



# FY2019 Notice of Changes

## Commercial & Industrial Energy Efficiency Programs

The New Jersey Board of Public Utilities, at its June 22, 2018 Board Agenda meeting, approved *New Jersey Clean Energy Program's™* Fiscal Year (FY) 2019 compliance filing which runs from July 1, 2018 through June 30, 2019.

The filing contains program changes as outlined below. Please refer to each program's application for complete information.

Consistent with prior fiscal year program changes, participants are provided with the opportunity to submit either a FY2018 or FY2019 application through July 31, 2018. The program rules, requirements and incentive levels will be consistent with the application form submitted. As of August 1, 2018, the program will no longer accept FY2018 applications and participants must use the FY2019 forms.

### Incentive and program changes effective July 1, 2018

#### Large Energy Users Program

- No changes at this time.

#### Local Government Energy Audit

- A participant's average demand, averaged over the preceding 12 months, must be > 200 kW.

#### Direct Install (DI) Program

- A participant's average demand, averaged over the preceding 12 months, must be  $\leq$  200 kW. This change is intended to increase the participation by allowing more participants with highly variable demand to participate.
- Increase the Total Resource Cost (TRC) eligibility requirement from 1.10 to 1.25. The change will be accompanied by added flexibility to the way the Program's Energy Assessment Tool can be deployed as follows: Under the previous Program rules, if a project did not meet the TRC requirement, the only possible resolution was to remove less cost-effective measures from the project's scope. To provide additional flexibility, the participant will now be given the additional option of driving up its TRC by paying a greater share of the total cost of one or more measures (for example, to increase the participant's cost share for a new furnace from the current 30% to 37%). The combination of these two changes will increase the Program's overall cost-effectiveness and, in many cases, increase savings by encouraging participants to implement measures the previous rules might have caused them to abandon.

### Pay for Performance: Existing Buildings

- No changes at this time.

### Pay for Performance: New Construction

- Implement a minor adjustment to the calculation of energy savings for gut/major renovation projects to mitigate the effect of a 2013 change to ASHRAE that put such projects at a disadvantage vis a vis new construction projects.
- Revision to the NJCEP Multifamily Decision Tree to reflect current EPA ENERGY STAR® Multifamily New Construction Program Decision Tree, Version 1.3.

### Pay for Performance: Investor Confidence Project (ICP)

- This component will no longer be offered

### Customer Tailored Energy Efficiency Pilot (CTEEP)

- No changes at this time.

### Combined Heat & Power (CHP)

- Revised NJ Protocols will require that energy savings be calculated using High Heating Value (HHV) instead of Lower Heating Value (LHV). Thus, the Program's minimum efficiency requirement will be revised from 65% (LHV) to 60% (HHV).
- A bonus incentive of 10% of the total system incentive for a system incorporating blackstart technology at a critical facility (as defined in the Microgrid Development Program) is now available.
- Provision added to facilitate governmental entities' ability to satisfy the requirement for a ten-year warranty despite the Public Contracts Law (N.J.S.A. 40A-11-1), which law limits the term of governmental contracts.

### NJ SmartStart Buildings Prescriptive/Custom Rebates

#### *Prescriptive Lighting*

- Expand eligibility to include LED screw-in bulbs replacing CFL screw-in bulbs.
- Provide new incentives for the following Design Lighting Consortium® qualified categories:
  - Retrofit Kit for LED Linear Ambient Luminaires
    - Up to \$15 per 2' and 4' fixture
    - Up to \$25 per 8' fixture
  - LED Linear Lamps (LED Tubes)
    - Up to \$5 per 3' linear lamp
    - Up to \$10 per 8' linear lamp
- LED ENERGY STAR® qualified screw-in lamps - Incentive reduced per lamp from \$3 to \$1
- LED Linear Lamps (LED Tubes) – Incentive reduced for 2' linear lamps from \$5 to \$3
- Incentives for new fluorescent lighting technology are eliminated

*Prescriptive Electric Unitary HVAC*

- Dual enthalpy economizer incentive eliminated

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**If you have questions regarding program changes or effective dates, contact us at 866-NJSMART (657-6278).**

