



New Jersey's Clean Energy ProgramTM

Clean Energy and Efficiency Opportunities for Residential, Commercial, Industrial, and Institutional Buildings

March 20, 2020



- Introduction to BPU and New Jersey's Clean Energy Program
- Program Highlights from FY19
- NJCEP program portfolio
- ESIP Financing



NJCEP Background

ADMINISTERED BY

New Jersey Board of Public Utilities' Division of Clean Energy

FUNDING

Societal Benefits Charge (SBC) on utility bill

PROGRAM GOALS

- Education
- Change behavior
- Provide opportunity for ALL NJ residents to reduce energy and lower operating cost
- Protect the environment and lower emissions
- Meet Governor's goal of 100% clean energy by 2050





Programs to Meet Goals



DISTRIBUTED ENERGY RESOURCES



RENEWABLE ENERGY



PROGRAM HIGHLIGHTS



Program Performance...

FY19 data

131,000+ applications processed in FY19



42%

38%

20%

Energy Savings are delivered through electric, gas, oil, other efficiencies and generation



\$136,000,000+ incentives paid in FY19



...Brings Real-World Results

Clean Energy Programs eliminated enough CO₂ to equate to:

96,000+ cars removed

7,400,000+ trees planted



452,616 metric tons greenhouse gases eliminated



EY19 data

NJCEP Portfolio of Programs

New Jersev's

program



* coming soon!

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RENEWABLE ENERGY



Solar Registration

NJCleanEnergy.com/SREC

Registration

- Facilitates registration of solar projects (no rebates)
- Initial registration and final as-built can be submitted via online portal

Inspection

• Projects are selected randomly for inspection

Installation

 Installation and pipeline reports posted on the NJCEP website midmonth

Note: This process applies for both SREC and TREC programs



Solar Energy – SREC Program

NJCleanEnergy.com/SREC

- The SREC is a market based incentive with value determined by supply and demand
- The market rules are established by the Board's Renewable Portfolio Standards
- By law, the market will close to new registrants when eligible installations generate 5.1% of the state's electricity. (the"5.1% Milestone")
- Staff are leading a stakeholder proceeding to recommend a replacement incentive program (the "successor program")



Solar Energy – Transition Incentive (TI) Program

- The TI program is a bridge between the Legacy SREC Program and a to-be-determined successor incentive program
- Projects that have not reached commercial operation when the Board closes the SREC Program at the 5.1% Milestone will be eligible for the TI program
- The TI program consists of fixed-price, 15-year Transition Renewable Energy Certificates (TRECs)



Solar Energy – TREC Program

• TRECs are factored by project type:

Project Type	Factor
Subsection (t): landfill, brownfield, areas of historic fill	1.0
Grid supply rooftop	1.0
Net metered non-residential rooftop and carport	1.0
Community solar	0.85
Grid supply ground mount	0.6
Net metered residential ground mount	0.6
Net metered residential rooftop and carport	0.6
Net metered non-residential ground mount	0.6



COMMUNITY SOLAR



Community Solar: What is it?

NJCleanEnergy.com/COMMUNITYSOLAR

- A larger, remotely located solar array or facility that is virtually divided among multiple participants ("subscribers") by means of a credit on their utility bill
- Provides access to solar energy to renters as well as households, institutions or businesses whose roofs aren't appropriate for solar installation



Community Solar

NJCleanEnergy.com/COMMUNITYSOLAR





Community Solar: Find your fit

NJCleanEnergy.com/COMMUNITYSOLAR





Community Solar: Subscribers

NJCleanEnergy.com/COMMUNITYSOLAR

Participation can be in the form of:

- Ownership: buying a share or portion of the community solar project or panels
- Subscription: buying a portion or share of the electric output produced by the community solar project



COMMUNITY ENERGY PLANS

Community Energy Plan Grant

NJCleanEnergy.com/CEP

Localizing the Energy Master Plan Goals





Community Energy Plan Grant

NJCleanEnergy.com/CEP

- Planning grant
- Look at energy use as a whole
 - o Residential
 - Business
 - Government
- Identify areas for improvement
- Create a plan to reduce energy use, increase renewables and meet the EMP goals
- Application is available at NJCleanEnergy.com
- Grants are based on population size



