MaGrann ASSOCIATES

Making Buildings Better

September 18, 2020

Aida Camacho-Welch
Secretary of the Board
Via email: Board.Secretary@bpu.nj.gov

Re: FY21 CRA, Budget and Program Plans

Dear Secretary Camacho-Welch,

Thank you for this opportunity to comment on the proposed updates to NJCEP programs through the end of FY21. MaGrann Associates is a New Jersey based engineering and energy rating company supporting energy efficient new construction and retrofit projects, primarily in the multifamily sector.

We understand that TRC's FY21 CRA is essentially an interim plan pending the transition of existing building programs to the utilities next July, and is therefore focused on continuity rather than major modifications. Nevertheless we urge the BPU and TRC to consider the following points:

1. In the Residential New Construction Program, expand eligibility for UEZ and Affordable incentive bonuses to include Multifamily and MFHR. It is unclear to us why these categories were excluded from the incentive table (see below) given that the narrative on page 24 states broadly "This 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)" with no rationale provided for this exclusion.

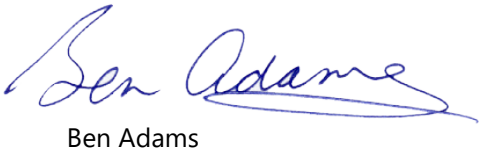
   We routinely receive inquiries from developers interested in leveraging these additional incentives to push the performance of their Affordable and UEZ located buildings further. Since timing is critical in the design process, extending the bonuses now would avoid lost opportunities later.

	Single Home (i.e., 1&2 family)	Multi-Single (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/Affordable Housing Bonus	+$500 (add to any level above)	+$500 (add to any level above)	N/A	N/A	N/A

2. Ensure that the technical and timeline elements of the NJCEP Residential New Construction Program, including multifamily and multifamily high-rise (MFHR), are intentionally and explicitly maintained in sync with the corresponding ENERGY STAR program elements to avoid market disruption. Note that the Summary of Changes references January 1, 2021 as the effective date for MFNC while the CRA references the correct July 1 date.
3. Address the imbalance of incentives between P4P and RNC. This is likely a bigger issue than can be dealt with in this interim period, but important to have on the radar. The disparity between P4P and RNC/MFHR for multifamily new construction results in total incentives that are significantly higher *for the same savings* if a project participates in P4P, while at the same time not having to meet the comprehensive building performance standards of ENERGY STAR certification.

Thank you for your consideration of these points. We would be happy to discuss further at any time.

Sincerely,



Ben Adams
Vice President, Program Development

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9/9/2020

NJ Board of Public Utilities
44 So. Clinton, 9th floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: NJ Clean Energy Program

Dear friends:

I write to submit input about the approved systems eligible for rebate in the NJ Clean Energy program.

Currently, air-sourced heat pumps and heat pump water heaters are approved for the following:

Air Source Heat Pumps	Up to $ 1,000
Ductless Heat Pumps	Up to $ 2,000
Air to Water Heat Pumps	Up to $ 2,000
Hot Water Heat Pumps	Up so $ 750

The most efficient heating and air conditioning system available is a ground source heat pump, yet no rebates are offered for this alternative. They are eligible for rebates through the Home Performance with Energy Star program, but not the more standard NJ Clean Energy rebate for appliances, etc.

I strongly encourage you to consider adding ground-source heat pulps to the Rebate program at the same $2,000 level as the Ductless Heat Pumps. I plan to install one in the next 12 months in my home in Hainesport Township.

Cordially,

Kent R. Pipes

Bloomenergy

September 18, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
Board.Secretary@bpu.nj.gov

Re: FY21 CRA, Budget and Program Plans - Request for Comments

Dear Secretary Camacho-Welch:

Please accept the following comments of Bloom Energy on the proposed New Jersey Clean Energy Program Budget and Comprehensive Resource Analysis ("CRA") for Fiscal Year 2021.

We appreciate the opportunity to comment and would like to highlight for the Commissioners that the proposed program and budget for FY 2021 now before the Board would carry forward structural inequities in the treatment of non-combustion versus combustion forms of distributed generation in the CHP/Fuel Cell program that are misaligned with the public interest in fostering cleaner air, especially in low and moderate income ("LMI") communities.

One of the stated goals of New Jersey's 2019 Energy Master Plan ("EMP") is supporting local, clean power generation in LMI and environmental justice communities. As explained in the EMP, "Clean power generation has the potential to provide LMI and environmental justice communities with locally supplied energy. Local clean power generation also provides additional resiliency, which is particularly important in LMI and environmental justice communities that are disproportionately impacted by the effects of natural disasters. Further, fossil fuel power

generators are often located in or near environmental justice communities, placing additional burdens on them in the form of disproportionally contaminated air."[1]

Indeed, a wave of recent studies has shown that local combustion related pollutants like NOx, SO2, and Particulate Matter are far more harmful to human health than previously believed, including findings that:

- Combustion related air pollution may be as harmful to your lungs as smoking cigarettes;[2]
- The Covid-19 virus can be carried on combustion related particulate matter;[3]
- Particulate matter is the largest environmental health risk factor in the nation, and the resulting health impacts are borne disproportionately by economically disadvantaged communities;[4] and
- Combustion related air pollution increases preterm birth risks;[5]

In addition to the human health impacts of local combustion related pollutants, calculations of the economic and health benefits associated with reducing NOx and PM emissions have been found to exceed the economic and health benefits of reducing GHG emissions on a

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[1] NJ 2019 Energy Master Plan at 202, available at: https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf

[2] Wang M, Aaron CP, Madrigano J, et al. Association Between Long-term Exposure to Ambient Air Pollution and Change in Quantitatively Assessed Emphysema and Lung Function. *JAMA.* 2019;322(6):546–556. doi:10.1001/jama.2019.10255 Aubrey, Allison. Air Pollution May Be As Harmful To Your Lungs As Smoking Cigarettes, Study Finds. NPR. 13 August 2019. https://www.npr.org/sections/health-shots/2019/08/13/750581235/air-pollution-may-be-as-harmful-to-your-lungs-as-smoking-cigarettes-study-finds

[3] Setti, et. al "*Searching for SARS-COV-2 on Particulate Matter: A Possible Early Indicator of COVID-19 Epidemic Recurrence,"* International Journal of Environmental Research and Public Health April 2020.

[4] Tessum et al. Inequity in consumption of goods and services adds to racial–ethnic disparities in air pollution exposure. *PNAS March 26*, 2019 116 (13) 6001-6006; first published March 11, 2019 https://doi.org/10.1073/pnas.1818859116

[5]Mendola, P. et al. *"Air pollution and preterm birth: Do air pollution changes over time influence risk in consecutive pregnancies among low-risk women?"* International Journal of Environmental Research and Public Health, 2019. https://www.nih.gov/news-events/news-releases/nih-studysuggests-higher-air-pollution-exposure-during-second-pregnancy-may-increase-preterm-birth-risk

per ton basis.[6] In the same study, the New York University Institute for Policy Integrity determined that "DERs can be particularly valuable if they avoid local air pollution imposed on populations that are especially vulnerable to this pollution, such as low-income communities and communities of color."[7]

However, contrary to these findings, the Board's proposed FY 2021 program structure continues its policy of favoring combustion CHP projects that emit local air pollution like NOx, SO2, and PM, and disfavoring non-combustion fuel cells that do not emit local combustion related pollutants. For example:

- A combustion CHP plant that emits NOx and PM can receive up to $3 million per project whereas a non-combustion all-electric fuel cell project ("FCwoHR") of the same size at the same site that emits none of these pollutants is eligible to receive only $1 million.
- The proposed FY 2021 CHP/Fuel Cell program funding level of approximately $7.7 million in new funds is open to combustion CHP in its entirety, whereas non-combustion fuel cells would only be allowed to compete for $4.5 million of the total new funding.
- Non-combustion fuel cells are again subject to a "Manufacturer Diversity" cap, as was the case in the prior year's budget, that limits the amount of funding any one non-combustion fuel cell technology can access; however, no such cap applies to CHP and other combustion technologies.

The net result of these program design decisions is that a given fuel cell vendor has the opportunity to compete for a total of $1.5M while a given combustion CHP vendor has the opportunity to compete for a total of $7.6M. This extreme imbalance of opportunity is then magnified by the fact that the per project caps are as much as *three times higher* for combustion CHP than for non-combustion fuel cells.

In short, the Board's CHP/Fuel Cell program is designed to favor combined heat and power projects that emit local combustion related pollutants and to disfavor non-combustion fuel cell projects at a time when minimizing these forms of air pollution has never been more

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[6] Institute for Policy Integrity, New York University School of Law, "How States Can Value Pollution Reductions from Distributed Energy Resources" July 2018, available at: https://policyintegrity.org/files/publications/E_Value_Brief_-_v2.pdf

[7] Id.

important. Take, for instance, a New Jersey hospital that is interested in isolating itself from outages of the electric grid so it can continue to provide emergency services and even elective surgeries during situations where grid power has been interrupted, but it would like to do so without producing significant amounts of local air pollution. The proposed incentive structure now before the Board would say to that hospital "you can get three times more funding from the NJ BPU if you *increase* combustion related pollutants in the immediate vicinity of your hospital, but we will only give you one-third if you *eliminate* local combustion related pollutants." The New Jersey Board of Public Utility Commissioners should not allow themselves to be a party to that outcome.

The Board should not simply accept the proposed FY 2021 program and budget as proposed. There is simply too much new information on the public record for the Board to continue using ratepayer funds to encourage increases in local air pollution in the middle of a respiratory disease pandemic. Instead, the Board should recognize that combustion CHP is fundamentally different than every other Board incented energy efficiency measure because combustion CHP increases air pollution rather than decreasing it and ask one simple question – "why is the deck stacked this way?"

