or WHP 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 "≥ 60% FCs" that can achieve an annual system efficiency of ≥ 60% (Higher Heating Value – HHV), based on total energy input and total utilized energy output (Efficiency) and "≥ 40% FCs" that can achieve an Efficiency ≥ 40% < 60%.

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

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 serve 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. One hundred percent 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 projects are subject to ten (10) year warranty requirements with the exception of public entities. Public entities that are prohibited from entering into agreements for the full ten (10) years may comply with the 10-year requirement by: (a) providing an agreement for the longest lawful term; (b) committing the entity to purchase an agreement for the remaining years; and (c) either (i) providing the vendor's commitment for specific pricing for those remaining years, or (ii) assuming the pricing for the remaining years will increase by 2.5% each year (e.g., for the purpose of calculating a payback period);
- Each project must pass a project-level cost-effectiveness analysis demonstrating the simple project payback period, including any federal tax benefits and the Program incentive. Systems installed in Critical Facilities must not exceed a payback period of twenty (20) years, systems fueled by a Class 1 renewable source must not exceed a payback period of twenty-five (25) years, and all other systems must not exceed a payback period of ten (10) years;
- 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;
- System must be sized to meet all or a portion of the customer's on-site load not to exceed 100% of the most recent historical annual consumption or peak demand. For all projects, any surplus power that may become available during the course of a given year may be

sold to PJM. Any system fueled by a Class 1 renewable source is exempted from this program requirement provided the system is sized to match the Class 1 renewable fuel produced on-site; 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 back-up generation purposes); and
- Any system/equipment that uses diesel fuel, other types of oil, or coal for continuous operation.

Manufacturer Diversity Caps for ≥ 40% FCs

During FY22, that is, from July 1, 2021 through June 30, 2022, new incentive commitments for ≥ 40% FCs are capped at $4,500,000, and new incentive commitments for projects primarily involving equipment from any single ≥ 40% FC manufacturer are capped at $1,500,000. By way of example, if during FY22 applicants A, B, and C have each been issued a $500,000 commitment for ≥ 40% FC projects using equipment primarily supplied by manufacturer D, no further commitments would be issued during FY22 for ≥ 40% FC projects using manufacturer D'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.

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 Appendix C.

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. Installations of multiple systems planned for the same site within a 12-month period must be combined into a single project. 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.

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") were established through legislation and implemented through regulation and Board Order. NJCEP's Solar Renewable Energy Certificate ("SREC") Registration Program ("SRP") was designed to meet the goals and objectives of the regulations. More recently, in 2020, the Board proposed and adopted additional regulations establishing a solar Transition Incentive ("TI") Program to provide a bridge between the legacy SRP and the pending Successor Program, as more fully explained under the *Transition Incentive and Successor Programs* section below.

Program Description

SRECs are tradeable certificates that represent the clean energy benefits of electricity generated from a solar electric system. Transition Renewable Energy Certificates ("TRECs") are certificates that can be sold to the TREC Administrator at fixed prices determined by the Board. For each 1,000 kWh (1MWh) of electricity a solar electric system generates, an SREC or TREC (hereinafter sometimes collectively, "REC") is issued, which can then be sold or traded separately from the power. The revenues from REC sales or trades can make it more economically attractive for individuals and businesses to finance and invest in clean, emission-free solar power.

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 tracking and trading of RECs.

In FY22, the focus of the Solar Programs will be to support the goals and objectives of New Jersey's solar polices, including the pending Successor Program.

FY22 Program Changes

The Board and its Staff have undertaken various activities to implement the Clean Energy Act. Those activities include various proceedings regarding the solar transition required by the Act as more fully explained under the *Transition Incentive and Successor Programs* section below. In FY22, TRC will coordinate with Board Staff to continue to carry out the solar transition described in the subject section.

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 New Jersey 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 in 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 and 14:8-10. The program rules will continue to conform to these regulations.

In addition:

1. A web based solar portal, including a new one for the Successor Program, will be used for submitting registrations; and
2. The Program Manager will prepare monthly reports identifying program results and trends.

Planned Program Implementation Activities

The Solar Programs will have the following areas of focus:

1. Sustain the growth of New Jersey's solar markets, while communicating accurate and objective information on market development activity.
2. Monitor legislative and policy developments, inform the market of key outstanding questions and decisions (e.g. new RPS levels, net metering, etc.), and translate new policies into program operational procedures, as required.
3. Work with the Board and its staff to consider, develop, and implement possible programmatic changes, including those described below and otherwise implementing the Act.

Transition Incentive and Successor Programs

On May 23, 2018, the Clean Energy Act, L. 2018, c. 17, codified at N.J.S.A. 48:3-51 to -87 (Act), became law. The Act, among other things, mandates that the Board close the SRP to new applications once it determines that 5.1% of the kilowatt-hours sold in the State have been generated by solar electric power generators connected to the distribution system (Milestone). The Board determined this milestone date was reached on April 30, 2020.

The Act also directed the Board to modify or replace the SRP with a new program to encourage the continued efficient and orderly development of solar generating sources throughout the State (Successor Program). Through several Orders and other means, the Board and its Staff have established the TI Program to provide a bridge between the legacy SRP and the Successor Program. The TI Program will remain open until the adoption of a Successor Program.

The Successor Program is being developed by the Board and its Staff with input from stakeholders and the public. Board Staff released its Straw Proposal on April 7, 2021, conducted a series of public meetings regarding the proposal, and accepted comments on it. See Solar Successor Program: Staff Straw Proposal. Board Staff anticipates the program would launch during FY22.

Quality Control / Quality Assurance Provisions

All renewable energy systems facilitated through the Solar Programs 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 Programs 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" 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 the Solar Programs projects. An on-site verification will be performed for all grid-supply projects, all behind the meter projects with a capacity greater than 500 kW, and all add-on systems that add additional capacity or unique installations. The Program Manager may also conduct on-site verifications upon written request from the 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 the 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.

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

State Energy Program

The applicable portions of the Fiscal Year 2021 Compliance Filing, Rev. 1.0 (February 23, 2021) ("FY21 Compliance Filing, Rev 1.0") will govern this program until it transitions and/or is closed to new applications in accordance with the discussion in the Introduction to this Compliance Filing.

Outreach, Website and Other

Outreach Plan

Executive Summary

This Outreach Plan ("Plan") supports NJCEP's broad range of incentive programs through the work of the TRC Outreach Team. This Plan highlights the tactics that the Outreach Team will use to raise awareness of these programs, educate potential program applicants, contractors, and stakeholders. Based on the transitioning of some energy efficiency programs to the utility companies for FY22, this plan includes components to support both the BPU and the program contractors through the transition process. Accommodating for the transition, the Outreach Team will be structured to give individualized support to the energy efficiency programs in this plan that are staying with the BPU. When NJCEP is referenced in this document it is referencing the programs that are staying with the Clean Energy Program after the transition.

Newly added tactics for FY22 support the priorities and focus areas of BPU and include:

- Expanded community outreach to Overburdened Communities;
- Individualized approaches to energy efficiency programs run by the BPU; and
- BPU Support for the Energy Efficiency Transition of some programs to the utility companies.

In addition to these new tactics, improvements have been made to the existing outreach tactics to focus deeper on specific TRC programs after gauging the market's interest and measuring success in FY21. The Outreach Team will continuously monitor success and adjust tactics and actions, as needed.

The addition of expanded Community Outreach will allow the Outreach Team to understand the concerns and challenges of Overburdened Communities through equitable relationship building in targeted communities. This support integrates with the other new tactics and goals of expanded community outreach to spread clean energy program education and community level awareness.

Background

During FY21, the Outreach Team completed a fiscal year in a mostly remote environment due to COVID-19 while continuing to support the programs and engage with stakeholders across the entire state of New Jersey. The strategies had a positive impact on applications submitted, presentations given, energy savings, trade ally recruitment, BPU participation, and audit program participation. This FY22 Outreach Plan incorporates lessons learned from past years to focus on tactics that increase engagement and energy savings over FY21.

Highlights from FY21 (9 months):

Program Performance

- Outreach activities took place in all 21 counties of New Jersey in FY21.
- The greenhouse gas emissions saved through Outreach generated energy efficiency projects installed in FY21 were the same as the greenhouse gas saved from taking 21,977 passenger vehicles off the road for a year (source: EPA Greenhouse Gas Calculator).
- The Outreach Team surpassed their year-end goal of presentations by March 2021 with 215 presentations given to 4,529 participants. Select presentations were saved on the Clean Energy Learning Center website.
- The percentage of LGEA projects that moved on to participate in NJCEP incentive programs increased from 48% to 51% (through March 2021, 5 months).

