



June 11, 2024

Submitted Via E-Filing

Sherri L. Golden  
Secretary of the Board  
NJ Board of Public Utilities  
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**Re: in the Matter of the 2024 New Jersey Energy Master Plan  
Docket No. QO24020126**

Dear Secretary Golden:

The Energy Efficiency Alliance of New Jersey (“EEA-NJ”) thanks the New Jersey Board of Public Utilities (“BPU” or “Board”) for this opportunity to submit comments regarding the 2024 New Jersey Energy Master Plan (“EMP”).

EEA-NJ is New Jersey’s trade association for the energy efficiency industry. With our sister organization the Keystone Energy Efficiency Alliance, we represent 65 business members across Pennsylvania and New Jersey. Our mission is to champion efficiency as the foundation of a clean, just, and resilient energy economy.

EEA-NJ supports the group comments submitted by our nonprofit arm, the Energy Efficiency Alliance, with nonprofit and other partners to work with the State on its commitment to achieve 100% clean energy by 2035 and reducing greenhouse gas (GHG) emissions by 80% by 2050. On behalf of our members, we offer these additional comments and context from the business perspective on achieving New Jersey’s clean energy goals. We strongly recommend that the Board actively involve program implementers and businesses in the forthcoming focus groups specifically regarding Strategies 3. Maximizing Energy Efficiency and Conservation, and Reducing Peak Demand and 4. Reducing Energy Consumption and Emissions from the Building Sector.

### **Strategy 1: Transportation Electrification**

New Jersey's approach to transportation electrification needs to be equitable and must incorporate how expanded EV's will interact with the built environment as well as with the grid. The new EMP should ensure that options like bidirectional chargers are available, to add storage capacity to the grid, and it should plan for collaborations with ride-sharing companies to electrify their fleets and enhance transit options for low- to moderate-income (LMI) communities are essential. This can also help to reduce overall vehicle miles traveled Strategic partnerships between state agencies, utilities, and transportation providers will ensure seamless integration and effective use of EV incentives, supporting equitable access to clean transportation solutions across the state.

### **Strategy 2: Clean Energy Development**

Aligning clean energy development incentives with electricity generation and demand patterns is crucial. New Jersey should adopt an "Efficiency First" strategy that integrates demand-side management with renewable energy deployment. This approach, complemented by incentives for energy storage and distributed energy resources (DER), will optimize cost-effectiveness and resilience. Looking ahead to the forthcoming implementation of FERC Order 2222 mandates that electric distribution companies (EDCs) establish pilot programs for DER aggregation, tailored to local needs and promoting diverse technology deployments. These initiatives must prioritize low- and moderate-income (LMI) communities and align with environmental justice goals. Incentives should reward projects that provide additional societal benefits, such as job creation and water-energy conservation.

Furthermore, streamlining data access for Virtual Power Plants (VPPs) through electronic data interchange (EDI) is crucial. This technological enhancement will enable seamless aggregation of consumer data across utilities, facilitating the growth of VPP markets. These plants can play a vital role in both PJM market operations and local grid stability through "stacked programs", maximizing benefits across various energy markets while enhancing grid resilience and supporting renewable energy adoption.

### **Strategy 3: Energy Efficiency Programs**

EEA-NJ encourages New Jersey to consider the establishment of a comprehensive "one-stop-shop" platform for energy efficiency initiatives, integrating programs aimed at building decarbonization, federal incentives, and Demand Response programs to maximize the impact of this strategy. This platform would streamline program navigation for consumers, mitigating the current complexity associated with accessing utility, BPU, and Weatherization Assistance Program (WAP) offerings. It is essential to ensure that these programs are stacked effectively to facilitate comprehensive and timely energy retrofits, minimizing logistical burdens on consumers and contractors alike.

For low-income customers, it is crucial to introduce programs that address critical repairs and pre-weatherization needs. Integrating these efforts with existing home health and safety programs, such as lead remediation initiatives, will not only enhance housing conditions but also pave the way for long-term energy efficiency gains. Similarly, in the commercial sector, enforcing existing benchmarking requirements and implementing public benchmarking grades will promote transparency in building energy performance and should be used to encourage poorly-performing buildings to take advantage of energy efficiency programs. EEA-NJ recommends introducing building performance standards for large commercial buildings, coupled with indoor air quality requirements, would further ensure that existing structures meet baseline energy efficiency goals.

Language accessibility remains a cornerstone of inclusive program design. Recent legislation requiring multilingual applications, intake forms, and eligibility notices is a positive step forward. The EMP should expand on these requirements, ensuring that language access extends beyond essential documents to encompass outreach and marketing materials. Furthermore, achieving the building electrification goals outlined in Executive Order 316 demands proactive measures. New Jersey should prioritize training and deploying skilled heat pump contractors, facilitating workforce readiness to meet growing electrification demands.

To address workforce challenges, the state should establish standardized certification processes for energy auditors and efficiency contractors. Making this information readily accessible to the public will empower consumers to identify qualified professionals for their energy improvement projects. Additionally, leveraging data sharing between state agencies and utilities can optimize outreach efforts, ensuring that educational materials and incentives are targeted effectively, particularly to properties undergoing refinancing cycles.

Lastly, the New Jersey Economic Development Authority (NJEDA) should play a pivotal role in ensuring robust customer engagement plans across energy efficiency, Demand Response, and building decarbonization programs. This holistic approach will foster community participation and support, driving the state towards its clean energy objectives while promoting economic resilience and environmental stewardship.