Community Energy Plan Grant

NJCleanEnergy.com/CEP



Community Energy Plans

A Community Energy Flomis a way for a community to work rewords a better environment for all residents by using the state of a many vacable P an (TWF) as a quick to develop and share gives to increase them energy is a section, racked and share available scalar data emissions.





https://www.energy.gov/eere/slsc/guide-community-energy-strategic-planning

C&I PROGRAMS

C&I Portfolio of Programs

Eligible Sectors: Commercial, Industrial, Government, Schools, Non-Profit, Institutional and Multifamily



Definitions: UEZs and OZs

FY20

Some programs offer enhanced incentives to buildings:

• in a UEZ or OZ

owned or operated by a local government
owned or operated by a K-12 public school

HOME	RESIDENTIAL	COMMERCIAL, INDUSTRIAL, LOCAL GOV & MULTIFAMILY		RENEV ABLE MERGY
NEW JERSEY'S CLEAN ENERGY				Drogra Undatas
ABOUT NJCEP	About New Jersey's Clean Energy Program New Jersey's Clean Energy Program is a statewide program that offers financial incentives, programs and services for New Jersey residents, business owners and local governments to help them save energy, money and the environment.		•	Enhanced Rebates Announced
BOARD OF PUBLIC UTILITIES				in New Jersey
REBATES AND PROMOTIONS			•	Solar Transition Stakeholder Workshops
NJCEP POLICY UPDATES & REQUEST FOR COMMENTS	 Rebate Quicklinks Appliances: Refrigerator / More 	/Water Heater / Clothes Washer / Dryer /	•	Community Solar Energy Pilot Program

Eligibility Basis	Criteria		
Located in an	The building where equipment is or will be installed must be located within the bounds of an Urban		
Urban	Enterprise Zone (UEZ). Please follow the steps below to confirm your facility is within the qualifying		
Enterprise	zone.		
Zone (UEZ)	The building location must be checked against the NJ Community Asset Map.		
	 Enter the address of your building in the field at the top of the map. Under the Layers menu on the left side of the screen, scroll down to Urban Enterprise Zones and <i>check</i> to enable the layer. 		
	3. Print or save a screenshot of the page to include with your submission.		
	For the avoidance of doubt, companies do not need to become a Certified UEZ Business to be eligible for enhanced incentives from NJCEP.		
Located in an	The building where equipment is or will be installed must be located within the bounds of an		
Opportunity	Opportunity Zone (OZ). Please follow the steps below to confirm your facility is within the qualifying		
Zone (OZ)	zone.		
	The building location must be checked against the <u>NJ Community Asset Map</u> .		





New Jersey's

Click here for a link to NJ Community Asset Maps

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MEASUREMENT &

AUDITS

Benchmarking

NJCleanEnergy.com/BENCHMARKING

WHO Commercial, Industrial, Agricultural, Government, 501(c)(3) Non-Profit, and Institutional Entities

COST Free



- Compare your building to other similar buildings nationally
 - Suggestions for improving operations and maintenance
 - Personalized incentive program eligibility and account manager follow-up support
 - ENERGY STAR® Portfolio Manager account setup and score

Great opportunity to be a leader in benchmarking energy and water use, prior to the 2024 deadline.



Benchmarking NJCleanEnergy.com/BENCHMARKING

MEASUREMENT & AUDITS

Energy Consumption & Cost

Analysis Period: July 2018 - June 2019

Energy Benchmarke	Example Building	Average Building
EPA Portfolio Manager Score	48	50
Site Energy Intensity ⁴ (kBu/at)	85.9	82.2
Source Energy Intensity ² (kBu/st)	98.3	90.8
Energy Cost	\$13,841	\$13,082
Total CHC Emissions (Metric Tona 00%)	43	40

U.S. EPA Portfolio Manager Account:

Your building was benchmarked using the U.S. Environmental Protection Agency's (EPA's), Portfolio Manager tool. The impact of factors outside of your control, such as location. occupancy and operating hours, are removed. Some building types will be provided with a 1-100 renking of a building's energy performance relative to the national building market.



