



# FY2020 Notice of Changes

## Commercial & Industrial Energy Efficiency Programs

The New Jersey Board of Public Utilities, at its June 21, 2019 Board Agenda meeting, approved *New Jersey's Clean Energy Program's* Proposed Fiscal Year 2020 (FY20) Compliance Filings and FY20 Budget, which is effective July 1, 2019 through June 30, 2020.

Consistent with prior fiscal year program changes, participants are provided with the opportunity to submit either a FY2019 or FY2020 application through July 31, 2019. The program rules, requirements and incentive levels will be consistent with the application form submitted. As of August 1, 2019, the program will no longer accept FY2019 applications and participants must use the FY2020 forms.

### [Incentive and program changes effective July 1, 2019](#)

#### Local Government Energy Audit

- The \$100,000 FY cap is increased for 501 (c)(3) hospitals.

#### Direct Install Program

- Buildings owned or operated by K-12 public schools or municipal entity or are located in an Urban Enterprise Zone or Opportunity Zone may be eligible for up to 80% of the cost of the installed measures.
- Eligibility requirements are revised to clarify that a potential participant with multiple facilities sharing a common gas utility account is eligible to participate so long as the average kW demand of the facilities sharing that account  $\leq$  200kW.

#### Pay for Performance: Existing Buildings (P4P EB)

- Enhanced incentives are available for facilities located in an Urban Enterprise Zone or Opportunity Zone or are a K-12 public school or municipal entity. [Learn More](#).

#### Pay for Performance: New Construction (P4P NC)

- The bonus incentive for pre-design energy efficiency planning will increase from \$0.02/conditioned square foot to \$0.04/conditioned square foot.
- The incremental cost caps will be removed.
- Add the ability to meet the energy savings requirement on a "source energy" basis (e.g., kBtu/sf) in addition to the existing "energy cost" basis.

### Combined Heat & Power (CHP)

- For Incentive #3 replace the current requirement that the actual kWh produced be  $\geq 80\%$  of those set forth in the approved application with a requirement that the actual kWh produced be  $\geq 50\%$  of those set forth in the approved application, coupled with a sliding scale incentive that provides a proportionately reduced incentive if the actual kWh produced are between 50% and 80%.
- The bonus for critical facilities will be increased from 10% to 25% for critical facilities that incorporate blackstart/islanding capability.
- Eligibility is expanded to include Fuel Cells without Heat Recovery (FCwoHR). All Fuel Cells (FCs) will receive Program incentives on the same terms and conditions and in the same amount as provided for CHP projects, except that:
  - All FCs, both with heat recovery (FCHR) and without heat recovery (FCwoHR), would need to be  $\geq 40\%$  efficient, as compared to the  $\geq 60\%$  efficiency required of CHPs. FCs' efficiency would be calculated as follows: Net Useful Electric Power plus Net Useful Thermal Production divided by the Total Fuel Input based on HHV. Note that the 40% threshold is less than the 45% required in a previous NJCEP Fuel Cell program.
- FCwoHR are subject to a Project Cap of \$1,000,000, as compared to the \$2,000,000 - \$3,000,000 caps applied to CHPs and FCHR.
- For all FCs, both with heat recovery (FCHR) and without heat recovery (FCwoHR), no more than 30% of the New Funding portion of the NJCEP Budget for FC may be used to fund projects involving equipment from any single FC manufacturer.

### NJ SmartStart Buildings Prescriptive/Custom Rebates

- Incentive rates are doubled for prescriptive equipment installed in existing buildings that are located in an Urban Enterprise Zone or Opportunity Zone, or are a K-12 public school or municipal entity. [Learn more](#).
- Applications for  $< \$100,000$  for Prescriptive Lighting, Performance Lighting, and Lighting Controls are no longer required to receive approval from the Program prior to installation of the subject equipment.
- Increase the following incentives:
  - R14, R16, G16.5, G25, PAR16, PAR20, R20, BR20 from \$1/lamp to \$2/lamp
  - G30, G40, PAR30, PAR40, R30, BR30, BR40 from \$1/lamp to \$3/lamp
  - LED Wall-wash lights - from \$30/fixture to \$55/fixture
  - LED Stairwell & Passageway Luminaires - from \$40/fixture to \$45/fixture
  - LED Architectural Flood & Spot Luminaires - from \$50/fixture to \$75/fixture
- Provide new lighting incentives:
  - Accent Light Line Voltage - \$15
  - Linear strip - \$10
  - Under-cabinet LED fixtures - \$10

- Incentives for LED Decorative Candle, LED Decorative, and LED Inseparable SSL, LED shelf-mounted display and task lights are eliminated.
- Only lighting controls for LEDs are eligible and the load requirements have been reduced:
  - OSR (Occupancy Sensor Remote) – reduced from 180W controlled to >60W controlled
  - DDC (Daylight Dimming Controls) - connected load reduced from 240W controlled to >120W controlled
  - OHLC (Occupancy Based Hi-Low Dimming Control) - connected load reduced from 240W controlled to >60W controlled
  - OSRH (Occupancy Sensor Remote Hi-Bay) - connected load reduced from 180W controlled to >90W controlled
- Eligible locations for lighting controls has been expanded to include atriums, stairwells, and hallways.
- Provide new measures and incentives:
  - Low Flow Faucet Aerators - \$2 - \$4 per unit
  - Low Flow Showerheads - \$10 - \$15 per unit
  - Domestic Hot Water Pipe Wrap Insulation - \$1 - \$2 per linear foot
  - Refrigeration Floating Head and Suction Controls - \$50 - \$75 per ton

[NJ SmartStart Buildings, Large Energy Users Program, Customer Tailored Energy Efficient Pilot, Pay for Performance Existing Buildings and New Construction](#)

These will be merged into the new C&I Buildings Program later this fiscal year.

[C&I Buildings Program](#)

The SmartStart, LEUP, P4P EB, P4P NC, and CTEEP programs will merge into this single program that will more effectively and flexibly allow participants to implement energy efficiency projects. The new program will include a Building and Systems Evaluation Program (BASE) component that will offer NJCEP-subsidized building-specific technical assistance to participants. The new program’s improvements will be achieved by, among other ways, addressing gaps in current offerings with the new multi-measure pathway, simplifying the application process, increasing outreach, expanding the options regarding post-installation Measurement and Verification (M&V), and providing more and better opportunities for participating contractors and raters to grow their clean energy businesses. It would also adjust the incentives Large Energy Users are eligible to receive for projects with non-custom lighting equipment representing >50% of the overall projects' total annual energy savings. For those projects, the non-custom lighting savings would receive only the standard incentive applicable to all other customers.

[High Performance Building Competition Component](#)

This component will consist of an annual competition that would award lucrative incentives to especially high-performing buildings (including possibly residential buildings), such as those achieving net-zero energy usage and/or exceeding the ASHRAE 90.1-2016 energy code by 5% or more. More

detailed criteria will be developed during FY20.

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