Equity

- Worked with BPU and the products team to coordinate the distribution of free LED bulbs at food pantries and other community organizations.
- Supported environmental justice through dedicated and focused efforts to address underserved customers and communities through outreach in Urban Enterprise Zones, Opportunity Zones, and engaging decision makers in the affordable housing industry.
- Expanded outreach to Community Action Agencies and other nonprofit organizations in NJ and provided them with a detailed presentation about the NJ Clean Energy Programs.
- Expanded Spanish-speaking community-focused outreach to include translated collateral, Spanish-spoken presentations, customer/contractor support in Spanish, and new relationships with Hispanic organizations including a membership with the Statewide Hispanic Chamber of Commerce of New Jersey.
- Minority organizations were targeted for further program awareness. The team joined the African American Chamber of Commerce of New Jersey and the New Jersey Association of Women Business Owners; and presented at the Black Issues Convention, NJBIA Women Business Leaders Council, NJ LGBT Chamber of Commerce, and NYNJ Minority Supplier Development Council among many other groups.
- Assisted GreenFaith in their re-launch to their regional Green Circle leaders that included a NJCEP presentation about benefits to residents, local businesses, and religious facilities. These Circles act as regional hubs to houses of worship interested in sustainability.
- Created content for multifamily, small businesses, and a more general NJCEP overview, as well as more high-level residential and C&I overviews to be utilized just before and after the transition of some programs to the utilities.

BPU Support

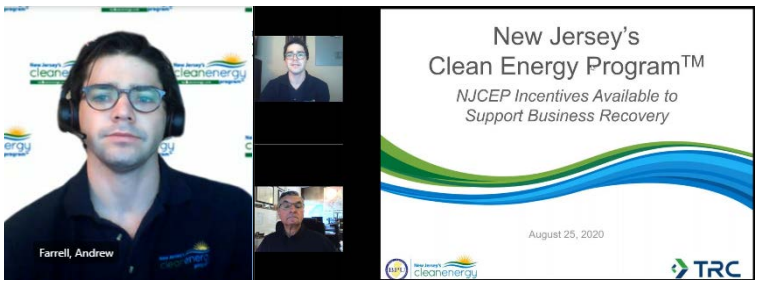
- Supported BPU-led initiatives through presentation content and providing leads for events and speaking requests to the BPU.
- Served on the EE Transition Marketing Working Group to assist in the planning and messaging of the program transition including the creation of the informational Transition Landing Page, frequently asked questions, presentation slides, and content for the EE Working Group Orientation Meetings and the EE Committee Meetings.
- Created a specialized GIS application for the Transition Landing Page to assist customers and contractors to find the gas and utility provider for any entered address.

Adaptable Market Strategies

- Provided presentations specific to careers in energy efficiency to college students and educators.
- Developed monthly content for NJCEP/BPU social media feeds.
- Updated monthly a GIS tool to map outreach campaigns, opportunities, and projects.
- Orchestrated and created targeted educational webinars during the COVID-19 pandemic with varying topics supporting trade ally development.
- Strategized and developed a new presentation geared towards homeowner audiences. Created a comprehensive realtor contact list and presented webinars to various realtor groups to further homeowner awareness of energy efficient homes.
- Updated the NJCEP presentation template and the NJCEP slides with program updates and streamlined the end user message.
- Worked with the new Marketing Team to assist them in understanding the programs and program metrics.
- Continued to adjust since March 2020 to accommodate the COVID-19 pandemic by assisting with program messaging, and by adapting the Outreach Team to reach the target markets virtually through webinars and targeted e-blasts rather than in-person events. Virtual booths were designed and staffed at large conferences that used to be held in person.

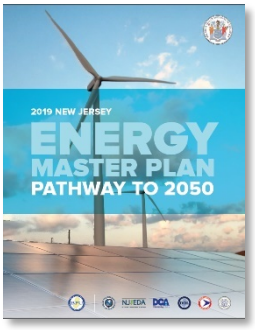
The team shifted and setup virtual conference exhibitions where a live account manager was at the booth and other staff networked with vendors and conference attendees.

Equitable tactics took place to target Urban Enterprise Zones, Opportunity Zones, and Affordable Housing. Map is of DI projects and the Atlantic City Opportunity Zone (blue).



FY21 meetings and presentations remained virtual due to COVID-19.

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 2050*** – Since the release of the 2019 New Jersey EMP, the Outreach Team's support of the Plan's strategies continues to play a crucial role in reducing our reliance on fossil fuels.

Table 4: Energy Master Plan Strategies versus Outreach Tactics

EMP Strategy	Outreach Tactics
1. Reduce Energy Consumption and Emissions from the Transportation Sector	▮▯▯
2. Accelerate Deployment of Renewable Energy and Distributed Energy Resources	▮▮▯
3. Maximize Energy Efficiency and Conservation and Reduce Peak Demand	▮▮▮
4. Reduce Energy Consumption and Emissions from the Building Sector	▮▮▮
5. Decarbonize and Modernize New Jersey's Energy System	▮▮▮
6. Support Community Energy Planning and Action with an Emphasis on Encouraging and Supporting Participation by Low and Moderate Income and Environmental Justice Communities	▮▮▮
7. Expand the Clean Energy Innovation Economy	▮▮▯

- ***Promote programs to customers, contractors, and trade allies*** – Representation of the Clean Energy Program in the marketplace for all programs and program enhancements. We will work across all target markets to ensure they have the necessary information and training to fully engage in the programs.
- ***Support Environmental Justice to Overburdened Communities and customers*** – Work with BPU, other state agencies, and community organizations towards ensuring all customers have an equitable opportunity to learn about and use the programs.
- ***Support Marketing Team in promotional efforts*** – In collaboration with BPU and Marketing Team, ensure all outreach messaging is consistent with new marketing messages and themes. Program information will be shared as requested to highlight successes around program opportunities, successes, and events.
- ***Collaboration 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 are intended to support these goals. The Key Performance Indicators ("KPI") listed below, and other indicators that will be included in monthly reports, will track progress toward these goals.

Target Markets

NJCEP programs are available to every resident, business, local government, and nonprofit entity in the State that is a customer of an Investor-Owned Utility. Outreach efforts are intended to address this vast audience that is comprised of a variety of markets. The tactics described within this plan are designed to address these target markets to increase the reach and success of NJCEP programs.

Table 5: Market Category Definitions

Market Category	Definition
Customer	Homeowners, Property Owners/Managers, Renters, Businesses, NPOs, State, County & 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, Distributers, Retailers
Stakeholder	Community Organizations, Membership Organizations, Green Teams, State Agencies, Chambers of Commerce, Business and Economic Development Associations
Partner	Marketsmith, Sustainable Jersey, NJ Institute of Technology, GreenFaith, Utilities (ACE, ETG, JCP&L, PSE&G, NJNG, RECO, and SJG), EPA, DOE, USDA, DEP, ENERGY STAR, County Improvement Authorities

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 of the tactics employed in FY22 address the strategies of the EMP along with the Clean Energy Program portfolio at large. Some tactics are unique to markets and/or sectors as outlined below.

Community-Specific Outreach in Overburdened Communities

NEW in FY22

Equity

Ensuring equitable access to and awareness of the programs offered by NJCEP continues to be a cornerstone of the outreach effort. In FY22, the Outreach Team will segment into two different focuses: Program Outreach and Community Outreach. The existing Community Outreach Account Manager position will be expanded in FY22 to broaden equitable outreach to select cities and municipalities into a new outreach role known as Community Organizer. This community-centered approach will provide awareness of clean energy including utilization of the LGEA program to communities that often do not have the staffing or volunteer capacity to utilize the program.

By utilizing the NJDEP's list of Overburdened Communities and collaborating with the Division of Clean Energy's Office of Clean Energy Equity and with partners such as the Marketing Team, Sustainable Jersey, and Comfort Partners for jointly targeted campaigns, geographic areas with the highest scores/percentages of the following indicators will be targeted: low-income, minority, and limited English. To have a broad distribution of outreach efforts across the State, a pilot approach that will focus on five urban areas with extended assistance to nearby rural areas with high percentages of low-income census tracts. Each Community Organizer will be working in one core urban area to expand on existing and build new localized relationships.

A separate strategic plan will outline the engagement with these pilot areas to collaborate with program partners, build relationships, and gain trust among the community leaders. These organizers will be the face of NJCEP by holding initial meetings with decision-makers, hosting educational workshops jointly with the local utility outreach representative, staffing local community events such as street fair booths, and identifying additional needs such as translated collateral into different languages. The leaders from the following types of organizations will be targeted:

- Statewide and regional minority organizations,
- Town councils,
- Environmental commissions,
- Housing authorities,
- Community based organizations, and
- Faith based organizations.

While engaging with the town officials, the Community Specialists will also provide assistance to the city or town to participate in the Local Government Energy Audit program if they have not participated before. Often areas serving Overburdened Communities do not have the staffing or volunteer resources to invest time in the free audit program.

Customized Program-Specific Outreach Focus

NEW in FY22

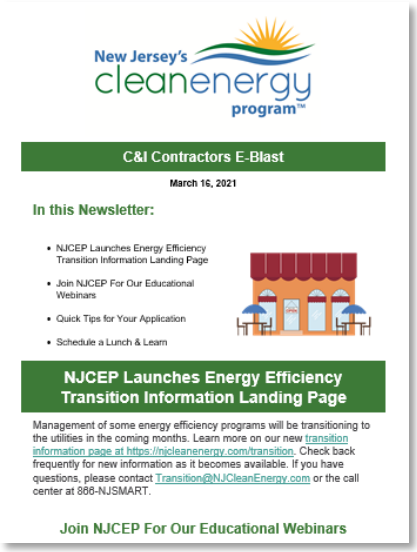
Program Account Managers will focus solely on outreach designed to bring projects into the programs offered in this filing. Given the scope of programs, each has different target applicants, membership organizations and other access points so the outreach techniques will be customized for each of those project sectors. This new Outreach Team design for FY22 allows the Program Account Managers to specialize in specific focus areas needed to assist participants in navigating the programs, understanding their opportunities for energy savings and applying to the programs

New Construction: Engage Contractors & Trade Allies

New construction contractors and trade allies have direct and influential contact with potential NJCEP customers since they are designing the projects. Cultivating those relationships by participating in professional organizations, soliciting feedback from them about their needs and the needs of their customers, as well as, their experience with the programs can help us to continually improve the customer experience and program quality. How we work with these contractors and trade allies may differ between those that primarily serve C&I customers and those that serve residential customers. The goals, however, are the same – to increase economic development and clean energy awareness that leads to the use of the new construction programs to minimize lost opportunities.