#### **Strategy 4: Building Electrification**

Strategy 4 rightly identifies the importance of decarbonizing buildings as a cornerstone of New Jersey's energy future. The recent approval of a revised program offering financial incentives for new construction achieving high energy efficiency and greenhouse gas reduction marks a significant step forward. To effectively achieve net-zero emissions in new construction, New Jersey must continue adopting the latest model energy codes, ensuring alignment with the newest International Energy Conservation Code (IECC). Updating and enforcing these codes are pivotal in driving construction practices towards sustainable standards, crucial for meeting our climate goals.

In addition to financial incentives for new buildings, New Jersey should consider further development of performance standards, which are a great way to drive improvements in older buildings. Codes have little impact on existing buildings. The benchmarking of buildings over 25,000 sq ft is a good start down this path. Identifying and targeting buildings with existing oil, propane, and older electric-heated buildings is paramount to advance beneficial electrification. Targeted outreach and education are essential in communities where these heating methods prevail, highlighting not only environmental and health benefits but also cost efficiencies of transitioning to modern, efficient heat pumps. Equally critical is eliminating ratepayer subsidies for new natural gas hookups and prohibiting utilities from expanding natural gas service into areas without current connections. Strengthening data sharing between state agencies and utilities will further support effective policy implementation and ensure accurate targeting of energy efficiency initiatives.

New Jersey should capitalize on federal funding opportunities, such as the Inflation Reduction Act (IRA) code adoption grants and Building Energy Codes Program (BECP) support, to promote the adoption of innovative stretch codes and zero energy building standards. These initiatives not only enhance energy efficiency but also stimulate local economies through job creation and infrastructure development. By embracing these strategies comprehensively and integrating them into the 2024 Energy Master Plan, New Jersey can lead the way in building decarbonization, ensuring a sustainable future for generations to come.

EEA-NJ supports the continued conversation that was started a year ago, through EO 317, directing the BPU to open a proceeding regarding the Future of the Gas Utilities. This is a necessary conversation to have in connection with the considerations of building electrification.

### **Strategy 5: Grid Modernization**

EEA-NJ supports advancing electric distribution system upgrades for DER projects, including collaborative efforts between businesses, the utilities, and state agencies to establish pilot programs underpinned by robust stakeholder engagement and data sharing. This will facilitate efficient grid integration of DER technologies such as virtual power plants (VPPs) and bidirectional EV charging which serve a dual role and can act as storage. New Jersey should pilot local distribution-level VPP programs and stack services to optimize grid resilience and support state emission reduction targets outlined in the Global Warming Response Act.

### **Strategy 6: Community Engagement**

New Jersey needs to ensure equitable access and representation in its clean energy economy, particularly for low- to moderate-income (LMI) communities. As we strive to implement these strategies, it is imperative to optimize existing workforce development programs and design new initiatives that actively engage residents in LMI communities. This can be achieved through enhanced wrap-around services and including pre-apprenticeship programs tailored to clean

energy sectors. These workers will be needed as part of the localized workforce to deliver programs in their communities like the Whole House Pilot, Comfort Partners, and Home Energy Rebate Programs.

To ensure that LMI communities not only have access to but can also afford clean energy and energy efficiency measures, the state must prioritize the integration of "bridge" programs. These could include innovative financing options for home remediation and other energy improvements. Language accessibility remains a crucial component, where mere provision of access must be supplemented by proactive outreach efforts. Utilizing available data to identify and target these communities, and streamlining the income verification process, will further enhance program uptake and effectiveness.

Moreover, fostering county and municipal participation in climate investments is essential. New Jersey can incentivize local governments to embrace clean energy initiatives through targeted financial support, technical assistance, and policy frameworks that encourage renewable energy adoption and efficiency improvements. Collaborative partnerships with local stakeholders will be instrumental in navigating regulatory landscapes and maximizing community engagement, ensuring that climate action benefits all residents equitably. Given current federal funds available to local governments through direct-pay tax credits and other avenues, state support to municipalities will help maximize clean energy investment in New Jersey.

### **Strategy 7: Clean Energy Workforce Development**

To effectively build a clean energy workforce, New Jersey must leverage the strengths of community-based partners such as non-profits, social service organizations, vocational schools, and county colleges. These entities play a pivotal role in preparing residents for careers in clean energy through tailored training programs and apprenticeships. Collaborating with state agencies and utilities engaged in similar initiatives will streamline efforts, prevent duplication, and enhance overall program efficiency. Reviewing procedures for reciprocity with out-of-state contractors and integrating clean energy job training into educational curricula will further bolster workforce readiness. Initiatives such as the Garden State Challenge in New Construction demonstrate effective models for incentivizing innovation and market adoption. Emulating successful programs like the Empire Building Challenge in NYC can inspire market actors to invest in similar competitive frameworks that spur technological advancement and workforce development.

EEA-NJ would be happy to coordinate a conversation between the Energy Master Plan Team and those of our members who are utility program implementers. We encourage the Board to solicit input from all interested implementer firms in New Jersey.

The Energy Efficiency Alliance of New Jersey appreciates this opportunity to comment, and we welcome any questions you may have on these recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Kolesnik', written in a cursive style.

John Kolesnik

Policy Counsel

Energy Efficiency Alliance of New Jersey