In parallel, and despite numerous public comments filed by many stakeholders regarding the adverse health impacts of air pollution emissions, the Board has chosen to delay the proper accounting of air pollution emissions from energy efficiency measures. The Board's August 24, 2020, Order establishing the New Jersey Cost Test for evaluating the costs and benefits of energy efficiency measures did not include a specific methodology for calculating the public health benefits of avoided air pollution emissions.[8] In the appendix to this order, Board Staff provided the following response to comments filed by these stakeholders:

> **Avoided emissions impacts: general**
> **SUMMARY:**
> Stakeholders [Gabel Associates, RECO, Bloom Energy, Google, Sunrun, ACEEE, the Building Performance Association, NFCRC, NRDC, and the Institute for Policy Integrity] submitted comments in support of including avoided emissions

[8] *See* August 24th Board Order, available at: https://www.nj.gov/bpu/pdf/boardorders/2020/20200824/8A%20-%20ORDER%20New%20Jersey%20Cost%20Test.pdf

benefits in the NJCT. They recommended that both avoided greenhouse gas emissions, such as CO2 and methane, and avoided air pollutant emissions be quantified in the NJCT. The Institute for Policy Integrity suggested that the Board should consider adopting a methodology to account for avoided emissions that is more sensitive than the EPA benefits per kilowatt-hour approach included in the proposal. They recommended using the approach outlined in their 2018 *Valuing Pollution Reduction* report to assign a value to the local air pollution avoided by EE and PDR investments. Additionally, the NFCRC recommended the use of this approach to account for avoided emissions in the NJCT.

STAFF RESPONSE:

Staff thanks commenters for the suggestions provided and agrees that the NJCT should account for the benefits of avoided emissions. The interim NJCT will account for avoided greenhouse gas emissions by using the social cost of carbon. Public health benefits from the reduction of emissions of other air pollutants will be reflected in the 5% general non-energy benefits adder (described in more detail in the "Non-Energy Benefits" section below). **During the triennial review, the EM&V WG should evaluate the inclusion of additional avoided emissions and the methodologies used to calculate them in the NJCT.**[9]

To be perfectly clear, the incentive structure now before the Board not only fails to properly account for local combustion related pollutants in its formal cost test, it turns public policy on its head by very significantly favoring energy efficiency measures that increase combustion related pollutants over those that do not. There is nothing complex about this issue and there is no reason to wait for the outcome of the cost test process to rectify the discriminatory nature of the FY 2021 Budget & CRA proposal now before the Board. Instead of continuing the status quo in the face of overwhelming medical evidence and in contravention of the Board's own environmental justice initiatives, the Board can simply eliminate the disparities in the CHP/FC incentive program that benefit combustion over non-combustion technologies in the Fiscal Year 2021 budget.

Bloom Energy therefore strongly recommends that the Board make the following changes to the Fiscal Year 2021 CHP-FC incentives to align the program with public policy, to protect public

[9] *Id*. at 41-42 (emphasis added).

human health and the environment, and to eliminate the jarring incongruity of this proposal vis-a-vis the State of New Jersey's commitment to improved environmental justice.

(1) Eliminate the Manufacturer Diversity cap that currently limits only non-combustion fuel cells and does not apply to combustion CHP;

(2) Revise the per project funding caps to apply equally to all eligible technologies; and

(3) Open the entire CHP/Fuel Cell funding pool to CHP and fuel cells on a level playing field basis instead of reserving more funding for higher polluting technologies.

Bloom Energy appreciates the opportunity to provide these comments in response to the September 9, 2020, Notice. We look forward to working with the Board and Staff and stand ready to provide additional information wherever that information will be helpful to the process.

Very truly yours,

Charles Fox
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cc: Board Commissioners

Clean Energy Ventures

September 18, 2020

Ms. Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
Post Office Box 350
Trenton, New Jersey 08625

Re: **FY21 CRA, Budget and Program Plans**

Dear Ms. Camacho-Welch:

NJR Clean Energy Ventures Corporation (CEV) welcomes the opportunity to provide comments on the Charge Up New Jersey Fiscal Year 2021 Compliance Filing.

The only way New Jersey will achieve the Zero Emissions Vehicle Mandate to deploy 330,000 light-duty electric vehicles by 2025 is by incentivizing large employers to efficiently deploy cars for the benefit of their employees. It is therefore imperative that the Board of Public Utilities (BPU) permit these business entities to participate in the rebate program.

The 2025 target is for light-duty vehicles (LDV). There is no distinction or preferences made on how the LDV is marketed, purchased or financed. Whether in solar or energy efficiency, New Jersey's Clean Energy Program has long recognized the necessity to differentiate and support programs in multiple market segments. The EV rebate program is essential to overcome the up-front cost disadvantages of EVs versus internal combustion engines, affecting the purchasing decisions of businesses as well as individuals.

The BPU has shared the fact that 1,900 EV rebate applications were received over a recent two-month period. While a good start, a far stronger program, including segment differentiation and support at the program level, will be necessary to achieve the 2025 goal - a tenfold increase from approximately 30,000 EVs on New Jersey's roads today. As an additional headwind to this goal, the impact of COVID-19 has slowed overall new car and EV sales across the country, with 30 percent and 13 percent year-over-year declines, respectively, year-to-date through June 2020 versus 2019 according to Bloomberg New Energy Finance.

Large employers are absolutely essential to meet the State's desired EV market growth on its stated timeline.

- **Targeting this segment provides efficiencies in marketing, with outreach and potential conversion of hundreds of company cars to EVs in one single location.**

Based on NJRCEV research, there are approximately 750 organizations with more than 500 employees working at a single location. In aggregate, this represents over 300,000 potential vehicles. Combined with State government goals to convert 25 percent of its light-duty fleet to EVs by 2025, the market potential is substantial.

- **There are operational synergies, where workplace locations can be leveraged for low-cost onsite charging, enabled by long dwell times. and with high utilization rates aligned with a dedicated EV fleet**.

  In contrast, public charging locations must install the most expensive fast-charging infrastructure which would likely be underutilized for years until enough EV market growth materializes.

Considering the State's aggressive goals, current economic constraints, and the adoption challenges any new consumer product faces, the State should logically assume there is more risk of underachieving rather than overachieving its goals. Encouraging business entity participation provides an opportunity to dramatically accelerate EV penetration across the State. Without access to the rebate program, business entities are unlikely to offer employees enough value proposition to encourage adoption, and New Jersey should expect minimal contribution from this essential segment towards the State's goals.

To preempt any concerns around the risk of program oversubscription if opened to business entities, it should be noted that NJCEP has myriad tools at its disposal to mitigate this concern, in both rebate design and real-time management of program administration. For example, NJCEP has the flexibility to redeploy budgets within compliance years based on program performance. If there are concerns business entities might crowd out individuals, the NJCEP can apply entity caps to limit budget access to any one entity, like the approach used when solar rebates were in effect. Consideration should also be given to front-end loading the $300 million earmarked for EV rebates over the next decade to the early 2020s, before EV capital costs are expected to achieve parity with comparable internal combustion vehicles.

CEV urges the BPU to permit business entities to participate in the EV rebate program. We would welcome the opportunity to further discuss our thoughts with the BPU and stakeholders.

Respectfully,

DocuSigned by:
Lawrence Barth
D017221A586A43F...

Lawrence Barth
Director of Corporate Strategy – NJR Clean Energy Ventures

Cc: Mark F. Valori, VP of NJR Clean Energy Ventures
Chris Savastano, Managing Director of Development
Katie Feery, Manager of Corporate Strategy
Debbie Wyckoff, Manager of Customer Care and Back Office

CHARGEVC
BETTER TRAVEL, STRONGER GRID.

Submitted via E-Mail

September 18, 2020

TO: Secretary Camacho-Welch

State of New Jersey, Board of Public Utilities

44 S Clinton Ave, 3rd Floor, Suite 314, P.O. Box 350, Trenton, NJ, 08625-0350

FROM: Pamela G. Frank, CEO

on behalf of ChargEVC

417 Denison Street, Highland Park, NJ 08904

RE: Draft FY21 "Charge Up New Jersey" Compliance Filing

ChargEVC is pleased to submit these comments on the New Jersey Board of Public Utilities ("BPU" or "Board") Draft FY21 "Charge Up New Jersey" Compliance Filing ("Compliance Filing").

Respectfully Submitted,

Pamela G. Frank, CEO

ChargEVC
pam@chargevc.org

CHARGEVC
BETTER TRAVEL, STRONGER GRID.

Introduction:

Under the landmark electric vehicle (EV) legislation signed into law this past January, the BPU is the primary agency implementing the EV rebate program – a key initiative that will help us meet the goal of 330,000 EVs registered in New Jersey by 2025. This rebate program, along with other EV initiatives the State is pursuing, highlights the State as the East Coast leader for transportation electrification.

It is worth highlighting the rebate program is currently the highest profile, most impactful and strategic state program regarding electrifying transportation. None of the benefits from EVs will materialize – including the progress we need to meet our climate and clean air goals, without EVs on our roads. It is therefore crucially important to approach any program decisions and changes thoughtfully and deliberately.

Notably, despite the economic downturn, New Jerseyans have shown that they have a strong interest in EVs with stronger than expected response to the program. We offer these comments in the spirit of keeping program engagement high and ensuring program success over the next decade. As we have expressed previously, getting off on the right foot is crucial to the long-term success of the program, and as a general matter when it comes to program design, we should walk before we run.

Comments:

<u>EV Rebates for individuals versus companies, government entities and not for profits:</u>

In the spirit of "walk before we run," we support limiting eligibility of the program *at this time* to individuals. The program is in early stages. We note that funding remains in a BPU program that provides EV rebates for government entities. EV fleet adoption is a crucial element to helping the State reach its goals. However, it is important to align supporting infrastructure with the rebates that increase fleet vehicle affordability. With two utility proceedings underway, we are just getting started with public charging infrastructure that supports (but is not limited to) individual EV owners. Limiting program eligibility to individuals at this time makes sense.

<u>Charger rebates from OCE:</u>

Notably in the draft Compliance Filing, a crucial question was not asked: SHOULD the BPU have a charger rebate program funded by the OCE? This question needs to be asked. The law gave BPU *discretionary authority* for such a program.

We have three concerns with OCE offering a program as it has been described in the draft Compliance Filing:

1) *A smart charger only brings value if it is used to change customer behavior, specifically to encourage off-peak charging.* That is best done through a charger that is tightly coupled with a utility-provided program that motivates off-peak charging through economic incentives. A smart

charger that is not participating in such a program won't help "flatten the curve" for residential charging.

The best way to ensure flattening the curve is to provide the charger and the utility program as an integrated offer through a utility sponsored process that ensures the necessary data integration. This has been demonstrated in other programs around the country. Without a tight coupling of the charger with the behavior modifying TOU incentive, and an integrated process for ensuring the utility can network with the charger, the program won't achieve its goal of encouraging off-peak charging.

2) *An integrated offer will provide a seamless customer experience*. A positive customer experience translates into adoption success with regard to the smart charger, TOU rates and data integration back to the utility to ensure transparency that can assist in utility infrastructure planning and delivery of quality service.