We will continue our educational training series specific to each sector to educate potential participants about the benefits and costs of participation and help identify the program path most-suited to each potential participant's needs and interests. We will represent the entire NJCEP portfolio at events and triage inquiries about BPU-led initiatives to the BPU. Utility run programs will be referenced as a standard part of the messaging for increased clean energy awareness. Some contractors and membership organizations span both Residential and C&I such as the U.S. Green Buildings Council of NJ and the American Institute of Architects, while other outreach is more focused.

The Residential New Construction Account Manager will be responsible for developing relationships with builders/developers, contractors of new construction projects, realtors, and homebuyers. The Account Manager will be responsible for walking builders/developers through the Residential New Construction process. The Account Manager will also provide program education to builders/developers, architects, contractors, realtors, and homebuyers through collateral, presentations, educational webinars, and staffing meetings and events. Memberships that will continue include the NJ Builders Association and Jersey Shore Builders among others.



New Jersey's cleanenergy program℠

C&I Contractors E-Blast

March 16, 2021

In this Newsletter:

- NJCEP Launches Energy Efficiency Transition Information Landing Page
- Join NJCEP For Our Educational Webinars
- Quick Tips for Your Application
- Schedule a Lunch & Learn

NJCEP Launches Energy Efficiency Transition Information Landing Page

Management of some energy efficiency programs will be transitioning to the utilities in the coming months. Learn more on our new transition information page at https://njcleanenergy.com/transition. Check back frequently for new information as it becomes available. If you have questions, please contact Transition@NJCleanEnergy.com or the call center at 866-NJSMART.

Join NJCEP For Our Educational Webinars

The C&I New Construction Account Manager will focus on maintaining and expanding relationships with the contractors, trade allies, stakeholders, facility managers, and energy managers through a targeted approach to each stakeholder group. This is done through our memberships with specialized groups such as the Southern New Jersey Development Council, Commercial Real Estate Development Association, Commerce & Industry Association of NJ, NJ Alliance for Action, Society of Mechanical Engineers NJ, International Facility Management Association of NJ, NJ Association of Energy Engineers, and more. The comprehensive contact list of new construction contractors and stakeholders is constantly being updated as new construction projects are continuing to grow in the state. The list will be used to communicate about the program and invite key decision makers to webinars and to visit the NJCEP booth at industry trade shows and conferences. The message will remain all-encompassing regarding NJCEP programs as there are other programs that are applicable to these contractors as well.

In FY22, it is crucial that outreach efforts are complemented with marketing efforts to transform the New Construction marketplace to spark consumer demand for highly energy efficient homes in addition to encouraging builders to build ENERGY STAR certified and ZERH and C&I new buildings. For both residential and C&I programs, the Account Managers will provide support to the trade allies within their assigned program focus with an awareness of the other programs.

Local Governments: Engage Counties, Municipalities, K-12 School Districts, and Higher Education

BPU programs available to local governments include the Local Government Energy Audit (LGEA) and the new construction programs. The LGEA is the most popular of the programs as it is the first step to entering into the other programs including the BPU's Energy Savings Improvement Program (ESIP).

An Account Manager will specialize in ensuring that these applicable entities are aware of the NJCEP programs through involvement with the annual conferences, newsletter content for applicable organizations, and continued trainings such as the one that outreach conducts for municipal staff through Rutgers University Continuing Education. Continued organizational involvement will continue with the Association of Counties, Conference of Mayors, School Buildings and Grounds Association, School Boards Association, and the League of Municipalities. Equitable outreach for hard-to-reach towns and authorities will be conducted in targeted regions by the Community Outreach Organizers.

Large Energy Users and CHP/FC: Targeted Contractors

The outreach to expand the customers using the Large Energy User Program will be done in conjunction with the known contractors who target these customers. Additionally, 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 fiscal year.

Similarly, known Combined Heat and Power and Fuel Cell distributers who will be further targeted following a survey that they completed in FY21. FY22 strategies will use survey results to improve contractor engagement and support with their customers to drive project participation into NJCEP.

Trade Ally Development

NEW in FY22

To streamline operations and support contractors and trade allies, a specialized Account Manager known as the Trade Ally Manager will focus on developing the existing trade allies and contractors as well as planned methods for bringing in new contractors to the program. During the past years, the NJCEP data has shown that contractor-focused outreach campaigns bring in the largest number of program applications. A contractor-focused approach is essential to recruit, maintain and support both contractors and trade allies. The Trade Ally Manager will be responsible for developing content for collateral and presentations that recruit, train, and support the contractors. Account managers will continue to offer one on one project specific assistance to contractors as needed.

Recruit

Using a combination of historic program data, purchased lists, and public facing data, a strategic recruitment initiative will take place for the contractors who have utilized the programs. Recruitment efforts will take place through calling campaigns, professional organization involvement, offering presentations for professional credits, and exhibiting at trade shows and applicable conferences. Program collateral will be available to give a general overview of NJCEP and success stories to highlight benefits to the end customer and contractor. Recruitment efforts will be planned in coordination with the Program Managers and other Account Managers to focus on programs that require additional contractor awareness and participation.

Train

A series of contractor trainings will be developed to address various areas of interest including benefits to the contractor and customer, program overview, and how to fill out the applications. Trainings will offer short and streamlined messaging that will be recorded and saved on the program website in the form of short vignettes for future reference. The Trade Ally Manager will create and deliver content for the training presentations.

A monthly 30-minute program overview will be held separately for Residential and C&I program offerings that goes into the details of the programs and showcases success stories. The target audience will be new contractors being recruited as well as existing contractors and their application processing staff who may need a program refresher.

Support

The Coordinator offers ongoing support to the past and future program contractors and is responsible maintaining contact with the network to solicit input on needs, feedback on their experience with the programs and input on potential program changes or enhancements. Ongoing support to the contractors by the Trade Ally Manager includes:

- **Collateral** content to support contractors in general program awareness and focused sector specific collateral where applicable;
- **Success Story** collaboration with Program Account Managers to ensure that a regular flow of new success stories is acquired for each program;
- **Monthly Newsletter** of all program changes, collateral links, training invitations, and upcoming networking events;
- **Bi-weekly Contractor Coffee** will be hosted by TRC to meet the Trade Ally Manager and ask face to face application questions. Program staff will be on standby for detailed questions. This will be offered virtually until public health concerns around COVID-19 subside; and
- **Quarterly Networking** events where contractors can meet each other as well as program staff and form valuable partnerships in a structured networking format.
- **Annual/Bi-Annual Survey** to solicit feedback that will further allow the Outreach Team and program design team to support the program participants.

Energy Efficiency Transition Support

NEW in FY22 Equity

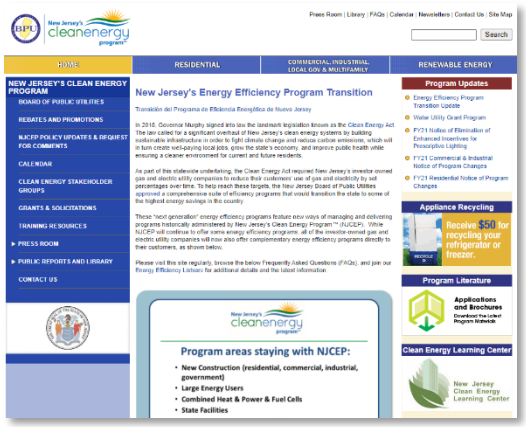
As of July 1st 2021, some programs will be run by the Investor-Owned utility companies. The process of the change is referred to as the Energy Efficiency Transition. The Outreach Team will continue to support transition related education and messaging as needed and ensure that the website communications are in both English and Spanish.

We will work with our contractor and partner networks to help them navigate the transition process. Messaging will reference programs being run by both NJCEP and the utility companies and provide clear guidance for customers and contractors.

BPU Support

The Outreach Team will continue to support the BPU through EE Marketing Working Group and by coordinating new messaging or website updates regarding any remaining utility program information. This includes:

- Content updates and maintenance of Transition Landing Page and Frequently Asked Questions in both English and Spanish;
- Content and presentation slides for the BPU and Outreach Team around transition; and
- Webinars to partner organizations about the transition.



NJCEP's Transition Landing Page was created in English and Spanish including a custom-made GIS Application to verify gas and electric utility companies based on an address.