Energy Consumption & Cost



Energy Cost:

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The annual energy cost for Example NJ Commercial Building is \$13,841 (\$5,139 natural gas + \$8,702 electricity). Example NJ Commercial Building spende \$1.38 per square foot to power the building. The estimated average annual energy cost for a building of similar square feet, type, and usage is \$13,082. Therefore, your building's energy costs are alightly higher than average when compared to other warehouse/distribution buildings nationwide.

Electricity costs make up 63% of your building's total annual energy cost. Natural fee costs make up 37% of your building's total annual energy cost.



Ecample NJ Commercial Building Page 3 of 7



lbs. of cost not

New Jarsey's Clean Energy Program www.tipleanenergy.com | 1-066-NISMART

Energy Consumption & Cost



Electricity Usage:

The annual electricity consumption for Example NJ Commercial Building is 4.5 kWh per sougre foot. This amount of electricity is reasonable compared to similar building types in New Jersey.

Electricity Cost:

The property's electricity rate is slightly higher than the state everage of \$0.17/kWh. It may be beneficial to contact your electric provider or a third-party provider to discuss rate options

	Electricity Use Description	Example Building	Area of Concern Scale
USAGE	Annuel Usage (kWh)	45,114	Law
	Annual Usage per Sq. Ft. (KWh/ft ²)	4.5	Low
COST	Annual Cost (\$)	\$8,702	
	Annual Cost per Sq. Pt. (\$/ft ²)	\$0.87	Medium
	Average Annual Cost (\$/kWh)	\$0.19	

Summary & Recommendations:

The amount of electricity shown above is alightly lower than average. However, the cost of that electricity is higher than average, As mentioned, it may be beneficial to contact your electric provider to discuss rate options. If not already in use, ENERGY STAR® products, LED and other lighting technologies could reduce the power demand needed and lower monthly electricity bills.

Example NJ Commercial Building Page 4 of 7

New Jarsey's Clean Energy Program www.nicleanenergy.com | 1-866-NJSMART



Local Government Energy Audit

NJCleanEnergy.com/LGEA

WHO Local Government, New Jersey Colleges and Universities, and 501(c)(3) Non-Profit buildings with an average yearly demand >200kW*

INCLUDES BENCHMARKING

MEASUREMENT &

AUDITS

COST Free

- Inventory of all energy-consuming equipment and line by line program eligibility, savings and costs
 - Comprehensive utility bill analysis
 - Facility benchmarking
 - Feasibility for solar and combined heat & power
- **INCENTIVE** •\$100,000 per entity (covers most small to large entities)
- CAP

WHY

- •\$300,000 per 501(c)(3) hospital
 - •\$300,000 per entity interested in ESIP



* Inquire about the waivers available to buildings ≤200kW average

Local Government Energy Audit

MEASUREMENT & AUDITS

NJCleanEnergy.com/LGEA





C&I Portfolio of Programs

Eligible Sectors: Commercial, Industrial, Government, Schools, Non-Profit, Institutional and Multifamily







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Large Energy Users

NJCleanEnergy.com/LEUP

COMPREHENSIVE PROGRAMS

WHO Large C&I entities who have paid a minimum of \$200,000 NJCEP funds (via the SBC) in the previous 12 months of utility bills

SIZE TOThe average peak demand of all facilities submitted ≥400kWQUALIFYand/or 4,000 DTh

ABOUT • Encourages large C&I utility customers to self-invest in energy efficiency, combined heat & power, and fuel cell projects

• Must have ability to "bank" funds for up to two fiscal years

INCENTIVE Maximum incentive per entity is the lesser of:

- •\$4 million,
 - •75% of total project cost, or
 - 90% of NJCEP contribution or annual energy saving caps (\$0.33/kWh and \$3.75/therm)



CAP

Large Energy Users

NJCleanEnergy.com/LEUP

COMPREHENSIVE PROGRAMS





PHARMACEUTICALS

- HVAC Controls Upgrade
- Total Project Cost: \$476,223
- Incentive: \$332,766
- Annual Savings: \$134,665
- Payback Period: 1.07 Years



This case study was from a previous fiscal year and may not represent current incentive levels or costs.