Other markets' experience informs that a tightly integrated offer works best with regard to customer convenience, resulting in the specific adoption of technology and behaviors we need to manage the load as EV induced electric demand grows. PSE&G and ACE filings include proposed program filings that provide charger rebates and EV rates.

We note that ChargEVC, NJ DEP, NJCAR and PlugIn America have jointly invested in an EV Dealer Certification Program – PlugStar – which is designed to educate and train automotive dealers, so they may align all available incentives for the benefit of the consumer. The message we get from the dealer community is simplify, simplify – provide, to the greatest extent possible, a one stop shopping experience for the customer.

The smart charger and TOU incentives should be integrated under the utility. This will benefit the customer, the automotive dealers and manufactures that sell the cars and the ratepayers that benefit from managed charging.

3) *OCE money is best used for EV rebates, not chargers.* Approximately $13 million of EV rebate money was taken out of the current fiscal year budget that runs through the end of September 2020. In that sense, we are already behind. Having the OCE set up a separate smart charger program is an additional cost and administrative burden that is not only unnecessary but will handicap successful deployment of smart chargers, TOU rates and utility data integration all of which is needed to be able to manage the EV load.

<u>Program transparency and accountability</u>:

To ensure transparency, the BPU should provide monthly updates that allows the public to access data—non-personally identifiable information—on the rebate program. This data should include at minimum, rebate funds spent and remaining, rebate amounts by zip code, and number of rebates by vehicle makes and models.

We understand from discussions that this type of information will be part of the launch of Phase 2 of the program. We recommend the BPU provide guidance in the near term as to how this data will be provided to the public.

We are committed to the success of the ChargeUp New Jersey program and appreciate the opportunity to provide comments.

September 18, 2020

New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Submitted via email: board.secretary@bpu.nj.gov

Re: NJCEP- FY21 Proposed CRA, Budgets and Program Plans

To Whom It May Concern:

The Energy Efficiency Alliance of New Jersey ("EEA-NJ") submits these comments in response to the New Jersey Board of Public Utilities ("BPU") Fiscal Year 2021 ("FY21") Straw Proposal for NJ's Clean Energy Program ("CEP") proposed by Clean Energy Program Staff ("Staff") and TRC.

EEA-NJ is a trade association for the energy efficiency industry, which is composed of a diverse range of professions—from contractors and manufacturers to engineers, architects, and software developers—and a local workforce that cannot be outsourced. Together with its sister organization, the Keystone Energy Efficiency Alliance ("KEEA"), EEA-NJ represents 75 business members who provide energy efficiency products and services in support of an industry that accounted for more than 38,000 New Jersey jobs at the beginning of 2020.

EEA-NJ applauds the BPU and Staff for the strides it has made so far in the development of energy efficiency programs. The recent BPU Order establishing the Energy Efficiency and Peak Demand Reduction Programs Framework ("EE Order") created a strong framework for utility and CEP energy efficiency programs, which will result in numerous economic and environmental benefits across the state. With these comments and the individual comments of our member companies and organizational partners, EEA-NJ hopes to provide the BPU with additional insight and perspective to create a thriving market for energy efficiency in New Jersey.

EEA-NJ greatly appreciates TRC and Staff's proposal to support the smooth transition to utility-run energy efficiency ("EE")programs by continuing the CEP programs in a similar manner. We write these comments to highlight the importance of investing in energy efficiency at this moment and to encourage the initiation of EE Order working groups to ensure a smooth energy efficiency transition.

1. **The Clean Energy Fund must be protected from raids because energy efficiency can play a central role in New Jersey's recovery from the current economic and health crisis and in meeting state clean energy and carbon reduction goals.**

The impact of the COVID-19 pandemic will place a strain on state budgets, but energy efficiency can provide relief during times of economic downturn. With robust investment, energy efficiency has long been a reliable job creator. By prioritizing energy efficiency and protecting the Clean Energy Fund, the state can launch a pandemic-conscious rebuild with measures that lower electric bills and improve indoor air quality.

With the start of new state and utility programs, continued investment in state energy efficiency programs is vitally important. In the face of unprecedented unemployment numbers and work stoppages, now is the time to build the workforce required to fulfill the ambitious BPU 2020 Order to Establish Energy Efficiency and Peak Demand Reduction Programs ("EE Order"). Working with the Utilities and stakeholders, the BPU and Staff can identify workforce needs, establish requirements, and develop training opportunities to help unemployed workers in the near term and create a truly shovel-ready workforce in July of 2021. New utility and state energy efficiency programs will create thousands of skilled, well-paid jobs. The BPU and other stakeholders involved in workforce development could begin the process by launching virtual worker training programs in January of 2021. This will allow workers to be trained and ready to work by July 2021 and provide much-needed economic relief and job security.

2. **EEA-NJ requests that staff expand upon the Working Groups established in the EE Order as stakeholder input can be vital to ensuring successful programs.**

The Proposal identifies that

> "Staff anticipates utilizing FY21 to carefully prepare for the transition of the EE programs, as well as the anticipated needed growth in evaluation, measurement, and verification needed to ensure energy savings. Staff will also work to facilitate working groups to assist in the implementation of State and utility EE programs. Staff will finally work to procure appropriate studies and evaluations to assist in the determination of energy savings, cost effectiveness, code compliance, EE baselines, and other relevant assessments."[1]

EEA-NJ was very encouraged by the plan to establish multiple working groups in the EE Order, yet there has been little information provided about these working groups to date. We would ask that staff make information on how to participate in these working groups available as soon as possible, as stakeholder engagement can be key in informing program design and implementation and ensuring New Jersey's success. EEA-NJ businesses have implemented energy efficiency programs in numerous other states and could provide valuable insight on best practices for design and implementation. Moreover, input from other stakeholders can help identify gaps for low- and moderate-income communities, identify areas where COVID has

[1] NJCEP, Draft FY21, Comprehensive Energy Efficiency & Renewable Energy Resource Analysis, page 9, available at: https://njcleanenergy.com/files/file/RFC/Comprehensive%20Resource%20Analysis%20(CRA)%20FY21%20For%20Public%20Comment%2009%2008%2020.pdf.

changed the landscape for implementers and consumers, and give the public valuable the opportunity to help shape the design of the utility and state programs.

Thank you for the opportunity to comment on the plans, and we look forward to next steps.

Erin Cosgrove, esq.
Director of Regulatory Affairs
Energy Efficiency Alliance of New Jersey

Re: Request for Comments - FY21 CRA, Budget and Program Plans

Secretary Camacho,

The signed-on organizations, Environment New Jersey, NJPIRG, New Jersey Sustainable Business Council, UU Faith Action NJ Environmental Justice Task Force, American Council for an Energy-Efficient Economy, Isles Inc., NJ Work Environment Council, and Jersey Renews Coalition ("Commenters") are pleased to submit these comments in response to the request for comments for the Fiscal Year 2021 Comprehensive Resource Analysis, Budget and Program Plans.

The commenters understand that the COVID-19 pandemic has created unprecedented times, that have certainly informed the budget decisions and have led to the proposed cuts. It is clear that all involved have worked very hard to put forth a budget that addresses the incredible challenges facing New Jersey this year. We very much appreciate the work and dedication of the staff as we all navigate the COVID-19 pandemic. However, especially in this moment of economic crisis, it is imperative that we continue to make investments in our clean energy economy, and not make cuts to the Clean Energy Fund.

The need for clean energy programs is great, and in fact the best recovery for both the budget and New Jerseyans' wallets is a green recovery. Especially in the wake of the COVID-19 pandemic, with risk directly correlated to air pollution exposure, it is imperative that proper funding is available to mitigate air pollution across the state. Exposure to air pollution consistently falls along lines of race and class, meaning that cuts to the Clean Energy Fund, and its initiatives that alleviate air pollution, does further damage in the most overburdened communities.

The Clean Energy Fund works to reduce air pollution, develop clean and renewable sources of energy, and create jobs. This program is consistently raided -- these reductions have been a pattern in past years and it is unfortunate to see even more cuts to these programs this year. These cuts are exacerbated by Governor Murphy's FY21 budget which proposed an additional $40 million raid of the Clean Energy Fund to be diverted to the General Fund for the nine-month FY21. The Clean Energy Program budget for FY21, released on September 9th, 2020, reveals significant cuts resulting from the $40 million raid to the Clean Energy Fund in the FY21 State Budget. This creates a total of $102 million in money diverted from the Clean Energy Fund. In each of the past 5 years, the average cut to the Clean Energy Fund was $135.6 million. It is critical that the Clean Energy Fund is funded to help reduce air pollution and create jobs during a respiratory pandemic and an economic crisis with high unemployment rates.

We are pleased to see that The Clean Energy Program's budget indicates $23 million in funding for the EV rebate program. The EV Rebate Program is a crucial initiative that encourages adoption of electric vehicles by making them price competitive with traditional gas-powered vehicles. Having more electric vehicles on New Jersey's roads will significantly reduce air pollution, especially in port cities and along high traffic corridors, advancing both health and environmental equity. We would like to reiterate that we understand the economic crisis has complicated the budget process and led to more cuts, but we are thankful that the EV Rebate Program received full funding of $23 million for the 9 month FY21.

To best navigate this public health and economic crisis, the state needs to fully fund the programs that will reduce public health risks and encourage spending to spur the economy. We need to avoid setting a precedent for future budget decisions where money dedicated to clean energy programs is reallocated to fund other state priorities. The EV law mandated $30 million in annual funding over the next ten years, and it is critical that this funding is protected throughout the entire decade. In the final budget decisions, it is imperative that this $23 million dollars for FY21 is protected and that the full $30 million is allocated in FY22 and beyond.

All New Jerseyans contribute to the Clean Energy Fund through their monthly utility bills and this money should be used to advance energy efficiency programs to help consumers save money over the long term. Businesses that perform home weatherization, retrofits, and other clean energy services rely on continued support from the Clean Energy Fund to continue their work and make these projects more accessible to consumers. Consumers who are struggling to keep up with monthly utility bills during the pandemic need energy efficiency solutions now more than ever. Additionally, as the hot summer months come to an end and winter approaches, we are reminded that climate change is only making weather patterns more extreme. Consumers need support to reduce energy costs and make their homes livable during the heat of the summer, the cold of the winter, and the increasingly strong storms. The programs funded and run by the Office of Clean Energy are essential to making these solutions accessible and lead to significant savings for consumers.