Contractor Support

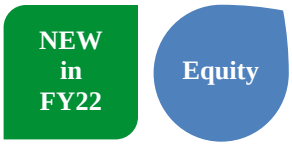
Contractors were identified as needing additional support since programs will be changing and many of their business models are built around the pre-transition program processes. The Trade Ally Manager will give the contractors additional support to ensure that they are aware of the transition and to offer focused assistance including:

- Contractor eblasts, EE Listserv messaging, and specialized communications to contractors and trade allies about the transition;
- Lunch-and-learn style webinars to ensure that they are up to speed on the current program offerings;
- Answer inquiries from contractors who may require further guidance navigating the program options; and
- Webinars to trade organizations, contractors, and key stakeholders about the transition.

Utility Coordination

Coordination with utilities on messaging will be critical in order to minimize any customer or contractor confusion. In this new structure, customers and contractors may be receiving information about and able to use multiple utility program offerings as well as those programs remaining with the BPU. Ensuring that all messaging is clear and coordinates will help ensure a seamless transition.

Expanded Outreach Education



A key component of the Outreach Team is the education of overburdened residents, as well as contractors and trade allies regarding not only the Clean Energy Program offerings and utility offerings, but also about the environmental and financial impacts of program participation. Community Outreach team members will attend local events geared towards educating residents on clean energy while the Program Outreach team will be focused on educating the contractors and trade allies on the benefits of energy efficiency, program overviews, and training. Attending select sustainability, networking, and industry related events allows the Outreach Team to gain successful exposure with the targeted audience. The Outreach Team will also identify and secure speaking opportunities where we can reach larger audiences to present the programs. Additionally, the Outreach Team will continue to leverage and coordinate any speaking or event engagements with BPU, utilities, Sustainable Jersey, GreenFaith, and other partners.

During FY22, we will assess community and partner needs and develop delivery timelines in collaboration with them. We will also evaluate the level of education needed for each audience and the need for sector specific collateral.

Customized Collateral Development

Customized collateral developed in has been very well received within hard-to-reach verticals and for those that are challenged with navigating the program offerings. In FY22, the Outreach Team will identify additional sectors that would benefit from customized collateral, such as a one-page summary sheet or a quarter page handout. The focused collateral can include an industry specific case study and which programs are most applicable. The Outreach Team will utilize BPU's one pager template using similar branding for the quarter page handouts. All collateral will be reviewed by BPU staff.

Additional customized collateral pieces that the public have already requested are below. Their purpose is to provide basic information and generate an interest to direct the reader to an Account Manager who can provide personalized guidance regarding program use and participation.

- **New Construction:** An overview of the programs offered with success story examples will target both contractors and customers.
- **Community Spotlight:** An example of how communities have worked with NJCEP through several short case studies such as: LGEA, new construction project, energy efficiency upgrades, Community Solar, Community Energy Plan, and Local Government EV Fleet.

Customized Training Series

Whether it is a one-time training or a series of trainings, the Outreach Team will determine the educational needs of the audience. Following a record number of trainings and presentations in FY21, participants have asked for more. In FY22, we will respond to requests and continue to adapt our regular presentation to provide additional trainings that are within standard technical certification programs, offer a training series on how the programs work, and more to develop our current trade ally network and to expand the number of trade allies and contractors who understand and participate in the programs.

Focused trainings will also be offered to touch on sectors that require a specialized message. The new construction multifamily sector straddles both the residential and C&I program offerings. We will adapt the FY21 presentation so it is applicable to the new construction programs and present a joint webinar on how to navigate the separate C&I and residential programs to receive the most incentives for new construction multifamily buildings. Additionally, if needed, the outreach team may resurrect the Building Science presentation developed prior to the pandemic to target VoTech school students to support workforce development efforts throughout the state.

One-On-One Assistance

Successful outreach and education require regular follow-up and offers of assistance to ensure customers have what they need to understand the programs and allow projects to move ahead. Soliciting feedback from customers regarding their experience is also critical in allowing us to improve materials and programs, and to garner feedback on making the information finely tuned. One-on-one assistance will continue with contractors, local governments, and businesses to help promote all programs.

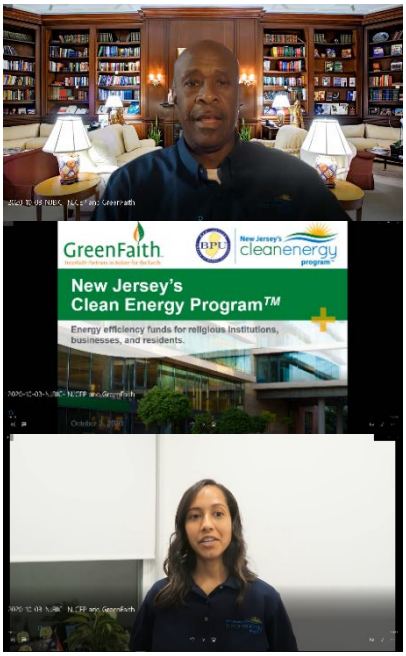
Spanish Educational Outreach

Equity

According to the U.S. Census Bureau, the State of New Jersey has the highest percentage of Spanish speaking households in the Northeast and is higher than the average in the United States. In FY21, select program collateral was translated, Spanish webinars were offered and the Transition Landing Page was made available in Spanish. All new and updated collateral for FY22 is planned to be translated as well. Outreach pass-through funds have been set aside for professional translation services.

A Spanish-speaking Community Organizer oversees the Spanish educational outreach. This individual focuses on working with community groups and program participants. The coordination of this educational initiative will continue to align with the FY22 program offerings and will be a key component of the Community Outreach to Hispanic communities.

Although Spanish is the main language spoken after English, the Outreach Team will work with any community organizations that have a request for NJCEP collateral in their specific language to offer translation services.



TRC presented in October 2020 for NJCEP at the Black Issues Convention in conjunction with GreenFaith. As the convention platform changed due to COVID, the outreach team was flexible and put together a video.

Support BPU-Led Initiatives

BPU and TRC each have responsibility for developing and delivering components of the NJCEP. The Outreach Team's role is to bridge the gap so customers can navigate the program options that are most applicable to them. In doing this, the Outreach Team discuss with customers their needs and ensures they are aware of the entire Clean Energy Program portfolio. The Outreach Team will continue to refine the NJCEP presentation in order that the infographic and presentation flow addresses the audience appropriately based on their specific needs. The NJCEP portfolio overview infographic is used in most presentations to give an overview of the all programs available before diving into the discussion topic of the core presentation.

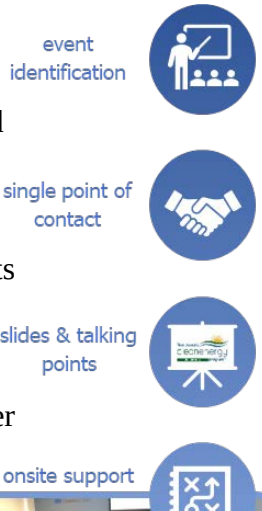
The Outreach Team stays up to date through BPU staff presentations of BPU-led initiatives. Outreach Team members are able to answer high level questions about all BPU initiatives and can direct specific inquiries to BPU staff, as needed. Many events that the Outreach Team already attends offer solid opportunities for the information sharing of BPU-led initiatives. Like-minded customers tend to have overlapping interests in sustainability. This is why it is important for the TRC and BPU-led initiatives to work together for consistent and comprehensive messaging

The Outreach Team coordinates and processes the purchases and expenses related to printing all program collateral. This includes collateral of BPU-led initiatives. The Outreach Team ensures there is a current stock with BPU and Outreach Team members, as well as at meetings and events, where applicable.

BPU Support and Coordination

The Outreach Team will work closely with BPU Staff to ensure that the program messaging and event representation are aligned with priorities of the BPU. This includes regular status meetings to ensure BPU is aware of the outreach activities, events, and speaking opportunities identified for BPU Staff and/or Commissioners.

Support Commissioner Engagement



The 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. In FY21, these plans were put on hold as in-person events did not take place at a commissioner level due to the special circumstances surrounding COVID-19. As the state begins to change back to in-person events, engagements will be flagged for commissioners. These engagements may include stakeholder meetings, presentations to trade organizations, presentations to member organizations, panelist opportunities at trade shows, meetings with large energy users or key accounts, meetings with other state agencies, ribbon cutting ceremonies for completed projects, customer acknowledgments for milestones achieved, and LGEA audit and report presentation exit meetings.

Commissioner participation supports the NJCEP and demonstrates program enthusiasm across the BPU. Commissioners receive feedback directly from participants and stakeholders. In FY21, we continued to identify speaking opportunities for Commissioners and looked for opportunities to engage them with customers on a one-on-one basis.

We will continue the "Commissioner Concierge" approach in FY22 where a team member is assigned to supply the Commissioners and their staff with a seamless speaking engagement experience. This concierge approach supports Commissioner events from beginning to end. The assigned team member works with the Commissioners' staff to ensure they are well prepared for their event. This involves supplying specific background details as defined by BPU speaking engagement templates, such as, presentation type and length, event agenda, speaking time window, bulleted program data points, and post-event networking opportunities. 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

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 we are documenting both success 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.

Coordinate with Marketing Team

The Outreach Team will support the Marketing Team's marketing campaigns through data information requests along with program-specific plans. Collaboration will be critical as specific marketing plans are developed and implemented so the Outreach Team can be prepared to support and provide the data needed to help measure success.

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

Continue to Create, Develop, and Maintain Partnerships

Maintaining partnerships is key to ensure that the Outreach Team and Partners are aware of the other's initiatives and changes that occur. In FY22, we will continue to build upon our existing partnerships and pursue new partnerships that represent Overburdened Communities, targeted community organizations, and new trade specific membership organizations.