Pay for Performance

COMPREHENSIVE PROGRAMS



- WHO Large C&I existing buildings or new construction seeking two or more energy efficiency measures with a minimum 15% savings
- SIZE TOAnnual peak demand 200+ kW in the previous year for existingQUALIFYbuildings or over 50,000 square feet of planned new construction
- ABOUT A pre-approved Participating Partner will streamline the program and guide users through the program phases
- INCENTIVE
CAP• 50% of project cost (or 80% for UEZ/OZ/ Local Government/K-12
Public Schools) up to \$2M per project / \$4M per entity annually
 - Incentive payments #2 and #3 are doubled for UEZ/OZ/ Local Government/K-12 Public Schools



Pay for Performance

program'

NJCleanEnergy.com/P4P

COMPREHENSIVE PROGRAMS



CRESTBURY APARTMENTS

- Multifamily
- Pay for Performance EB
 - Lighting Upgrades
 - Boiler Replacement
 - Double Pane Windows
 - HVAC Controls
 - Air Seals
 - Attic Insulation
- Total Project Cost: \$1,474,150.00
- Paid Incentive: \$315,141.00
- Annual Savings: \$215,610.00
- Project Payback: 5.375 years



Photo courtesy of Google Maps



Direct Install

NJCleanEnergy.com/DI

WHO Small to medium sized C&I existing facilities seeking to replace inefficient equipment



PROGRAMS

COMPREHENSIVE

- **SIZE TO** Average annual peak demand <200 kW in the previous 12 months **QUALIFY**
- ABOUT
 A pre-approved regional Participating Contractor will do a walkthrough evaluation and guide users through the program phases
 - Turn-key process with fast project turnaround time
- INCENTIVE
CAP•\$125,000 incentive funding per project/building (\$250K UEZ/OZ/
MUNI/K-12 Public Schools), or
 - \$250,000 per entity (\$500K ESIP; \$4M UEZ/OZ/ Local Government/K-12 Public Schools





COMPREHENSIVE PROGRAMS

Facilities in Urban Enterprise Zones (UEZ), Opportunity Zones (OZ), local government, K-12 Public Schools:

INCENTIVE FUNDING	CUSTOMER				
Up to 80% of installed cost is paid directly to the contractor	20% of installed cost				
All other eligible facilities:					
INCENTIVE FUNDING	CUSTOMER				
Up to 70% of installed cost is paid directly to the contractor	30% of installed cost				



PLAINSBORO LIBRARY

- Library
- LED Lighting upgrades including occupancy sensors
- Gas Fired Boilers
- Low Flow Aerators
- Premium motors
- Total Project Cost: \$119,381
- Incentive: \$57,335
- Annual Savings: \$11,683
- Payback Period: 5.31 Years





Courtesy of Friends of the Plainsboro Pubic Library

Customer Tailored Energy Efficiency Pilot

NJCleanEnergy.com/CTEEP

WHO C&I customers seeking a streamlined/single application for participants submitting for multiple different technology types

SIZE TO N/A QUALIFY

•On site assistance available

• One application form for multiple prescriptive or custom measures

Utilizes SmartStart Incentives

• Additional technical incentive available to offset soft costs associated with developing and planning custom projects

INCENTIVE Maximum incentive per entity is the lesser of:

CAP

- \$250,000 entity cap,
- 50% of eligible project costs, or
- Buy-down to 1-year payback

Up to \$10,000 for technical assistance of custom project evaluation.



SAME INCENTIVE

VALUES AS

SMARTSTART

COMPREHENSIVE

PROGRAMS

Customer Tailored Energy Efficiency Pilot

NJCleanEnergy.com/CTEEP

Payment schedule based on program variation:

	Energy Efficiency Plan Approval	Q Installation Complete	Performance Verification
Technical Assistance (Optional)	50%	50%	
CTEEP Prescriptive Measures		100%	
CTEEP Custom Measures		90%	10%



COMPREHENSIVE

PROGRAMS

University in New Jersey

- University Various Buildings ullet
- CTEEP Prescriptive •
 - LED lighting
 - Lighting controls
- **Total Project Cost: \$669,894.85**
- **Committed Incentive: \$121,791** •
- Annual Savings: \$104,410.58 •
- **Project Payback: 4.96 years** •



This case study was from a previous fiscal year and may not represent current incentive levels or costs.