Between the FY20 and FY21 Clean Energy Program budgets, we have seen a $78 million decrease in funding for energy efficiency. This is the result of significant cuts across programs, but most notably from a $15 million reduction in funding for residential programs, $11 million in low income residential programs, and $21 million in commercial and industrial programs. These cuts to funding in such crucial areas will have widespread impacts on community members and businesses that desperately need short and long term support to reduce energy burdens and monthly bills. In addition, they may endanger the ability of the Clean Energy Program to support the transition of many of their offerings to utilities, as prescribed by the recent order implementing the energy efficiency rules in the Clean Energy Act.

We encourage state leaders to consider restoring these holes in the budget for FY21 and set New Jersey on a path to reach our clean energy goals, for the sake of the environment and consumers' wallets and for the Governor Murphy's Administration to end these raids in the FY22 budget cycle.

We do applaud the $2 million Whole House pilot program highlighted in Governor Murphy's FY21 Budget in Brief. This support will reduce the barrier to entry that many low income residents face when necessary home improvements are financially out of reach. These residents experience a higher energy burden, despite having fewer resources to pay for their energy usage. A Whole Home approach will make these homes safer, allow for energy efficiency changes to be made, and will ultimately reduce costs for residents.

Studies done as part of the New Jersey Energy Master Plan show that a whole-home energy efficiency approach provides benefits beyond reduced energy bills. Homes lacking proper weatherization features create health problems for inhabitants during extreme heat or cold. Structural upgrades and reductions in energy consumption can undo these harms and create safe homes, better indoor air quality, and improvements to physical and mental health.

The Whole Home approach pilot program will allow workers to fix health, safety, and structural issues. This program will unite energy efficiency, clean energy, and other program targets to repair homes in low-income communities, including lead remediation and other home improvement programs currently implemented by community organizations such as Isles, Inc. in Trenton. The Commenters are encouraged to see the increase of $2.7 million for Residential Existing Homes, which can be used to support the whole-home approach pilot and Governor Murphy's allocation in the Budget in Brief.

We appreciate the opportunity to provide comments on these critical issues. Please feel free to reach out with any questions.

Sincerely,

Doug O'Malley
Director
Environment New Jersey

Emma Horst-Martz
Advocate
NJPIRG

Richard Lawton
Executive Director
New Jersey Sustainable Business Council

Ray Nichols and Peggy Middaugh
Co-chairs
UU Faith Action NJ Environmental Justice Task Force

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Director, Utilities Program
American Council for an Energy-Efficient Economy

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Clean Energy Advocate
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September 18, 2020

Aida Camacho-Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, New Jersey 08625-0350
Submitted via email: Board.Secretary@bpu.nj.gov

Re: NJCEP FY21 Program & Budgets

Health Care Without Harm is pleased to submit these comments on the proposed NJCEP FY21 Program and Budgets to the Board of Public Utilities. Health Care Without Harm supports New Jersey's health care systems in reducing their carbon footprints, building climate-smart and resilient hospitals, and mobilizing health care's ethical and economic influence to advance the transition to a low-carbon future.

Protecting the Well-Being of New Jersey's Residents

The World Health Organization has declared climate change and air pollution to be "*the greatest threat to global health in the 21st century*".[1] More than 110 US medical and health organizations, including the American College of Emergency Physicians, American Medical Association, American College of Physicians, American Academy of Pediatrics, and American Academy of Family Physicians, have declared climate change to be "*a true public health emergency*".[2] The work of the Center for Disease Control and Prevention (CDC) vividly illustrates why medical and health professionals are so worried.[3] The increasing frequency and intensity of weather events experienced in New Jersey - from Hurricane Sandy and to this summer's heat waves – demonstrate that the health impacts of climate change hit vulnerable populations first and hardest. And, as recently noted by the Department of Environmental Protection, "*New Jersey is warming faster than the rest of the Northeast region and the world.*"[4] Governor Murphy's comments on the Energy Master Plan demonstrate that the Administration is aligned with these concerns, as well as recognizing the economic opportunities that the emerging new energy economy provides.

As a general point underpinning our comments, we argue there are unique reasons why increased attention should be paid to the health care sector within the C&I EE Programs work:

1. Compared to other sectors, hospitals consume vast amounts of energy due to their unique activities, stringent code requirements, and 24/7 operations. Many highly energy intensive activities occur in these buildings - spanning operating rooms, medical imaging, labs, laundry, sterilization, computer/server use, food service, and refrigeration. Hospitals use 2.5 times

[1] See www.who.int/globalchange/global-campaign/cop21/en/
[2] See climatehealthaction.org/cta/climate-health-equity-policy/
[3] See www.cdc.gov/climateandhealth/effects/default.htm
[4] See www.nj.gov/dep/climatechange/docs/nj-scientific-report-2020.pdf

more energy per square foot (or more) than typical office buildings.[5] As such, hospitals are an efficient and effective way to spend program funds, from both an economic and an environmental perspective.

2. Hospital energy efficiency investments offer an unusual opportunity to accelerate the state's climate and clean energy goals. The health care sector makes up 7.5% of the state's GDP and contributes more than $40 billion annually to the state's economy.[6] Nationally, the health care sector's greenhouse gas emissions makes up 10% percent of the U.S. total. It is reasonable to assume that the health care sector is a similarly major contributor to New Jersey's emissions.[7]

3. As with the COVID pandemic, the health care sector is on the frontline of climate change. This sector will bear the initial impact of the massive societal cost of increased illnesses, diseases, injuries, early death - and all the other health impacts the CDC has identified. The challenges of COVID-19 have made clear the urgency of investing in mitigating climate change as quickly as possible, as well as the need to stabilize health care systems in financial crisis. If implemented, these recommendations will save far more money than expended while protecting the health of New Jersey communities.[8]

4. During extreme weather events, New Jersey's hospitals must remain operational - providing high quality care while responding to increased medical needs and injuries. Energy-efficient operations enable hospital resilience, as lower energy consumption means health care facilities can provide essential services for longer periods when facilities are forced to switch to on-site back-up power systems.

5. Prioritizing health care projects has the added benefit of helping reduce on-going operating costs for hospitals. As demonstrated by the COVID-19 crisis, hospital operating margins make it particularly challenging to weather unpredictable economic events. Every $1 a health care organization saves on energy is equivalent to generating $20 in new revenue.[9] Given that the health care sector employees more than 400,000 people in the state, the health of this industry also impacts the financial health of those employees and their families. (160,000 and 240,000 people are employed by hospitals and by ambulatory services, respectively.)[6]

Comments:

In order to best leverage the many health care sector opportunities available to the C&I EE Program, our recommendations are as follows:

1. We recommend that funding to the hospital program be increased. This program is consistently oversubscribed while, for the reasons noted above, the benefits of hospital projects exceed the benefits of spending in virtually every other sector of the economy. Hospital energy efficiency projects will lower operating costs for decades, freeing up those funds to be reinvested into patient care and the resiliency of the health care system.

[5] See www.eia.gov/consumption/commercial/reports/2007/large-hospital.php
[6] As reported by the NJ Dept of Labor: //nj.gov/labor/lpa/pub/empecon/healthcare.pdf
[7] The New Jersey Department of Environmental Protection does not break out its greenhouse gas inventory data by industry sector. See www.state.nj.us/dep/aqes/pdf/GHG%20Inventory%20Update%20Report%202018_Final.pdf
[8] See noharm-uscanada.org/documents/health-care-climate-change-opportunity-transformative-leadership
[9] Assumes a 5% operating margin in a non-profit hospital. Hospitals with even lower margins derive even more value.

Furthermore, given the financial pressures of COVID-19 on the health care systems, access to capital for energy projects has become even more challenging.

2. In alignment with the BPU attention to low-income communities, we recommend that the C&I EE Program require increased spending on hospitals that serve these communities. Those living in these cities and towns are often unable to afford adequate medical insurance, exacerbating the enormous financial pressure on hospitals serving their communities. Again, COVID-19 has exacerbated that challenge to an extreme degree. The qualification process could be the same as, or modeled on, the NJ Department of Health's Charity Care program, or the Department of Community Affairs Enterprise Zone programs. The latter would not be unprecedented given that the Clean Energy Program has an existing program targeted at Enterprise Zones under the Home Performance with ENERGY STAR work.

3. As health care is increasingly provided in outpatient facilities, the C&I EE Program should reflect this dynamic. The hospital program should be changed to be the "health care sector" program, and should include including all energy-intensive health care services (e.g., ambulatory surgical centers, imaging centers, and the like).

4. Hospitals are complex facilities that include a wide variety of systems and equipment that consume vast amounts of energy. Increasingly, building systems are operated via software management systems designed to ensure minimize energy consumption while adhering to strict patient safety requirements. As such, we recommend that the C&I EE Program funding should be increased such that utilities (or other entities) are able to provide technical expertise and/or training to hospital facility staff, like Building Operator Certification training. Such a program will help ensure that efficiency projects are operated and maintained effectively over time, thereby maximizing the return on investment. (Alternatively, the Program could provide rebates or similar financial incentives to health care entities who create training programs for the appropriate building facility employees.)

5. Longer term, the C&I EE Program should set hospital-specific energy performance targets for major renovations or expansions of existing hospitals. One approach would be to set an Energy Use Intensity (EUI) requirement. An alternative proposal to require major renovations meet LEED standards meet Leadership in Energy and Environmental Design (LEED) Gold or Platinum level design standards.

Thank you for the opportunity to provide these comments. We believe our recommendations are consistent with the aggressive climate change and clean energy goals put forward by Governor Murphy and the Legislature, and are essential to protecting the health and well-being of New Jersey's residents.

Sincerely,
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September 18, 2020

VIA ELECTRONIC FILING

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Re: Request for Comments - Proposed NJCEP Fiscal Year 2021 Comprehensive Resource Analysis, Budget and Program Plans

Dear Secretary Camacho-Welch:

Please accept these comments on behalf of the National Fuel Cell Research Center in response to the September 9, 2020 New Jersey Board of Public Utilities Request for Comments on the Proposed New Jersey Clean Energy Program Fiscal Year 2021 Comprehensive Resource Analysis, Budget and Program Plans.