Sustainable Jersey

Ongoing coordination with Sustainable Jersey will continue to support their participants who are interested in NJCEP and offer program guidance to their Energy Team. Our efforts will include:

- Working with the nine Regional Hubs that bring together the Green Team representatives from all the participating towns in that region to share information about the Clean Energy Programs and develop coordinated plans to implement actions and measure success;
- Co-presenting webinars about NJCEP;
- Participate in the Sustainable Jersey Energy Task Force Meetings to ensure that the Outreach Team provides input regarding any updates to Sustainable Jersey relating to NJCEP initiatives;
- Coordinate with Sustainable Jersey on the monthly conference calls about upcoming events/conferences, and any inquiries they receive regarding NJCEP; and
- Train Sustainable Jersey's Environmental Defense Fund interns on the LGEA process and tips around LGEA outreach and application preparation.

County Improvement Authorities

While the roles of County Improvement Authorities vary from county to county depending on their enabling laws, they primarily support business retention and attraction for their respective territories. Some can provide financing and tax incentives, and most work closely with their municipalities to support local growth initiatives. Improvement authorities work closely with local chambers of commerce, rotary clubs, and business associations. They provide a platform to expose local government units and entities to programs that support their objectives. These organizations provided a valuable opportunity to promote the programs and helped to identify potential projects the past couple years. Account Managers will continue to connect with the active improvement

authorities to pro-actively seek opportunities to participate in meetings and events to create awareness of clean energy program offerings.

Investor Owned Utilities

Collaboration with the State's utilities is critical to providing customers with a clear and understandable path to undertaking energy efficiency projects and obtaining financial incentives to help mitigate the associated costs. The Outreach Team will continue to build on those relationships and identify opportunities to co-promote program offerings and provide customer assistance. We will continue to send emails to utility contacts when there are public program changes to ensure that they are aware and to create a direct channel for answering questions. The Outreach Team will continue to work with utility representatives to understand their program offerings so Account Managers can forward inquiries to the applicable utility contact.

Partnerships will be established in FY22 to co-present with utilities to applicable audiences that benefit from understanding transition or the utility program offerings as well as the NJCEP offerings. This may include transition related presentations with organizations where NJCEP has historically had an active presence or presentations at larger conferences. Community coordination will take place with the utility community representatives to support efforts in the community.

Organizations, State, and Federal Agencies

While we are currently active members in several organizations, such as U.S. Green Building Council, American Institute of Architects New Jersey, Shore Builders Association of Central NJ, Property Owners Association of NJ, NJ Association of School Business Officials, Housing and Community Development Network of NJ, NJ Association of Counties, NJ School Boards Association, and several regional Chambers of Commerce, we will investigate new membership and partnership opportunities where we can leverage more speaking engagements and promotional options (e.g., newsletter articles, success stories). FY21 included involvement and memberships with several minority organizations that will have continued relationships by the Community Specialists. State and Federal relationships will be maintained as well:

- Project coordination with U.S. Department of Agriculture NJ staff to utilize their grant program with NJCEP offerings;
- Actively participating in the Design Lights Consortium ("DLC") and any outreach or program committees that they offer; and
- Working with NJIT to enhance the Clean Energy Learning Center with educational content about programs.

Prepare the Market for Program Enhancements

Each fiscal year program changes and enhancements are implemented. The Outreach Team plays a critical role in preparing customers, contractors, trade allies, and other stakeholders for these changes.

Program enhancements will continue to be a FY22 focus. They include the updates on BPU-led programs as well as updates on programs within this filing. Knowledge of program enhancements for FY22 will involve all market sectors. This effort will include:

- Development and delivery of training for contractors and customers;

- Development and delivery of informational webinars;
- Articles in newsletters;
- Presentations at conferences and trade shows;
- One-on-one customer engagement, including either in-person visits or virtual contact with, equipment manufacturers, contractors, builders, and architects;
- Website postings;
- E-mail blasts; and
- Updating all presentations and collateral materials.

The Outreach Team will coordinate with BPU staff as it develops these plans and tools.

Delivery

The Team

The Outreach Team is comprised of an Outreach Manager, Account Managers, and an Administrative Coordinator. In FY22, the Account Managers are specialized into roles of Community Organizers, Program Account Managers, and a Trade Ally Manager. This Team collaborates closely with BPU staff, and the market sectors identified above.

Outreach Manager

The Outreach Manager works with the BPU and the members of the Outreach Team to ensure that the tactics of this plan and the priorities of the Division of Clean Energy are accomplished. The Outreach Manager ensures open communication between the Outreach Team and the BPU, as well as regular reporting on Key Performance Indicators and Outreach event follow-up.

Outreach Account Managers are the cornerstone of the Outreach Team. Account Managers tailor engagement to participant knowledge and expertise, while sharing techniques and equipment knowledge best suited for each unique project.

Administrative Coordinator

The Administrative Coordinator plays a key, office-based role in supporting Community Organizers, Account Managers and the Trade Ally Manager. The Administrative Coordinator is a key communicator between professional organizations, event coordinators, the Outreach Team, and the BPU. The coordinators manage event logistics, supply literature and giveaways, and maintain the calendars of events and approvals, as well as the purchase processing. Their role may require them to attend some events and presentations in support of Outreach Team activities.

Community Organizers

Community Outreach will be done by a group of Account Managers known as Community Organizers. Each organizer will work with an assigned region to target the most Overburdened Communities in New Jersey. They will network and work with existing community leaders such as town councils, environmental commissions, community organizations, and religious leadership groups to further understand the needs of the community. As the face of NJCEP to the community, the Community Organizer will attend targeted local events, such as street fairs, and work with the community to give additional and equitable assistance so they can participate in the free Local Government Energy Audit program and are aware of other equitable programs such as Community Solar, Community Energy Plan Grants, and Comfort Partners. The focus will be on general education and brand awareness of energy efficiency and the Clean Energy Program.

Program Account Managers & Trade Ally Manager

Program Account Managers work exclusively to ensure that contractors, trade allies, stakeholders, and partners are aware of NJCEP and submitting applications to the programs in this Filing. They are each focusing on one to two programs since each program has a different target applicant type or new to this year one of the managers solely focuses on Trade Ally engagement and known by the title of Trade Ally Manager. The targeted focus allows these managers to specialize and have targeted relationships with professional organizations where their target applicant can receive the message about NJCEP. All of these managers give specialized educational training about the programs, application training, and application support to the contractors and trade allies. They are responsible for ensuring that the project pipeline to programs meets the needs of the program team.

Key Performance Indicators and Reporting

Key Performance Indicators

Several key performance indicators (KPI) have been developed to track the progress of the Outreach Team. The KPIs below are a sample of the metrics collected and reported monthly. Detailed reports will be provided to staff regarding progress toward goals, monthly planning, and other outreach activity. Additional details are provided in the monthly reports that are sub-metrics of these KPIs, such as the number of people engaged at events and presentations and the number of LGEA applications attributed to Outreach. The Team will continue to work with staff to refine these reports.

Table 6: Program Outreach Key Performance Indicators (12 months)

Program Outreach	Annual Target
Application Enrollments: # of applications received attributed to outreach	220
MWh Installed Energy Savings: Lifetime electric savings from completed applications attributed to outreach	86,229
Dth Installed Energy Savings: Lifetime energy savings from completed applications attributed to outreach	173,878
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	930
Events: Events such as conferences and trade shows attended promoting NJCEP or NJCEP hosted contractor events	83
Presentations: Presentations made at events (not included in the above events) or hosted by NJCEP	48

Note 1: The above KPIs are based mainly on the averages of FY21 with the assumption that the Outreach Team will still be working virtually as they have been since March 2020 when FY22 begins on July 1, 2021. If work conditions change, these KPIs will be adjusted accordingly.

Note 2: Installed Savings are based on all projects attributed to Outreach including from past fiscal years. Internal metrics for Committed Savings are tracked to ensure long-turn savings are on target.

Table 7: Community Outreach Key Performance Indicators (12 months)

Community Outreach	Annual Target
Meeting with New Group: The first one-on-one meeting with a new targeted group.	200
Workshops: General awareness webinars or presentations ideally co-presented with the local utility.	100
Local Community Events: Attending local community events (Earth Day, street fairs, etc.)	50
Activities: One-on-one meetings with customers, contractors, trade allies, or stakeholders	800
Application Attribution: # of entity submissions to LGEA attributed to community outreach	10

Note 1: The above KPIs will be further outlined in a separate strategic plan with monthly targets that allow for a ramp-up period and the seasonal nature of events such as street fairs.

Note 2: The KPIs take into consideration that the Outreach Team will still be working virtually as they have been since March 2020 when FY22 begins on July 1, 2021. If work conditions change, these KPIs will be adjusted accordingly.

