



HIGHER EDUCATION DECARBONIZATION PILOT

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1. Program Eligibility and Process

1.1. Is participation in the Large Energy Users Program (LEUP) a requirement to participate in the Higher Education Decarbonization Pilot?

No, this Pilot has separate eligibility from the traditional LEUP.

1.2. How many universities will be part of the Pilot?

As many as can be accommodated with the initial program budget. It is first-come-first-served. Additional funding must be approved by the NJ Board of Public Utilities (NJBPU).

1.3. Will the program review proposals and associated work products to determine eligibility?

Yes, the proposal is reviewed for the following information:

- Name and contact information of the firm performing the study
- Proposed scope/deliverables
- Schedule to complete decarbonization plan
- Cost to complete decarbonization plan

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The 3-year decarbonization plan will also be reviewed to ensure that the engineering calculations are complete and accurate, etc.

2. Additional Funding Sources

- 2.1. Will federal reimbursement through the IRA legislation count towards the associated match for the Higher Education Decarbonization Pilot?

Preliminarily, yes.

- 2.2. What should we do if we are using or considering Energy Savings Improvement Program (ESIP) funding?

ESIP is a form of energy performance contracting that allows government entities to make energy-related improvements to their facilities using the value of energy savings that result from the improvements. This is a payment strategy to consider for a share of the decarbonization plan's costs.

Please note that ESIP is based on energy savings, not greenhouse gas (GHG) avoidance. A decarbonization plan may have initiatives that do not save energy but do avoid GHG (e.g., electric vehicle charger installation). Expenses of that type may not be eligible for ESIP funding.

- 2.3. What if I am currently involved with a Local Government Energy (LGEA)/ESIP audit?

A decarbonization study is different than an ESIP or LGEA audit. ESIP and LGEA audits are designed to find ways to reduce energy consumption (electricity, natural gas, etc.). A decarbonization audit includes efficiency based on their ability to reduce GHG emissions and extends beyond that in search of additional measures to reduce the GHG emitted on campus.

For example, campus vehicles are shifting to an all-electric fleet. This would result in *greater* electricity consumption and would not be eligible under ESIP or LGEA. The Higher Education Decarbonization Pilot would consider a measure like this based on its ability to reduce the amount of GHG emitted on campus.

3. Other Incentive Programs

- 3.1. Can I participate in other study/utility programs while participating in the Higher Education Decarbonization Pilot?

One may not submit the same scope of work to the Higher Education Decarbonization Pilot if engaging in other state or utility incentive programs.

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4. Expense Eligibility

4.1. Is the cost of writing the plan covered as part of the cost of the study?

Yes. All costs related to the analysis and effort required to put together a 3-year decarbonization plan are covered by the program.

Who will be responsible for evaluation, monitoring, and verification (EM&V), and is this cost eligible for funding?

The customer is responsible for EM&V – the cost can be included in the project cost.

5. Eligible Measures

5.1. A minimum of two strategies are required; does this include energy efficiency and electric vehicles?

Yes, energy efficiency and electric vehicles (EV) would count as two strategies.

5.2. Are technologies such as solar water heaters and electrification/fuel switching systems such as domestic hot water service eligible?

Yes, they are all eligible.

5.3. In addition to storage and beneficial electrification, are incentives for sub-metering and/or commissioning available?

Yes, these can be included in the project cost.

5.4. Are there any new technologies that are not eligible?

This Pilot will accept all varieties of decarbonization strategies, including but not limited to energy efficiency, EV charging stations, thermal storage, and combined heat and power. However, solar photovoltaic installations will continue to be incentivized by the NJBPU's Successor Solar Incentive (SuSi) Program and may not receive additional incentives from the Higher Education Decarbonization Pilot.

6. Greenhouse Gas Measurement

6.1. How are greenhouse gas (GHG) reductions measured?

Measure the avoided/increased electric, natural gas, oil, propane, or other applicable metric. Use conversion factors supplied by the NJBPU to equate those amounts to carbon dioxide equivalent (CO₂e).

A calculator will be provided for this in the coming months.

GHG reductions are expressed as tons of CO₂e avoided during the measure's first year of implementation.

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6.2. Does the plan need to include Scope 1, 2, and 3 emissions reductions?

Plans should focus on Scope 1 and/or Scope 2. The NJBPU does not offer calculation methodologies for Scope 3 GHG emissions.

Background

Scope 1:

Emissions are direct GHG emissions from sources controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, and vehicles).

Scope 2:

Emissions are indirect GHG emissions associated with purchasing electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because of their energy use.

Scope 3:

Emissions are the result of activities from assets not owned or controlled by the reporting organization but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 or 2 boundary.

7. Timing and Payments

7.1. Is there an application deadline?

To qualify for the program, the pre-qualification application must be received by December 31, 2024. A complete pre-qualification application includes the signed form and proposal from the consultant creating the decarbonization plan.

7.2. How and when will incentives be paid?

- Reimbursement is available for the cost of preparing the decarbonization plan once it has been accepted
- Incentives are paid after a covered initiative after the required evaluation, measurement, and verification
- Incentive is paid for the decarbonization measures after installation is complete and closeout docs are submitted:
 - Invoices
 - M&V report
 - W9 form

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7.3. Can the incentive be paid directly to my consultant, contractor, or another third party?
Yes, incentives can be assigned to a third party. Please provide a W9 form and check the company's mailing address to receive payment.

7.4. What are associated progress payment milestones, and will they be paid separately for individual project components, e.g., three payments for the plan, three payments for storage, etc.?

The closeout process can be repeated up to three times for distinct portions of the scope of work. For example:

- Completed a heat pump installation in progress payment 1
- Completed EV charging station installation for progress payment 2
- Completed all other remaining measures for progress payment 3

7.5. When does the 3-year implementation begin, and when is the effort deemed complete?

The 3-year period begins once the decarbonization plan is accepted. An approval letter will be received indicating the date of acceptance, which starts the 3-year implementation window.

A plan is accepted after:

- Completed administrative and engineering reviews of the plan
- Resolved all questions related to CO₂e savings calculations
- Received NJBPU approval if applicable (incentives > \$500,000 require NJBPU approval before acceptance)

The effort is deemed finished when implementation is substantially complete, and an as-built report is submitted with invoices for installed equipment, an M&V report, etc. The process of building the decarbonization plan may easily fit with a campus master plan or be the starting point for one.

7.6. How long will it take to do the feasibility study and write a decarbonization plan?

Every participant will have a different experience as they create their feasibility study and decarbonization plan.

Some will need to implement an RFP process before selecting a consulting firm for the feasibility study. Different firms will have different approaches.

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