Respectfully Submitted,

__/s/___Jack Brouwer____

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NEW JERSEY BOARD OF PUBLIC UTILITIES

OFFICE OF CLEAN ENERGY

COMMENTS OF THE NATIONAL FUEL CELL RESEARCH CENTER ON THE PROPOSED NEW JERSEY CLEAN ENERGY PROGRAM FISCAL YEAR 2021 COMPREHENSIVE RESOURCE ANALYSIS, BUDGET AND PROGRAM PLANS

I. Introduction and Background

The National Fuel Cell Research Center ("NFCRC") appreciates the opportunity to submit comments to the New Jersey Board of Public Utilities ("BPU") on the New Jersey Clean Energy Programs ("NJCEP") Comprehensive Resource Analysis ("CRA"), Budget and Program Plans for Fiscal Year 2021.

The NFCRC facilitates and accelerates the development and deployment of fuel cell technology and systems; promotes strategic alliances to address the market challenges associated with the installation and integration of fuel cell systems; and educates and develops resources for the power and energy storage sectors. The NFCRC was established in 1998 at the University of California, Irvine by the U.S. Department of Energy and the California Energy Commission in order to develop advanced sources of power generation, transportation and fuels and has overseen and reviewed thousands of commercial fuel cell applications.

In these comments, the NFCRC respectfully recommends that the BPU ensure that program designs stimulate the market for the cleanest energy options, per the goals of the NJCEP as follows:

A. **The budget allocation for fuel cells should appropriately address the demand reflected in pending fuel cell program applications, as well as the potential for fuel cells to immediately address local air quality and the stated goals of the Energy Master Plan.**

B. **The manufacturer diversity cap should be equitable for clean, non-combustion fuel cells to ensure that program designs favor the cleanest options, per the goals of the NJCEP.**

II. Comments on the FY21 CRA, Budget and Program Plans

The BPU must address the immediate needs for resilient, reliable electricity and the very important issue of disproportionate impacts of COVID-19 on disadvantaged communities. The NFCRC appreciates the BPU inclusion of non-combustion fuel cell projects with and without heat recovery in the NJCEP as an ideal way to address this issue at the community level.

There is a growing body of evidence that local air pollution is more harmful to human health than was previously understood. Local air pollution health effects are exacerbated in the era of COVID-19. Harvard University and the University of Siena researchers have separately found in ongoing studies that a persistent increase in small-particle air pollution of 1 microgram per cubic meter of small particles can raise the risk of dying from COVID-19 by up to 12%.[1,2] And because air pollution impairs the first line of defense of the upper respiratory tract, those who live in areas with higher air pollution have likely worse outcomes from the virus.

The use of fuel cell systems for power generation without combustion eliminates criteria pollutant and air toxics emissions. Fuel cells also reduce greenhouse gas emissions and can

[1] COVID 19 PM 2.5: A national study on long-term exposure to air pollution and COVID-19 mortality in the United States. Available at: https://projects.iq.harvard.edu/covid-pm.

[2] Can atmospheric pollution be considered a co-factor in extremely high level of SARS-CoV-2 lethality in Northern Italy? Environmental Science, Volume 261, June 2020 114465. Available at: https://www.sciencedirect.com/science/article/pii/S0269749120320601.

achieve zero-carbon emissions when fueled by biogas or renewable hydrogen. These features are squarely aligned with the energy, environmental and social justice goals of the New Jersey Energy Master Plan.[3] Today, fuel cell systems are providing clean and resilient power to medical facilities, microgrids, communications infrastructure, data centers, multi-unit residential complexes, campuses and traffic and railroad crossing signals, in communities across the U.S.

The NFCRC urges the BPU to ensure that distributed energy resources ("DER") providing clean, resilient, and backup power generation be appropriately valued in the NJCEP. As New Jersey seeks options to provide resilient local power generation sources that can also ride through emergencies and grid outages without adding to the local air pollution burden, fuel cells are superior options to conventional combustion power solutions like diesel generators or conventional combined heat and power ("CHP") systems.

A. Budget for CHP and Fuel Cells

The NFCRC requests that the BPU consider the following recommendations: (1) fully fund the fuel cell program with the funding that is also available to CHP in the same category, especially in light of the need for cleaner alternatives to combustion generation; and (2) increase the manufacturer diversity cap to 50% of the program budget, and apply the cap across the CHP and Fuel Cell Program, or even the entire DER portfolio, in order to better stimulate market competition, workforce development, and program uptake. These recommendations would also more strongly align the program with the New Jersey Energy Master Plan's Goal 6.2 to "support local, clean power generation in low- and moderate-income and environmental justice communities."[4]

[3] 2019 New Jersey Energy Master Plan, New Jersey Board of Public Utilities Pathway to 2050. Available at: https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

[4] 2019 New Jersey Energy Master Plan, *New Jersey Board of Public Utilities Pathway to* 2050, at 202. Available at:

The TRC Compliance Filing includes a description of a cap on the fuel cell program budget and fuel cell projects:

> FCwoHR and Manufacturer Diversity Caps
> During FY21, that is, from October 1, 2020 through June 30, 2021, new incentive commitments for FCwoHR are capped at $4,500,000, and new incentive commitments for projects involving primarily equipment from any single FCwoHR manufacturer are capped at $1,500,000. By way of example only, if during FY21 applicants A, B, and C have each been issued a $500,000 commitment for FCwoHR projects using primarily equipment supplied by manufacturer D, no further commitments would be issued during FY21 for FCwoHR projects using manufacturer D's equipment.[5]

This technology budget distinction applied to fuel cell systems effectively means that a fuel cell electric-only project may compete for $1.5M while any one combustion CHP vendor can compete for $7.6M. The NFCRC therefore requests that some of the funding currently allocated to combustion CHP projects be appropriately reallocated to cleaner, non-combustion fuel cells systems. There are three manufacturers offering large fuel cell systems for primary power generation for sale in the United States. With a higher manufacturer cap and the appropriate amount of funding allocated to fuel cells, additional projects already in development can move forward and achieve direct and immediate local air quality benefits.

https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

[5] TRC *Energy Efficiency and Renewable Energy Program Plan Filing For Public Comment, FY21 Compliance Filing* [September 8, 2020] Compliance Filing at 73.

B. Manufacturer Diversity Cap

Manufacturer diversity caps should be applied uniformly across all BPU programs if the goal of the BPU is to ensure that funding is not inequitably given to any one applicant or technology manufacturer. In addition, to truly benefit local air quality and reflect achievement of Energy Master Plan goals in the NJCEP, any manufacturer cap that would be included in the program should be substantially increased or eliminated.

The application of the manufacturer cap to only one technology (fuel cells without heat recovery) is not appropriately justified in the compliance filings. While there are precedents for a manufacturer cap in other state energy programs, these caps are broadly and equitably applied in these other programs to all of the technologies in the program. The NJCEP should encourage such competition across distributed energy resources, especially in consideration of the new programs that have been implemented within the NJCEP, such as energy storage.

III. Conclusion

The NFCRC appreciates the inclusion of fuel cell systems in the FY21 NJCEP and requests a manufacturer cap and program budget that truly reflects the market demand and the urgent community need for clean fuel cell distributed generation. We welcome the BPU consideration of these simple program design changes to minimize further disruptions to the fuel cell market in New Jersey to support maximum DER benefits and positive ratepayer impacts, and to importantly address short-term and long-term air quality effects in communities already disproportionately affected by COVID-19.

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Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND
Director

September 18, 2020

By Electronic Mail (Board.Secretary@bpu.nj.gov)
Aida Camacho-Welch, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Comprehensive Energy Efficiency and RenewableEnergy Resource Analysis for Fiscal Year 2021 Clean Energy Program, BPU Docket No. QO20080538, and

In the Matter of the Clean Energy Programs and Budget for the Fiscal Year 2021, BPU Docket No. QO20080539

Dear Secretary Camacho-Welch:

Please accept for filing the attached comments being submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") in connection with the above-referenced matter. These comments are being submitted electronically in accordance with the Board's September 9, 2020 Notice in this matter. Copies of Rate Counsel's comments are being provided to all parties on the service list by electronic mail only.

Please acknowledge receipt of these comments.

Thank you for our consideration and attention to this matter.

Respectfully submitted,

STEFANIE A. BRAND
Director, Division of Rate Counsel

By: */s/ Kurt S. Lewandowski*
Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

KSL
Enclosure

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In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2020 Clean Energy Program
BPU Docket No. QO20080538

and

In the Matter of the Clean Energy Programs and Budget for the Fiscal Year 2020
BPU Docket No. QO20080539

Comments of the New Jersey Division of Rate Counsel

September 18, 2020

Introduction

The Division of Rate Counsel ("Rate Counsel") would like to thank the Board of Public Utilities ("BPU" or "Board") for the opportunity to present comments on the proposed Fiscal Year 2021 ("FY21") programs and budgets for the New Jersey Clean Energy Program ("NJCEP" or "CEP") and associated compliance filings. Rate Counsel's comments on Energy Efficiency programs are found below, followed by comments on the Distributed Energy Resources and Renewable Energy programs.

Rate Counsel notes the transitional regulatory environment that surrounds this particular filing. In response to the disruption caused by the COVID-19 pandemic, Governor Phil Murphy signed a bill into law on April 14, 2020 that extended New Jersey's FY20 to September 30, 2020, adding a fifth quarter to the current fiscal year. In response, Staff proposed, and the Board agreed, to re-align the NJCEP FY20 with the State's extended fiscal year. Thus, the FY21 year for which the currently proposed FY21 EE budget applies is foreshortened to nine months.