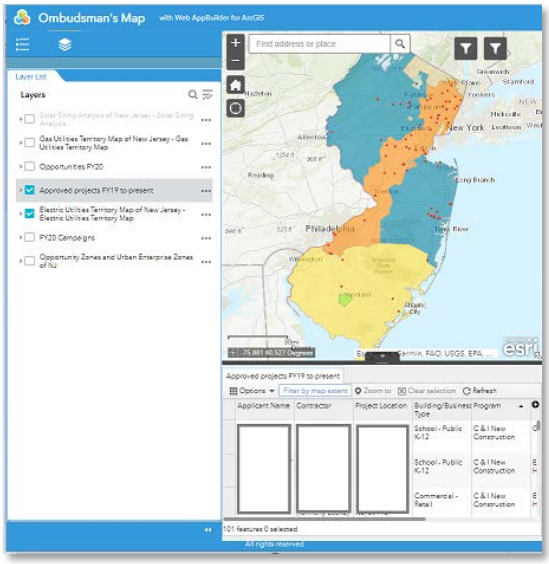
Reporting

We use a variety of tools to help inform the BPU Staff and Commissioners about outreach activities. Report formatting will be addressed with input from NJCEP staff to ensure that it meets their needs for FY22. The 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, and updates made to the Office of the Ombudsman's custom ArcGIS application.

Geographic Reporting

A geographic information system (GIS) reporting platform was developed and completed in FY20 to deliver monthly data regarding incoming projects and C&I Program Account Manager activity. This enhanced GIS application tool provided a new level of regional visualization that was used for internal planning and included in quarterly reports back to the BPU.

The application is accessible to C&I Program Account Managers and the BPU's Office of the Ombudsman on any computer or mobile platform. Additional layers will be added at the request of the Office of the Ombudsman in order to coordinate efforts between their office and the Outreach Team. Data is updated monthly to include Outreach campaigns, opportunities, and project submissions. Maps are used as an outreach management tool and can be produced for BPU Staff to include in presentations.



The Outreach Team manages the Ombudsman's Office ArcGIS access to "layers" such as these colored 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 the New Jersey Clean Energy Program website.

A redesign of the website has been identified as a priority. The Outreach Team will provide support to those redesigning the site, and it will continue to provide feedback from interactions with trade allies and the public. We expect an improved design will better reflect how customers and partners use the site, making it easier for them to find the most frequently used documents, submit applications, and identify new content. The new website will not only provide a better user experience, but also provide logical points of engagement along the customer's journey through website analytics.

Rider B: Outreach Pass-Through Budget

The Outreach Pass-through budget includes support for activities such as memberships and expenses related to events, sponsorships, etc.

Examples of expenses that support our outreach efforts may include the cost of booth space at a trade show, registration costs, NJCEP promotional giveaways, sponsorship at events and local chamber of commerce meetings, advertisements at events where outreach staff will be attending, printing of program collateral, or translation services of program information/collateral. All expenses are approved in advance by BPU Staff.

Appendix A: Residential Incentives (including Enhancements)

Residential New Construction

Table 8: Financial Incentives per Unit for ENERGY STAR Certified Homes, ENERGY STAR Multifamily New Construction, Zero Energy Ready Home, and Zero Energy Home + RE

	Single Home (i.e., 1 & 2 family)	Multi-Single (i.e., Townhouse)	Rater Incentive	Multifamily	MFHR
ENERGY STAR	$1,000 + $30/ MMBtu	$500 + $30/ MMBtu	N/A	$500 + $30/ MMBtu	$500 + $30/ MMBtu
ZERH	$4,000 + $30/ MMBtu	$2,500 + $30/ MMBtu	$1,200 (single & multi-single only)	$1,500 + $30/ MMBtu	N/A
ZERH +RE	$4,000 + $30/MMBtu + $2,000	$2,500 + $30/MMBtu + $1,500	$1,200 (single & multi-single only)	$1,500 + $30/MMBtu + $750	N/A
UEZ/AH Bonus	+$500 (add to any level above)	+$500 (add to any level above)	N/A	N/A	N/A

Notes to the table immediately above:

- 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, all as described in more detail in the RNC Incentives section of this Compliance Filing.
- This table is only for Dwelling Units and single-room occupancy (SRO) units. As relevant to this table, SROs are limited to buildings of less than five (5) units; buildings with five (5) or more SRO units may be eligible to participate in P4P or other C&I Programs
- New multifamily buildings having less than five (5) Dwelling Units are eligible for this RNC Program.

Appendix B: Commercial and Industrial Incentives and General Rules

Extension Policies

Many programs include deadlines for submittal of information. For example, some programs require the submittal of a final application within six months or one 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 the Compliance Filings and in the Guidelines established for each program. The Program Administrator, with the approval of Board Staff, may approve up to two extensions, each of a length set by the PA with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

C&I / DER Incentive Caps

Incentive caps have been established to ensure that there is equitable access to the C&I and DER programs for all qualifying customers. These caps have been established because of the potential scale of commercial/industrial projects, where 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

C&I New Construction - $500,000 per electric account and $500,000 per natural gas account, per fiscal year. A customer is defined as a utility account.

Pay for Performance – New Construction - 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. Entity caps also apply.

Large Energy Users Program – LEUP participants will be limited to the lesser of $4 million per eligible entity per fiscal year, 90% of calculated NJ Clean Energy Program contribution, 75% of eligible project cost or $0.33/kWh and $3.75/Therm saved annually.

Local Government Energy Audit Program – LGEA participants will be held to a fiscal year entity cap of $100,000 per entity, subject to the exceptions set forth in the specific LGEA Program Description in this document.

CHP-FC

See Appendix C.

C&I / DER Entity Incentive Caps

If an entity brings more than one project through NJCEP in any given fiscal year, it will be held to an Entity Cap of $4,000,000 (Entity Cap) for that fiscal year, in addition to the other incentive caps described above. Each Program's and/or Path's milestones for determining when incentives count towards an Entity Cap for a given fiscal year are as follows:

- Application approval - SmartStart NC, Combined Heat and Power
- Energy Reduction Plan / Proposed Energy Reduction Plan approval - Pay for Performance New Construction
- Final Energy Efficiency Plan approval - Large Energy Users

Incentives under any NJCEP Commercial & Industrial and Distributed Energy Resources Program(s), except the Local Government Energy Audit Program, count toward the Entity Cap. A fiscal year is a fiscal 12-month period from July 1 – June 30. Once the Entity Cap in a given fiscal year has been reached, the earliest an entity may apply for subsequent incentive funding is July 1 of the next fiscal year. For example, if an entity reaches its Entity Cap on March 15, 2019, it must wait until at least July 1, 2019, the first day of the fiscal year, to apply.

In addition, Large Energy Users are subject to additional C&I / DER Entity Caps consisting of the lesser of:

- $4,000,000; or
- 90% of total NJCEP fund contribution in previous year (i.e. from all entity facilities), provided, however, that an applicant may choose to bank and combine up to two (2) consecutive years of total NJCEP fund contributions for the purpose of calculating its maximum incentive in a given fiscal year, provided the applicant has not participated in LEUP in the fiscal year immediately preceding the subject application. By way of example only, if a participant in FY19 contributed $500,000, in FY20 contributed $600,000, and in FY20 did not submit a LEUP application, the applicant's maximum incentive for a project in FY21 would be no more than $990,000 (.9 x (500,000 + 600,000)).

Total Cost Incentive Cap

In addition to the specific caps outlined above, 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[18] of measures installed or performed.

[18] 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.

C&I New Construction Incentives & General Rules

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 90.1-2016 as the baseline for estimating energy savings and the proposed measure(s) must exceed ASHRAE 90.1-2016 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 9: 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 90.1-2016, 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, et cetera) 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 10: C&I Electric Chiller Incentives

Equipment Type	Capacity	Constant Speed			
		Base$/ton		Variable Speed	
		$10.00	**Performance $/ton**	**Base $/ton**	**Performance $/ton**
Air Cooled Chiller	tons < 150	$10.00	$3.50	$45.00	$4.00
	tons ≥ 150	$6.50	$2.75	$46.00	$4.00
Water Cooled Chiller, Positive Displacement	tons < 75	$10.00	$2.25	$20.00	$2.50
	75 ≤ tons < 150	$8.50	$2.00	$21.50	$2.00
	150 ≤ tons < 300	$7.50	$2.00	$21.50	$2.00
	300 ≤ tons < 600	$15.00	$2.25	$18.50	$2.00
	tons ≥ 600	$12.00	$2.00	$22.00	$2.00
Water Cooled Chiller, Centrifugal	tons < 150	$5.00	$2.25	$12.00	$2.75
	150 ≤ tons < 300	$4.00	$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 11: 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 A.H.R.I. 560, however, part load efficiencies are not rated.

Table 12: 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 13: 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.