*Includes \$139,203 paid. The remaining amount committed and paid after savings verified.

C&I Portfolio of Programs

Eligible Sectors: Commercial, Industrial, Government, Schools, Non-Profit, Institutional and Multifamily





* coming soon!

SmartStart

NJCleanEnergy.com/SSB

SIZE TO

All C&I: Commercial, Industrial, Agricultural, **WHO** Government, Non-Profit and Institutional customers

N/A QUALIFY

- ABOUT Individual high efficiency equipment rebates for new construction, renovation, remodeling, equipment replacement
 - Prescriptive and custom designed measures
 - Pre-approval required for lighting \geq \$100,000 and <u>all</u> custom measures
- **INCENTIVE** CAP
- Prescriptive: \$500,000 for each electric or gas account
 - Custom, lesser of the following:
 - \$0.16/kWh and/or \$1.60/therm saved annually;
 - 50% of incremental installed cost: and
 - Buy-down to 1 year payback based on incremental cost and savings



SmartStart

NJCleanEnergy.com/SSB

SINGLE MEASURE REBATES



PRESCRIPTIVE INCENTIVES

- Lighting & Lighting Controls
- Packaged HVAC
- Boilers & Water Heaters
- Chillers
- VFDs
- Food Service
- Refrigeration

Existing buildings prescriptive only:

DOUBLE INCENTIVES FOR OZ/UEZ/ LOCAL GOVERNMENT/K-12 PUBLIC SCHOOLS



CUSTOM INCENTIVES

- New or innovative technologies proven to be cost-effective and not listed as prescriptive
- Projects must have a minimum first year energy savings of 75,000 kWh or 1,500 therms
- Project pre and post inspection required



OCEAN COUNTY COLLEGE

- Education
- Lighting upgrades
 - Exterior LED Wall Packs
- Total Project Cost: \$7,710
- Incentive: \$6,000
- Annual Savings: \$6,844
- Project Payback: 3 months



This case study was from a previous fiscal year and may not represent current incentive levels or costs.



C&I Portfolio of Programs

Eligible Sectors: Commercial, Industrial, Government, Schools, Non-Profit, Institutional and Multifamily





Combined Heat & Power - Fuel Cells

NJCleanEnergy.com/CHP

WHO C&I customers that require on-site electric generation that either does or does not utilize waste heat

SIZE TON/A - Projects must pass a cost-effectiveness test and run 5,000QUALIFYfull load equivalent hours per year (3,500 for critical facilities)

- Combined Heat & Power (CHP) units generates electricity and recycle waste heat to provide heating or cooling
 - Resiliency with return on investment
 - Technology-neutral incentives
 - Fuel Cells (FC) with or without heat recovery (HR)



- CHPs and FC with HR have a project cap of \$2MM \$3MM
 - 25% bonus for critical facilities with black-start/islanding capabilities
 - Up to 30% incentive bonus for CHP using biofuel
 - FC without HR have a project cap of \$1MM