I. Energy Efficiency and Electric Vehicle Programs

The NJCEP offers several Residential and Commercial/Industrial ("C&I") Energy Efficiency ("EE") programs that are available state-wide, many of which have been complemented by various utilities with additional funding or financing options. These programs have been administered by TRC Environmental Corporation since March 2016, which submits

an annual compliance filing covering these programs.[1] On the residential side, TRC administered NJCEP programs include a Residential Retrofit Program, comprised of the "Residential Gas & Electric HVAC" and the "Home Performance with ENERGY STAR" Subprograms; a Residential New Construction Program; and an Efficient Products Program. On the Commercial and Industrial ("C&I") side, the programs include five C&I Buildings Subprograms, the Local Government Energy Audit Program, and the Direct Install Program. With respect to electric vehicle ("EV") programs and incentives, the Board initiated Phase One (post-purchase incentive program) of the Charge Up New Jersey Program pursuant to the PIV Act[2] on April 6, 2020.[3]

In addition to the COVID-19 pandemic, Rate Counsel notes that several other factors materially affect the proposed FY21 budget. First, on June 10, 2020, the Board issued an Order ("CEA Order") setting forth significant changes in the responsibilities of the utilities and the Division of Clean Energy ("DCE") with respect to administering EE programs.[4] The CEA Order was issued pursuant to the Clean Energy Act of 2018 ("CEA"), which set forth specific requirements for energy efficiency and demand reductions by all New Jersey electric and gas utilities.[5] Second, goals and incentives for expansion of electric vehicle ownership and infrastructure were set forth in the PIV Act.[6]

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[1] DCE, "Comprehensive Energy Efficiency & Renewable Energy Resource Analysis Proposed Funding Levels – Fiscal Year 2021: Draft for Public Comment," dated September 8, 2020 (hereinafter "CRA Filing"), page 5.
[2] P.L.2019, c.362, codified at N.J.S.A. 48:25-1 to -11, and amending, in relevant part, N.J.S.A. 48:3-60(a)(3).
[3] BPU Docket No. QO20030262.
[4] I/M/O Implementation of the Clean Energy Act, BPU Dkt. Nos. QO1901040, QO19060748 & QO17091004 (Order, June 10, 2020) ("CEA Order")
[5] P.L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et al.)
[6] P.L.2019, c.362, codified at N.J.S.A. 48:25-1 to -11, and amending, in relevant part, N.J.S.A. 48:3-60(a)(3). N.J.S.A. 48:25-3(a) (1)-(3).

Under the CEA Order, all New Jersey electric and gas utilities are directed to file CEA-compliant energy efficiency plans by September 25, 2020, for Board approval by May 1, 2021 and implementation beginning July 1, 2021.[7] Under this schedule, the reorganization of program administration responsibility set forth in the Order would become effective at the close of the DCE program period for the filing currently under consideration. The CRA Filing contains an extensive discussion of the CEA but concludes with the following: "Staff anticipates utilizing FY21 to carefully prepare for the transition of the EE programs, as well as the anticipated needed growth in evaluation, measurement, and verification needed to ensure energy savings."[8]

It seems reasonable to presume that as these other, closely-related processes become resolved, the CRA programs and budget may need to be adjusted over the course of FY21. Rate Counsel looks forward to providing input into this process, which is likely to set precedent for the overall transition in New Jersey EE administration pursuant to the CEA. Given that, Rate Counsel urges that sufficient time and opportunity be afforded for thorough review of and comment on any such upcoming adjustments.

Finally, in consideration of the economic impact of the COVID pandemic, the Board and the DCE should monitor and adjust the level of low and moderate income ("LMI") EE program budgets to ensure that the sufficient resources are available to support LMI EE programs especially given that one of the major goals of the CEA is to provide LMI residents with greater access to energy efficiency. The DCE should provide year-to-year comparisons of LMI program budgets, as well as monthly reporting of program spending and activity to ensure that LMI program budgets are sufficient.

Rate Counsel offers the following specific comments on the FY21 proposal:

[7] CEA Order, page 38.
[8] CRA Filing, page 9.

A. Budgets

Staff has proposed a budget for its FY21 EE and EV programs that allocates the same amount of SBC funding ($344,655,000) as was initially allocated for FY20, and a total budget that is 96% of the original FY20 EE and EV budget, including all new and carryover funding. The proposed FY21 EE programs and budget are essentially a continuation of the FY20 programs with minor adjustments, which seems appropriate pending the significant redesign that will be required next year to comply with the CEA and the CEA Order. However, Staff has not explained how or why such a similar 12-month budget is appropriate for only a nine-month fiscal year in FY21.

B. Savings Goals

Comparing Appendix F in the FY21 TRC Compliance Filing with Appendix G in the July 9, 2020 revised FY20 Filing, it appears that the gas and electric annual and lifetime savings projections are significantly lower for FY21 than for FY20 for all residential programs except for the Energy Efficient Products program. For the Energy Efficient Products program, projected electricity savings are essentially unchanged, but gas savings projections for FY21 are more than 22 times higher. On the C&I side, annual and lifetime combined electricity savings are projected to be 26% lower, while annual and lifetime combined gas savings are projected to be 52% lower. These overall numbers mask a number of anomalies for individual programs. For example, the P4P New Construction program annual and lifetime electricity savings are projected to be 79% lower in FY21 relative to FY20, but the annual and lifetime gas savings are projected to be 461% higher. It is impossible to reconcile these significant changes in projected savings with the modest program changes proposed by Staff. It is also unclear whether these changes reflect the

foreshortened fiscal year for FY21. TRC should reconcile these seemingly anomalous changes in projected savings relative to the previous fiscal year.

C. State Energy Initiatives

The NJCEP proposes a budget of $100,000,000 for State Energy Initiatives, an increase of 15% from FY20. .[9] This is a significant increase and yet the proposed use of these funds is poorly defined. Based on the information provided, these initiatives appear not to be designed for ratepayer benefit and thus ratepayer contributions should not be increased.to pay for them. Ratepayers are already facing significant increases to pay for the utility sponsored EE programs and should not be asked to bear even more increases for poorly defined increases to state programs.

D. Electric Vehicles Programs

The current FY21 filing is the first to include a Charge Up New Jersey compliance filing. According to the CRA Filing: "Staff launched Phase 1 of the program, the post-purchase incentive, in May 2020. Staff intends to launch Phase 2 in early FY21 and Phase 3, which includes an incentive for residential chargers, later in the fiscal year."[10] At the same time, although an EV straw proposal was released and comments submitted, the Board has yet to develop regulations or guidelines for utility involvement in supporting EV infrastructure pursuant to the PIV Act.

However, two New Jersey utilities have pending EV filings before the Board.[11] While Rate Counsel opposes many aspects of these proposals, if approved, they would allow these utilities to invest in EV charging infrastructure on a rate regulated basis. Yet there is no resolution for how

[9] See FY20 Total Budget.
[10] CRA Filing, page 13.
[11] I/M/O PSE&G CEF-EVES, BPU Docket No. EO18101111, and I/M/O Atlantic City Electric PIV, BPU Docket No. EO18020190.

the Charge Up New Jersey Electric Vehicle Charger Incentive Program would dovetail with the utility-proposed programs, if the latter are approved. The Board has yet to establish clear rules for the involvement of New Jersey's utilities, other agencies, and entities in supporting EV purchases and charging consistent with the PIV Act, N.J.S.A. 48:25-1 et seq.. Rate Counsel urges the Board to attend to establish clear guidance prior to approving any utility filings that would further burden New Jersey's ratepayers with the cost of additional EV infrastructure.

II. Distributed Energy Resources

A. Combined Heat and Power and Fuel Cells

NJCEP offers incentives for Combined Heat and Power ("CHP") and fuel cell projects. To qualify for incentives, program applicants must meet a number of eligibility criteria. The proposed FY21 budget for CHP and Fuel Cell projects is $24.6 million.[12] The FY21 program proposes to change the requirement that applicants receive the Program Manager's approval prior to installation/construction. Instead, applicants would be required to receive either a notification of successful pre-inspection or waiver of pre-inspection prior to installation/construction. The program will also include a cap on new incentive commitments for fuel cells without heat recovery ("FCwoHR"), which became eligible for incentives during Fiscal Year 2020.[13] For FY21, incentives for FCwoHR would be capped at $4.5 million and with a cap of $1.5 million for projects involving primarily equipment from any single FCwoHR manufacturer.[14]

Rate Counsel understands that CHPs and fuel cells may contribute to enhancing system resiliency and reliability, but has also previously expressed concerns about ratepayer-funded

[12] TRC Compliance Filing, p. 141-43.
[13] See OCE website: https://www.njcleanenergy.com/commercial-industrial/programs/combined-heat-power/combined-heat-power.
[14] Summary of Program Changes, p. 4.

subsidies for fossil-fueled CHP and fuel cell projects. These are mature technologies with established markets. As part of the ongoing strategic planning process, DCE should carefully evaluate the need for ratepayer-funded subsidies for fossil-fueled CHP and fuel cell projects.

B. Microgrid Development

The Microgrid program responds to the 2015 Energy Master Plan Update's recommendation to increase the use of microgrid technologies to improve grid resiliency and reliability. Phase 1 of the BPU's Town Center Distributed Energy Resources ("TCDER") Microgrid Incentive Program was to implement a feasibility incentive program and conduct feasibility studies. This was completed in FY20. The BPU funded 13 feasibility studies that Staff reviewed and accepted. The BPU also launched Phase II in FY20. This consists of incentives for a detailed design of the TCDER Microgrid, with the approved feasibility study participants eligible for Phase II incentives. According to DCE's FY21 Draft Compliance Filing, eleven applications were received in May 2020 and in FY21 the BPU will review applications and consider awards for detailed design.

The FY21 budget includes $6 million to fund "Rebate Processing and QA" for Phase II.. This proposed budget requires clarification. The Board's FY20 budget included $4 million for "Rebates, Grants and Other Direct Incentives" for Phase II of the Microgrid. This amount was not used during FY20 and was reallocated to other programs.[15] DCE's Compliance Filing does not explain the $2 million budget increase for Phase II compared to FY20. DCE also has not explained why the budgeted amount has been re-categorized as "Rebate Processing and QA." A budget of $4 million should be sufficient to fund the Phase II incentives in addition to any costs

[15] I/M/O the Clean Energy Order for Fiscal Year 2020 – 4th Budget Revision, BPU Dkt. No. QO19050645, Order at 2, 7 (Sept. 9, 2020).

incurred by the Board in processing the Phase II applications. The Board should evaluate the need for the proposed budget increase, and, if an increase is justified, clarify how it is to be spent.

C. Renewable Electric Storage

The CEA directed the Board, in consultation with PJM Interconnection, LLC, to conduct an analysis and submit a report to the Governor and the Legislature concerning energy storage opportunities in New Jersey.[16] Within six months after the completion of the report the Board was directed to "initiate a proceeding to establish a process and mechanism for achieving the State's energy storage goals with a focus on achieving 2,000 MW of energy storage by 2030.[17]

In FY19 the Board retained Rutgers University to conduct an analysis of energy storage in New Jersey. The Board accepted the final report on June 12, 2019.[18] DCE's Compliance Filing states that the Board initiated a proceeding to establish a process and mechanism for achieving the CEA's energy storage goals during the 5th quarter of FY20. However, Rate Counsel notes that there appears to be no mention of this proceeding on either the Board's or DCE's websites.