Table 14: C&I Unitary Electric HVAC Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency			Incentive $/Ton
			SEER	EER	IEER	
Unitary HVAC Split System	< 65,000	1	14.0			$92
		2	16.0			$105
Unitary HVAC Single Package	<65,000	1	14.3			$92
		2	16.0			$103
Unitary HVAC Single Package or Split System	≥ 65,000 and < 135,000	1		11.5	13.0	$73
		2		12.5	14.0	$79
	≥ 135,000 and < 240,000	1		11.5	12.4	$79
		2		12.0	14.0	$89
Central DX AC	≥ 240,000 and < 760,000	1		10.5	11.6	$79
		2		11.0	12.5	$85
	≥ 760,000	1		9.7	11.2	$72
		2		10.0	12.0	$77

Table 15: C&I Air Source Heat Pump Incentives

Equipment Type	Cooling Capacity (Btu/h)	Tier	Minimum Efficiency					Incentive $/ton
			SEER	HSPF	EER	IEER	COP	
Air Source Heat Pump Split System	< 65,000	1	14.3	8.4				$92
		2	15.5	8.5				$100
Air Source Heat Pump Single Package	< 65,000	1	14.3	8.2				$92
		2	15.5	8.5				$100
Air Source Heat Pump Split System	≥ 65,000 and < 135,000	1			11.5	12.2	3.4	$73
		2			12.1	12.8	3.5	$77
	≥ 135,000 and < 240,000	1			11.5	11.6	3.3	$79
		2			11.7	15.0	3.3	$82
	≥ 240,000	1			9.5	10.6	3.2	$79
		2			9.7	12.0	3.2	$82
Air Source Heat Pump Single Package	≥ 65,000 and < 135,000	1			11.5	12.2	3.4	$73
		2			12.1	12.8	3.5	$77
	≥ 135,000 and < 240,000	1			11.5	11.6	3.3	$79
		2			11.7	15.0	3.3	$82
	≥ 240,000	1			9.5	10.6	3.2	$79
		2			9.7	12.0	3.2	$82

Table 16: 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
	≥ 17,000 and < 65,000	1	13.3	4.3	$30
		2	15.0	4.5	$34
	≥ 65,000 and < 135,000	1	13.3	4.3	$40
		2	15.0	4.5	$45

Table 17: 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	10.2		$10
		2	10.7		$12
	≥ 65,000 and < 135,000	1	10.2		$10
		2	10.7		$12
	> 135,000 and < 240,000	1	10.2		$10
		2	10.7		$12
Single Packaged Vertical Heat Pump - SPVHP	< 65,000	1	10.2	3.1	$10
		2	10.7	3.2	$12
	≥ 65,000 and < 135,000	1	10.2	3.1	$10
		2	10.7	3.2	$12
	≥ 135,000 and < 240,000	1	10.2	3.1	$10
		2	10.7	3.2	$12

Table 18: 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 19: 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 20: 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	≤ 5 tons	$85/control
	> 5 tons	$170/control

Gas Heating

Table 21: 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 to 1,500 MBtu/h	85% Et	$1.75/MBh
		> 1,500 to 2,500 MBtu/h	85% Et	$1.50/MBh
		> 2500 to 4,000 MBtu/h	85% Ec	$1.30/MBh
	Steam, all except natural draft	< 300 MBtu/h	82% AFUE	$1.40/MBH; Min $400
		> 300 to 1,500 MBtu/h	81% Et	$1.20/MBh
		> 1,500 to 2,500 MBtu/h	81% Et	$1.20/MBh
		> 2,500 to 4,000 MBtu/h	81% Et	$1.00/MBh
	Steam, natural draft	< 300 MBtu/h	82% AFUE	$1.40/MBH; Min $300
		> 300 to 1,500 MBtu/h	79% Et	$1.00/MBh
		> 1500 to 2,500 MBtu/h	79% Et	$0.90/MBh
		> 2,500 to 4,000 MBtu/h	79% Et	$0.70/MBh
	All types	> 4,000 MBtu/h		Treated under Custom Measure Path

Table 22: 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 $1000
			93% AFUE	$2.00/MBH ; Min $1,000
		> 300 to 1,500 MBtu/h	88% Et	$2.00/MBh; Min $1000
			91% Et	$2.20/MBh; Min $1000
		> 1,500 to 2,500 MBtu/h	88% Et	$1.85/MBh
			93% Et	$2.20/MBh
		> 2500 to 4,000 MBtu/h	88% Ec	$1.55/MBh
			93% Ec	$2.00/MBh
		> 4,000 MBtu/h		Treated under Custom Measure Path

Table 23: 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	≥ 95% AFUE	$400
			≥ 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 24: C&I Domestic Hot Water Pipe Wrap Insulation Incentives

- Pipe insulation thickness must exceed required thickness listed in ASHRAE 90.1-2016 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 25: 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)*	≥ 82% Et or ≥ 0.64 UEF	$1.75/ MBtu/h
			≥ 90% Et or ≥ 0.85 UEF	$3.50/ MBtu/h
		> 105 MBtu/h *(commercial)*	≥ 82% Et	$1.75/ MBtu/h
			≥ 92% Et	$3.50/ MBtu/h
	Gas-fired, instant (tankless)	< 200 MBtu/h *(consumer)*	≥ 90% Et or ≥ 0.90 UEF	$300/unit
		≥ 200 MBtu/h *(commercial)*	≥ 90% Et	$300/unit
	Gas-fired, Water Booster Heater	≤ 100 MBtu/h	n/a	$35/ MBtu/h
		> 100 MBtu/h	n/a	$17/ MBtu/h

Table 26: C&I Low-Flow Fixture Incentives

Equipment Type	Pipe Diameter	Incentive
Low Flow Showerhead	Tier 1 (2 GPM – EPA Water Sense)	$10/showerhead
	Tier 2 (1.5 GPM or Less)	$15/showerhead
Low Flow Faucet Aerator	Tier 1 (1.5 GPM – EPA Water Sense)	$2/aerator
	Tier 2 (1 GPM or Less)	$4/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 27: 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 28: VFD Eligible Size Range of Controlled Motor

Equipment Type	Eligible Size Range of Controlled Motor	Eligibility Requirements
VFD on Chilled Water Pump	20 HP $\leq$ 50 HP	Must be installing VFD on centrifugal chilled water pump motors for HVAC systems only.
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.[19]
- Proposed lighting design must demonstrate lighting power density ("LPD") lower than specified by ASHRAE 90.1-2016 for all relevant eligible spaces, except as specifically excepted in Section 9.1.1 and 9.2.2.3 of ASHRAE 90.1-2016.
    - Note: Horticultural lighting incentives, which are covered by the exception immediately above, are available in accordance with Table 30: 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 29: 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 30: C&I DLC® Certified Indoor Horticultural LED Fixtures

Equipment Type	Facility Type	New LED Fixture Wattage	Incentive
DesignLights Consortium® Qualified Horticultural LED Fixtures Qualified Products List[20]	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

[19] A given substantial renovation project may be eligible for a utility-sponsored EE program as well as for this RNC 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.

[20] https://www.designlights.org/

Food Service Equipment

Table 31: 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 32: 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 Fryer	Electric	$200 per vat
	Gas	$749 per vat
Commercial Large Vat Fryer	Electric	$200 per vat
	Gas	$500 per vat
Commercial Griddle	Electric	$300 per griddle
	Gas	$125 per griddle
Commercial Steam Cooker	Electric	$1,250 per steamer
	Gas	$2,000 per steamer

Table 33: C&I Insulated Holding Cabinet Incentives

- Must meet CEE Tier II or current ENERGY STAR specification.
- Does not include cook and hold equipment.
- All measures must be electric hot food holding cabinets that are fully insulated and have solid doors.

Equipment Type	Size	Incentive
Insulated Holding Cabinets	Full Size	$300 per unit
	¾ Size	$250 per unit
	½ Size	$200 per unit

Table 34: 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 35: 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 36: C&I ASTM Cooking Equipment Criteria

Equipment Type	Fuel	ASTM Cooking Equipment Criteria
Commercial Combination Oven/Steamer	Electric	• 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	• 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 on 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	• 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	• 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 Fryer	Electric	Must have a tested heavy load cooking energy efficiency of 83 percent or greater and an idle energy rate of 800 W or less, utilizing ASTM F1361.
	Gas	Must meet a tested heavy load cooking energy efficiency of 50 percent or greater and an idle energy rate of 9,000 Btu/h or less, utilizing ASTM F1361.
Commercial Large Vat Fryer	Electric	Must have a tested heavy load (French fry) cooking energy efficiency of 80 percent or greater and an idle energy rate of 1,100 W or less, utilizing ASTM F2144.
	Gas	Must have a tested heavy load (French fry) cooking energy efficiency of 50 percent or greater and an idle energy rate of 12,000 Btu/h or less, utilizing ASTM F2144.
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.
Commercial Steam Cooker	Electric	Must have a tested heavy load (potato) cooking energy efficiency of 50 percent or greater, utilizing ASTM F1484.
	Gas	Must have a tested heavy load (potato) cooking energy efficiency of 38 percent or greater, utilizing ASTM F1484.

Note: The incentives identified above in this Appendix B may be reduced with the approval of the Division of Clean Energy.

Appendix C: Distributed Energy Resources Incentives and General Rules

Extension Policies

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 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 the Compliance Filings and in the Guidelines established for each program. The PA, with the approval of Board Staff, may approve up to two extensions, each of a length set by the PA with the approval of Board Staff, beyond the extensions the Program Managers are authorized to approve.

Combined Heat and Power – Fuel Cell (CHP-FC) Incentives

C&I / DER Entity Incentive Caps

See Appendix B, Commercial and Industrial Incentives and General Rules.

Total Cost Incentive Cap

See Appendix B, Commercial and Industrial Incentives and General Rules.