DISTRIBUTED

ENERGY

Combined Heat & Power

NJCleanEnergy.com/CHP







Combined Heat & Power - Fuel Cells

DISTRIBUTED ENERGY

NJCleanEnergy.com/CHP

Eligible Technology	Size (Installed Rated Capacity)	Incentive (\$/Watt) ⁽⁵⁾	% of Total Cost Cap per project	\$ Cap per project
CHP powered by non-renewable or renewable fuel source, or a	≤500 kW ⁽¹⁾	\$2.00	30-40% ⁽²⁾	\$2 million
Gas Internal Combustion Engine	>500 kW - 1 MW ⁽¹⁾	\$1.00		
 Gas Combustion Turbine Microturbine 	>1 MW - 3 MW ⁽¹⁾	\$0.55	30%	\$3 million
Fuel Cell with Heat Recovery (FCHR)	>3 MW ⁽¹⁾	\$0.35		
Fuel Cell without Heat Recovery (FCwoHR)	Same as above ⁽¹⁾	Applicable amount above	30%	\$1 million
Waste Heat to Power (WHP) ⁽³⁾ Powered by non-renewable fuel	≤1 MW ⁽¹⁾	\$1.00	30%	\$2 million
source. Heat recovery or other mechanical recovery from existing equipment utilizing new electric generation equipment (e.g. steam turbine)	>1 MW ⁽¹⁾	\$0.50	30%	\$3 million

+critical facility/blackstart bonus of 25%



ACUTECARE MANAGEMENT SERVICES

- Medical Support Facility
- Combined Heat and Power (CHP)
- Total Project Cost: \$2.27M (estimated)
- Incentive: \$690,000
- Estimated Annual Cost Savings:
 - First Year: \$684,937
 - Average Annual Cost Savings: \$690,560
- Payback Period: 1.49 (estimated)

System provides 345kW of grid parallel base load through a single power module. System has black start capability. Inverters are anti-islanding.

This case study was from a previous fiscal year and may not represent current incentive levels or costs.





Image courtesy of AcuteCare and BeconPace.com

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Microgrids

- DISTRIBUTED ENERGY
- NJBPU Town Center Distributed Energy Resources (TCDER) Microgrids Program
 - TCDER Microgrid is a cluster of critical facilities within a municipal boundary that may also operate as shelter for the public during and after an emergency event or provide services that are essential to function during and after an emergency situation. These critical facilities are connected to a single or series of DER technologies that can operate while isolated and islanded from the main grid due to a power outage
- Board funded 13 feasibility studies
- Feasibility studies completed and being reviewed



Energy Storage



Commitment to Resiliency

- The Clean Energy Act also requires the Board to conduct an Energy Storage Resource analysis for submission to the Governor and the Legislature. In doing so, the Board is required by law to consult with various stakeholders, including PJM
- Rutgers (RU-LESS) was retained to complete the study





- Resiliency
- o Effects on ratepayers
- Impacts on renewable energy and EVs
- Optimal amount of storage
- \circ Technologies
- Optimal points of entry (customer sited, utility scale)
- o Cost-benefit



Energy Storage

- Final report accepted by the Board in June 2019
- CEA requires Board to initiate a proceeding within six months of completion of report to establish a process and mechanism for achieving energy storage goals
- Straw proposal being developed



ELECTRIC VEHICLES

EVs for Local Government Fleets

NJCleanEnergy.com/EV

- Electric vehicles are now included in the State Purchasing Contract
- New NJBPU Grant Program
 - Designed to encourage local governments to add EVs to their fleet
 - \$4000 per battery electric vehicle
 - \$1500 for one Level-Two EV charging station
 - Grants awarded on rolling basis until April 15, 2020 or until funding expended
- Questions? EV.programs@bpu.nj.gov



EVs in the Energy Master Plan

NJCleanEnergy.com/EV

- First strategy and goal is to "Reduce Consumption and Emissions from the Transportation Section"
- 2025 330,000 light duty electric vehicles
- Charging infrastructure
- State light-duty fleet
- Increase transportation options, encourage new options
- Decrease Vehicle Miles Traveled
- Port emissions



FINANCING FOR GOVERNMENT AGENCIES

Financing Mechanism: ESIP

ENERGY SAVINGS IMPROVEMENT PROGRAM (ESIP)

- Provides alternative financing for energy savings projects at public institutions
- Administered directly by the NJBPU
- Value of energy savings leveraged to pay for cost of EE projects over a 15 year contract
- Requires NO new bonding and is outside of capital budget
- Does not count as debt or require voter approval



Financing Mechanism: ESIP





Program

MORE INFORMATION



Clean Energy Learning Center

NJCELC.com

- Online education tool courses and videos
- Audience is building owners and managers, design professionals, energy professionals, contractors, builders, code officials, homeowners and NJCEP representatives





More Information

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