DCE is proposing a budget of $7 million in funding for grants and administration of the new energy storage program. Rate Counsel supports the CEA's energy storage goals. However, since this program is at an early stage of development, no details of the program are available. For this reason, Rate Counsel is not able to comment on the proposed $7 million budget.

[16] N.J.S.A. 48:3-87.8(a), (b) & (c).
[17] N.J.S.A. 48:3-87.8(d).
[18] OCE Compliance Filing, p. 7.

III. Renewable Energy

A. Solar Transition/SREC Registration

In accordance with the CEA, the Board's Solar Renewable Energy Certificate Registration ("SREC") Program was closed to new applications when 5.1% of the kilowatt-hours sold within the New Jersey came from solar electric generators connected to the State's electric distribution system (the"5.1% milestone").[19] The Board determined that the 5.1% milestone would be reached before May, 2020 and accordingly closed the SREC Program to new applications after April 30, 2020.[20]

The Board is currently engaging in a process to transition to a new Successor Solar Program. A stakeholder proceeding is currently ongoing to evaluate options and recommendations as to how the SREC program should be replaced. In the interim, the Board has approved a Transition Incentive Program to provide a bridge between the legacy SREC program and a new Successor Program. This Transition Program was approved in December 2019 and further amended by orders in January and February 2020, and opened to new applicants on May 1, 2020. The Transition Program will remain open until the Successor Program is established.[21]

The proposed SREC Registration Program budget is $2.1 million, for administration, processing, and related activities by TRC.[22] Rate Counsel supports the recommended budget for this program.

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[19] N.J.S.A. 48:3-87(d)(3).
[20] I/M/O the Closure of the SREC Registration Program Pursuant to P.L. 2018, c. 17 & I/M/O a New Jersey Solar Transition Pursuant to P.L. 2018, c. 17 – Calculation of 5.1% Milestone for SRER Program Closure, BPU Dkt. Nos. QO18070698 & QO19010068 (Apr. 6, 2020).
[21] Draft CRA, p. 9-10.
[22] Draft CRA, p. 7; TRC Compliance Filing, p. 74-76, 145.

B. Community Solar

The New Jersey Community Solar Energy Pilot Program was launched on February 19, 2019 upon the publication of rules governing in the New Jersey Register. The program aims to increase access to solar energy by enabling electric utility customers to participate in a solar generating facility that may be remotely located. The program includes targets for low- and moderate-income participation. According to DCE's Compliance Filing, the Board anticipates awarding at least 75 MW per year for three years, with at least 40% allocated to projects serving environmentally overburdened communities. After three years, the pilot program will be replaced with a permanent program in accordance with the CEA. DCE states that it has reviewed the applications received during the Program Year 1 application period and has granted conditional approval to 45 projects.[23]

Neither DCE's Compliance nor the "FY21 Total Budget" document includes a separate budget line for the Community Solar program. Rate Counsel presumes the cost of administering this program is included in DCE's budget for Program Administration, and that the revenues that support these projects are provided outside of the CEP Clean Energy Program budgets through net metering credits and these projects' receipt of SRECs or TRECs. In the absence of more specific information, Rate Counsel is not able to comment on DCE's budget for the Community Solar program.

Rate Counsel has previously expressed concerns about the costs of community solar.[24] Rate Counsel urges the Board to carefully monitor the costs of the projects developed under the

[23] DCE Compliance filing, p. 4.
[24] E.g. I/M/O Community Solar Energy Pilot Program Rules Proposed New Rules: N.J.A.C. 14:8-9, BPU Docket No. QO18060646, Proposal No.: PRN 2018-090, Rate Counsel's Rulemaking Comments at 3, 5-6 (Nov. 30, 2018).

Pilot Program, to assure that the permanent program does not result in excessive costs to ratepayers.

C. Offshore Wind

The FY21 budget for offshore wind ("OSW") of $4.16 million will support the evaluation of OSW Renewable Energy Certificate ("OREC") applications as well as modeling work performed by Rutgers Department of Marine and Coastal Sciences.[25] The Board has recently released guidance documents to bidders outlining the process in which a general solicitation of 1,200 to 2,400 MW of OSW capacity will be evaluated.[26] This OSW capacity tranche is greater than the original solicitation of 1,100 MW conducted over a year ago that has allowed New Jersey to begin the development of OSW development along its coast.[27] The requested CRA funding for next year will allow the Board to screen OSW OREC bids to assure that the offered long term prices are the most beneficial to New Jersey in terms of not only ratepayer costs, but other project benefits that include the creation of jobs and economic development benefits. Rate Counsel supports the recommended Offshore Wind budget.

[25] DCE Compliance Filing, p. 4.
[26] https://njoffshorewind.com/solicitation-documents/Final-Solicitation-Guidance-Document-with-attachments.pdf.
[27] I/M/O the Opening of Offshore Wind Renewable Energy Certificate (OREC)Application Window for 1,200 to 2,400 Megawatts of Offshore Wind Capacity in Furtherance of Executive Order No. 8 and Executive Order No. 92, BPU Docket No. QO20080555, Order Opening the Application Window for the Second Offshore Wind Solicitation at 2 (Sept. 9, 2020).

VIA ELECTRONIC MAIL (energyefficiency@bpu.nj.gov)

September 18, 2020

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: IN THE MATTER OF THE COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS FOR FISCAL YEAR 2021 CLEAN ENERGY PROGRAM - Docket No. QO20080538

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR THE FISCAL YEAR 2021 - Docket No. QO20080539

Comments regarding NJCEP - FY21 Proposed CRA, Budgets and Program Plans

Dear Secretary Camacho-Welch:

New Jersey Natural Gas Company ("NJNG") appreciates the opportunity to review the Fiscal Year 2021 Proposed Comprehensive Resources Analysis, Budget and Program Plans for New Jersey's Clean Energy Program (FY 21 NJCEP Plans). Based on our review of the documents and participation in the related September 17, 2020 public hearing, we would like to share the following thoughts:

Alignment with the Pending Transition

NJNG continues to look forward to working with the Board of Public Utilities' ("BPU") on the implementation of P.L. 2018, c. 17 regarding the establishment of energy efficiency and peak demand reduction programs ("Clean Energy Act"). We have been working closely with all of the other investor owned energy utilities in the state on the development of Core Programs, many of which will replace existing NJCEP program offers effective July 1, 2021. Those discussions have given significant consideration to existing program structures and incentive

levels in New Jersey markets. Accordingly, NJNG was extremely pleased to see that the FY21 NJCEP Plans did not propose any drastic changes to the program structures currently in place. This facilitates utility planning for a smooth transition of programs.

However, NJNG did note that there are several new measures being proposed to be added to particular programs. Since NJNG is in the final stages of preparing our required filing to meet the September 25, 2020 deadline, we are not able to incorporate these measures in our detailed modeling at this time but hope we can collectively address how to treat them during the proceeding. From a bigger picture perspective, we would encourage BPU staff to engage the utilities earlier in the discussion if there are any other potential changes to measures anticipated during FY21.

Additionally, it will be very important for all of the utilities to have customer level data on recent participants in NJCEP programs. This will help the utilities to avoid targeted marketing to customers who may have already taken steps to improve the energy efficiency of their homes and businesses and to monitor for potential fraud. NJNG suggests that NJCEP consider amending the existing terms and conditions on the applications for all programs that the utilities will be administering after the transition.

Finally, NJNG is very supportive of the proposed funding for Workforce Development. Given the ambitious goals of the Clean Energy Act, it will be critical to have more resources to support workforce development and training. NJNG is hopeful that the BPU will release more details on their planned Workforce Development initiatives, including specifics on the intended use for this funding. NJNG also looks forward to participating in both the Workforce Development and Equity Working Groups to learn more about the perspectives of other stakeholders regarding the growth of the clean energy economy and opportunities for inclusion. Our pending energy efficiency filing includes a commitment and funding to workforce development but we want to ensure that our utility specific initiatives support, rather than compete with broader state initiatives.

Program Specific Feedback

- NJNG strongly supports the elimination of the minimum savings threshold for the Smart Start Custom Program. We planned to suggest the elimination of that threshold within our filing in order to allow for all cost-effective energy savings projects to earn incentives.

- NJNG also supports the proposal to allow commercial water heaters in new construction to receive incentives for the equipment through the SmartStart retrofit program. While we recognize that NJCEP has held a long-standing policy of requiring new construction projects to pursue comprehensive approaches in order to access incentives, we believe that there are instances where customers are not intending to take that comprehensive path. NJNG believes it is important to encourage the installation of high efficiency equipment in

these instances to ensure customers aren't enticed to install standard equipment because of the lower upfront costs. NJNG also suggests that this approach could be broadened beyond water heaters and could be considered for the residential market as well.

- NJNG supports the suggested change to eligibility for the Large Energy Users Program. We agree that using an overall threshold for energy costs should be easier for customers to understand. However, consideration should be given to what to consider as energy expenses since some customers may have special charges included in their bills (e.g. On-Bill Repayment Programs or special extra services from Third Party suppliers). It will be important to establish a fair process.

NJNG appreciates the opportunity to provide comments on these proposals. Please feel free to contact me if you need any additional information regarding our comments.

Respectfully submitted,

Anne-Marie Peracchio
Director- Conservation and Clean Energy

Please accept these comments on behalf of Power Edison in response to the New Jersey's Clean Energy Program - FY21 Proposed CRA, Budgets and Program Plans issued by Staff of the New Jersey Board of Public Utilities, on September 9, 2020.

Regarding the proposed Microgrid funding, Power Edison believes that an effective method to financially support building microgrids in NJ is through utility programs. For example, utility initiatives such as PSE&G's Clean Energy Future – Energy Storage program will be committed to ES investments without the risk of re-appropriation. PSE&G has proposed a "Microgrids for Critical Facilities" subprogram that would support the development of solar powered microgrids which aligns with New Jersey energy policy and the state's goal of 2,000MW of energy storage by 2030. Under the current economic condition, state funds that are dedicated to Energy Storage (ES) investments may be re-appropriated. PSE&G has the expertise and engineering/managerial resources to work with the private sector on the timely execution of microgrid projects in partnership with local private and public sectors.

Power Edison appreciates the opportunity to provide these comments on the NJCEP budget and looks forward continuing to work together with the BPU to further New Jersey's clean energy goals.