CHP-FC Incentive Levels & Schedule

Table 37: CHP-FC Technology and Incentive Levels

Eligible Technology	Size (Installed Rated Capacity)	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, but still subject to the project Cap in that table). 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 located at Critical Facility and incorporating blackstart/islanding technology are eligible for a 25% incentive bonus (additional to the incentives calculated in accordance with the table immediately above, but still subject to the project Cap in that table). For this Program, a Critical Facility is any:
    a. Public facility, including, without limitation, any federal, state, county, or municipal facility, or
    b. Non-profit and/or private for-profit facility, including, without limitation, any hospital, water/wastewater treatment facility, school, multifamily building, or similar facility that:
        i. Is determined to be either Tier 1 or critical infrastructure by the New Jersey State Office of Emergency Management or Office of Homeland Security and Preparedness, or
        ii. Could serve as a Shelter during a power outage. For this Program, a Shelter is a facility able to provide food, sleeping arrangements, and other amenities to its residents and the community.

    For the avoidance of doubt, any public facility is a Critical Facility.

Table 38: CHP-FC Incentive Payment Schedule

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

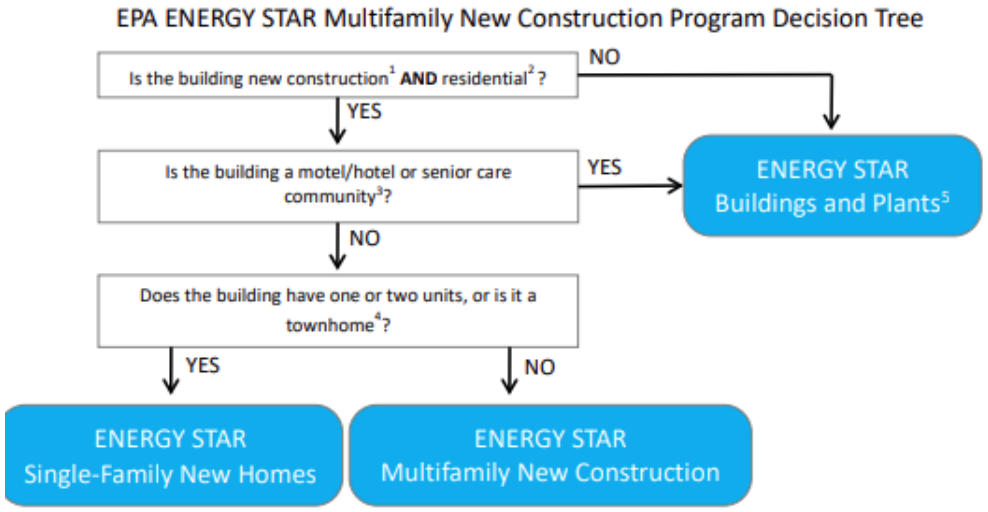
1. Projects will receive program incentives in three partial payments. The first incentive will be paid upon proof of purchase of equipment. The second incentive will be paid upon project installation and operation, including successful inspection. The third incentive will be paid upon acceptance and confirmation that the project is achieving the required performance thresholds based on twelve (12) months of continuous operating data submitted within eighteen (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.
    a. If, due to impacts of COVID-19, the applicant is unable to provide the requisite twelve (12) months of representative data to demonstrate the project is achieving

the required performance thresholds, the Program Manager is authorized to work with the applicant to develop and accept other reasonable methods for estimating or demonstrating whether or not the performance thresholds have been met.

2. Regarding the third incentive, if all other required performance thresholds are achieved:
    a. And the total annual net kWh generated is ≥80% of that specified in the Program-approved application, the full third incentive is earned.
    b. But the total annual net kWh generated is ≥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.

Appendix D: Multifamily Decision Tree

Figure *1 ENERGY STAR Multifamily Guidelines Version 2.1*



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 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.
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.

January 2021

Appendix E: Program Budgets

TRC FY22		*FY22 Cost Category Budgets*					
Program/Budget Line	***Total Budget***	***Administration***	***Sales, Marketing, Website***	***Training***	***Rebates, Grants and Other Direct Incentives***	***Rebate Processing and QA***	***Evaluation***
Total TRC	**$206,785,664**	**$13,225,133**	**$4,354,596**	**$101,000**	**$183,370,799**	**$5,734,136**	**$0**
EE Programs	**$179,721,111**	**$11,517,120**	**$507,582**	**$63,500**	**$163,550,321**	**$4,082,588**	**$0**
Res EE Programs	***$26,386,739***	***$3,959,690***	***$159,526***	***$13,500***	***$20,242,878***	***$2,011,145***	***$0***
Existing Homes	$12,498,503	$1,715,086	$87,014	$0	$9,535,636	$1,160,767	$0
RNC	$12,726,165	$1,566,606	$43,507	$13,500	$10,336,907	$765,645	$0
EE Products	$1,162,071	$677,998	$29,005	$0	$370,335	$84,733	$0
C&I EE Programs	***$153,334,372***	***$7,557,430***	***$348,056***	***$50,000***	***$143,307,443***	***$2,071,443***	***$0***
C&I Buildings	$135,634,969	$5,671,722	$261,042	$37,500	$127,984,436	$1,680,269	$0
LGEA	$5,075,411	$903,128	$43,507	$12,500	$3,831,336	$284,940	$0
DI	$12,623,992	$982,580	$43,507	$0	$11,491,671	$106,234	$0
Distributed Energy Resources	**$20,635,545**	**$651,437**	**$43,507**	**$0**	**$19,820,478**	**$120,123**	**$0**
CHP - Fuel Cell	$20,635,545	$651,437	$43,507	$0	$19,820,478	$120,123	$0
RE Programs	**$2,669,008**	**$1,056,576**	**$43,507**	**$37,500**	**$0**	**$1,531,425**	**$0**
Solar Registration	$2,669,008	$1,056,576	$43,507	$37,500	$0	$1,531,425	$0
Planning and Administration	**$3,760,000**	**$0**	**$3,760,000**	**$0**	**$0**	**$0**	**$0**
Outreach and Education	***$3,760,000***	***$0***	***$3,760,000***	***$0***	***$0***	***$0***	***$0***
Outreach, Website, Other	$3,760,000	$0	$3,760,000	$0	$0	$0	$0

Appendix F: Program Goals and Performance Metrics

NJCEP FY22 Energy Savings Goals: Portfolio Summary					
Program/Budget Line	***Annual MWH Savings***	***Lifetime MWH Savings***	***MW Savings***	***Annual MMBTU Savings***	***Lifetime MMBTU Savings***
Total TRC	317,223	5,080,603	69.8	541,549	10,248,703
EE Programs	294,912	4,690,228	66.8	445,919	8,575,217
Res EE Programs	8,824	162,890	3.6	206,449	4,108,577
Residential Existing Homes	2,766	43,729	1.7	138,537	2,755,924
HPwES	754	13,610	0.4	31,836	693,394
HVAC	2,012	30,119	1.3	106,701	2,062,531
RNC	5,688	113,748	1.9	67,144	1,342,868
EE Products	371	5,414	0.0	768	9,785
C&I EE Programs	286,088	4,527,338	63.2	239,470	4,466,640
C&I Buildings	251,417	4,008,316	55.9	157,770	3,066,307
C&I Retrofit	200,014	3,146,215	45.5	25,387	469,220
C&I NC	1,655	33,058	0.5	3,905	74,602
P4P EB	12,366	195,126	4.2	57,630	1,262,091
P4P NC	2,858	45,671	1.1	6,152	102,305
LEUP	26,895	468,256	3.1	52,648	947,609
Customer Tailored	7,629	119,992	1.4	12,049	210,480
LGEA	0	0	0.0	0	0
DI	34,671	519,021	7.2	81,700	1,400,332
Distributed Energy Resources	22,311	390,375	3.0	95,629	1,673,486

Appendix G: Cost-Benefit Analysis

Cost-effectiveness analysis compares the costs and benefits of energy efficiency 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") of FY19 for residential, commercial, and industrial NJCEP EEP.

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.[21]

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.

[21] 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.

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

NJCEP FY22 Prospective Benefit Cost Analysis						
Program/Budget Line	***PCT***	***PACT***	***RIM***	***TRC***	***SCT***	***Modified NJCT***
Total TRC	2.6	1.8	0.3	0.8	1.1	1.9
EE Programs	2.6	1.8	0.3	0.9	1.2	1.9
Res EE Programs	1.8	0.7	0.3	0.4	0.5	0.9
Residential Existing Homes	1.7	0.6	0.3	0.4	0.4	0.7
HPwES	0.9	0.3	0.2	0.2	0.2	0.3
HVAC	3.2	1.0	0.3	0.8	0.9	1.5
RNC	2.1	0.9	0.3	0.6	0.7	1.2
EE Products	1.6	0.2	0.1	0.1	0.2	0.3
C&I EE Programs	2.8	2.1	0.3	0.9	1.3	2.1
C&I Buildings	2.7	2.4	0.4	0.9	1.3	2.1
C&I Retrofit	2.6	2.8	0.4	1.0	1.3	2.1
C&I NC	5.3	1.3	0.4	1.1	1.4	2.3
P4P EB	2.9	2.2	0.4	1.1	1.4	2.3
P4P NC	3.4	0.9	0.4	0.9	1.2	1.9
LEUP	2.7	1.4	0.3	0.7	1.0	1.7
Customer Tailored	5.2	3.6	0.3	1.7	2.4	3.8
LGEA	0.0	0.0	0.0	0.0	0.0	0.0
DI	3.6	1.1	0.3	1.0	1.4	2.3
Distributed Energy Resources	2.3	4.2	0.3	0.7	1.0	1.6