Kind Regards,
Yazan

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September 18, 2020

VIA ELECTRONIC MAIL
Aida Camacho-Welch, Secretary of the Board
Board of Public Utilities
44 South Clinton Ave., 9th Floor
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Re: NJCEP - FY21 Proposed CRA, Budgets and Program Plans

Dear Secretary Camacho-Welch:

Please accept these comments on behalf of Public Service Electric and Gas Company ("PSE&G" or the "Company") in response to the New Jersey's Clean Energy Program ("NJCEP") - FY21 Proposed CRA, Budgets and Program Plans issued by Staff of the New Jersey Board of Public Utilities ("Board" or "BPU"), on September 9, 2020.

PSE&G has concerns that the NJCEP Budget is not aligned with the goals of the 2018 Clean Energy Act ("CEA"), and conflicts with recent policy decisions, including the June 10, 2020 Board Order establishing the Energy Efficiency ("EE") Framework for New Jersey. The Company's recommendations to remediate these concerns are listed below:

1) The NJCEP budget should contemplate the ramping down of those EE programs serving customer segments that will be served by utility-led programs in the future.
2) The in-home charger rebates for Electric Vehicles should leverage the strengths of utility administration.
3) The Microgrid program proposed in the NJCEP budget should be reduced.

Implementing these modifications will help New Jersey achieve its clean energy goals cost-effectively and ensure a smooth transition to utility administered clean energy programs.

1) **The NJCEP budget should contemplate the ramping down of those EE programs serving customer segments that will be served by utility-led programs in the future**

The June 10, 2020 Board Order establishes a Framework for Energy Efficiency in New Jersey to achieve the energy savings targets established in the CEA. This framework calls for the utilities to administer a suite of core programs that serve Residential, Commercial & Industrial, and Multifamily sectors, providing for prescriptive rebates and comprehensive projects in existing buildings. In response to this framework, the utilities have jointly developed a program structure to address these markets with programs that will replace many of the existing NJCEP programs.

Current NJCEP programs that will be wound down or transitioned to the utilities include:

- Home Performance with Energy Star
- Appliance Rebates & Lighting
- Appliance Recycling
- COOLADVANTAGE
- WARMADVANTAGE
- Multifamily Program
- NJ SmartStart Buildings
- Pay for Performance
- Direct Install

PSE&G recommends that consideration should be given in the budgets for these programs to begin ramping down spending before the end of the program year in any service territories where utilities are going to be launching and expanding EE programs. PSE&G estimates that this would amount to approximately $25 million in PSE&G's service territory for this budget period.

2) **The in-home charger rebates for Electric Vehicles should leverage the strengths of utility administration.**

In light of the current economic situation, state funds that might otherwise be dedicated to EV investment are being, and will continue to be re-appropriated, undermining achievement of the state's EV goals. Utility efforts such as PSE&G's Clean Energy Future – Electric Vehicle program will be committed to EV investment without risk of re-appropriation. Moreover, a charger incentive should be coupled with an off-peak charging incentive, because an integrated approach will best reduce the grid impact of vehicle charging and help to avoid or defer unnecessary reinforcement costs. PSE&G recommends that the OCE establish an in-home charger rebate incentive program that is implemented by

the electric delivery companies along with a complementary and tightly coupled off-peak rebate incentive program.

New Jersey's EDCs are uniquely positioned to help deliver the benefits of the electrification of transportation to their customers. As properly recognized in the Straw Proposal, EVSE and the EV ecosystem are an extension of the electric distribution grid. As Phil Jones of the Alliance for Transportation pointed out at the June 3 EV Stakeholder discussion convened by Board Staff to consider these precise issues, EVSE is an electric distribution asset that is part of the "grid of the future," comparable to utility poles, street lights, or transformers.

3) The Microgrid program proposed in the NJCEP budget should be reduced.

The Microgrid program funding level proposed in the NJCEP budget should be reduced to reflect funding for, at most, one Phase II detailed design per electric utility service territory, and should reconsider the eligibility of any propose project that seeks to use fossil fueled generation, given the State's clean energy policy goals.

PSE&G has proposed a "Microgrids for Critical Facilities" subprogram that would provide capital to support the development of microgrids powered by renewable generation in accordance with State energy policy. Like all of the energy storage subprograms that are part of PSE&G's Clean Energy Future filing, the proposed microgrids will incorporate utility-scale energy storage into the Company's distribution system to optimize electricity costs for PSE&G's customers and support grid operations, as well as facilitate the integration of renewables onto the PSE&G grid. If approved, the microgrid will improve the resiliency of electric supply for critical facilities in the communities served by PSE&G, and will help the Company and the BPU better understand how to configure a microgrid in a way that utilizes PSE&G's existing assets and day-to-day operational expertise.

PSE&G appreciates the opportunity to provide these comments on the NJCEP budget and looks forward continuing to work together with the Board to further New Jersey's clean energy goals.

Very truly yours,

Joseph F. Accardo Jr.

ReVireo

September 18, 2020

VIA Electronic Mail
Honorable Aida Camacho-Welch, Secretary
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Re: Request for Comments - NJCEP Proposed FY 2021 CRA, Budgets and Program Plans

Dear Secretary Camacho-Welch:

ReVireo is an energy efficiency and green building services company founded in 2009 and headquartered in Cranford, NJ. ReVireo is a partner in both the NJ Clean Energy Program (NJCEP) Residential New Construction (RNC) and Pay for Performance (P4P) programs. We also provide energy code consulting and verification services for developers, homebuilders, and contractors throughout the State of New Jersey. ReVireo is active in the NJ Home Builders Association (NJBA) and Mixed-Use Developers Association (MXD) and advises NJBA/MXD leadership and members on matters related to energy code and above-code energy efficiency utility rebate programs. Beyond my role as CEO of ReVireo, I serve as on the Market Leadership Advisory Board of the NJ Chapter of the U.S. Green Building Council (USGBC) and as a member of the NJ Chapter of the North American Passive House Network (NAPHN). I am also a lifelong resident of New Jersey.

In reviewing the FY21 Summary of Proposed Changes 9_8.pdf document, I noticed an apparent error. Under I. Residential Energy Efficiency (EE) Programs, 1.3 Residential New Construction (RNC), it states:

Proposed Program Change: *Pursuant to an update to the ENERGY STAR program and consistent with the FY20 Compliance Filing, those multifamily buildings eligible to participate in the RNC Program and choosing to proceed through the ENERGY STAR Certified Homes (i.e., low rise) and Multifamily High Rise (MFHR) Pathways would, as of January 1, 2021, be required to meet the requirements of the ENERGY STAR Multifamily New Construction Program v 1.1. Similarly, the EPA ENERGY STAR Multifamily New Construction Program Decision Tree, v 2.0, would be used.*

The EPA has extended its timeline for transition to ENERGY STAR Multifamily New Construction Program, and the adoption of the new Decision Tree, until from January 1, 2021 until July 1, 2021. See ENERGY STAR website excerpt below:

Multifamily High Rise Program (New Construction)

EPA extended the transition to ENERGY STAR MFNC by six months, from January 1, 2021 to July 1, 2021. Multifamily projects are eligible to participate in the MFHR program if they have a permit application date before July 1, 2021. Projects that will be certified through the MFHR program must submit their MFHR Project Application to a Multifamily Review Organization (MRO) before January 1, 2021. EPA launched the ENERGY STAR Multifamily New Construction program to serve all multifamily buildings. Visit the MFNC Program Requirements page to learn more. For information on MFHR, see below.

Source: https://www.energystar.gov/partner_resources/residential_new/program_reqs/mfhr

The TRC FY21 Compliance Filing notes the correct, updated date on pg. 21 (see below):

On January 1, 2019, EPA launched its new ENERGY STAR Multifamily New Construction (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 multifamily buildings.

I assume that the error in the FY21 Summary of Proposed Changes 9_8.pdf document was simply a mistake. But I do want to emphasize the importance of adhering to the EPA timeline, as it guides the transition into the ENERGY STAR Multifamily New Construction Program. Accordingly, please ensure any program changes reflect the updated date of July 1, 2021.

Thank you for taking the time to review to our comments. We appreciate your consideration.

Very truly yours,

Matthew Kaplan, MBA, LEED AP
CEO

ReVireo
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VIA ELECTRONIC MAIL (board.secretary@bpu.nj.gov)

September 18, 2020

Hon. Irene Aida Camacho, Secretary
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IN THE MATTER OF THE COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS FOR FISCAL YEAR 2021 CLEAN ENERGY PROGRAM - Docket No. QO20080538

AND

IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR THE FISCAL YEAR 2021 - Docket No. QO20080539

Dear Secretary Camacho:

The New Jersey State League of Municipalities and the New Jersey School Boards Association, organizations representing the state's local governments and local boards of education, respectively, are founding partners in the Sustainable Jersey and the Sustainable Jersey for Schools programs. By advancing sound environmental, financial and educational practices, these initiatives have had a positive impact on the quality of life for our state's residents.

We have reviewed the Budget for Fiscal Year 2021. Through this letter, we would like to express our gratitude to the Board of Public Utilities for its continued support of Sustainable Jersey. We strongly believe that the current budget's funding allocation to Sustainable Jersey will continue progress toward the goals of these important programs.

Over the past ten years, Sustainable Jersey and the Board have developed a national model for promoting energy efficiency and renewable energy actions at the local level. Currently, 456 municipalities participate in Sustainable Jersey, representing more than 81% of the state's communities. Sustainable Jersey for Schools, a much younger initiatives, is already displaying very impressive participation levels. There are already 352 School Districts enrolled, representing over 60% of all public districts and engaging more than 969 individual schools.

Sustainable Jersey is the conduit that cements an effective partnership between the League of Municipalities, the School Boards Association, and the NJBPU to reach the thousands of municipalities and schools in New Jersey.

We are pleased to see that the FY2021 budget assumes that will continue. Our members value the work of Sustainable Jersey, and they place great importance on participating in the network of sustainability-minded schools and municipalities. We need to keep them engaged so they can continue to lead at the local level.

Sustainable Jersey—an example of how collaboration between state and local leadership results in the implementation of effective policy—represents the type of initiative that should be given high priority. We believe that the resource reflected in the proposed budget will have an outsized impact on meeting our sustainability goals for New Jersey and the objectives of the Energy Master Plan by spurring action in hundreds of communities across the state.

NJLM and NJSBA appreciate our partnership with the Board and the opportunity to provide comments on these topics. Please feel free to contact us if you need additional information regarding these issues.

Sincerely,

Michael Cerra
Executive Director, New Jersey League of Municipalities

Lawrence Feinsod, Ed.D.
Executive Director, New Jersey School Boards Association