



FY2021 Notice of Changes

Commercial & Industrial Energy Efficiency Programs

The New Jersey Board of Public Utilities, at its September 23, 2020 Board Agenda meeting, approved *New Jersey Clean Energy Program's™* Fiscal Year (FY) 2021 compliance filing which runs from October 1, 2020 through June 30, 2021.

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 FY2020 or FY2021 application through October 31, 2020. The program rules, requirements and incentive levels will be consistent with the application form submitted. As of November 1, 2020, the program will no longer accept FY2020 applications and participants must use the FY2021 forms.

Incentive and program changes effective October 1, 2020

All C&I Energy Efficiency Programs

- Minimum efficiency, baseline, and related requirements as stipulated by ASHRAE 90.1-2016 (i.e., the most recent version of the Building Energy Code for commercial buildings adopted in New Jersey) have been updated where necessary or appropriate.

C&I New Construction and Retrofit (SmartStart)

- The availability of Enhanced Incentives has been extended to include custom projects; they are already available for prescriptive projects.
- Eligibility requirement that Custom projects provide savings $\geq 75,000$ kWh or 1,500 therms has been removed. That requirement had existed only to prevent the program from being overwhelmed by small custom applications; experience has shown that that risk no longer exists.
- Changes to pre-inspection and pre-approval requirements will apply both retroactively and prospectively. These changes will ease the application process and thereby increase participation and energy savings.
 - Applicants for 1) Custom projects and 2) Prescriptive projects with total incentives of $\geq \$100,000$ for Prescriptive Lighting, Performance Lighting, and Lighting Controls *not eligible for Enhanced Incentives* must submit applications prior to installation and receive either a notification of a successful pre-inspection or a waiver of pre-inspection from the Program Manager prior to beginning installation/construction to remain eligible for incentives. Previously, these applications required the Program Manager's approval prior to installation/construction.
 - Applications for Prescriptive projects with total incentives of $\geq \$100,000$ for Prescriptive Lighting, Performance Lighting, and Lighting Controls *eligible for Enhanced Incentives* will not

be subject to pre-inspection prior to approval. Applications may be submitted up to 12 months after material purchase to remain eligible for incentives. Previously, these applications required pre-inspection and pre-approval of the application prior to installation.

- For custom applications, the requirement for the submission of twelve months of utility billing has been replaced with the requirement for the submission of a single month utility bill, recognizing that the Program Manager may require the submission of further bills if relevant to its review of an application. This aligns the custom requirement with the existing prescriptive requirement. This will apply retroactively to projects submitted on or after March 1, 2020 and prospectively.
- Program eligibility for free-standing water heaters and booster heaters has been extended to include new construction, in addition to retrofits. This Program detail is and will be reflected in the application and similar documents; it is not included in the Compliance Filing.
- Program requirements have been updated in response to updates made by the DesignLights Consortium (DLC) or ENERGY STAR® or to reflect changing market conditions, including:
 - Add horticultural LED lighting prescriptive incentives for indoor horticultural uses, and
 - Expand eligibility to include the replacement of any 4-Pin CFL with any 4-Pin LED (compared to the existing restricted listing of eligible 4-Pin LEDs), and
 - Make miscellaneous adjustments to incentive amounts for Prescriptive Lighting.
- The following updates have been made in response to updates made by ENERGY STAR and the adoption of ASHRAE 90.1-2016:
 - Adjust Electric Chiller testing procedure requirements, and
 - Adjust Occupancy Thermostat incentives to exclude new construction hospitality over 50 units, and
 - Update Unitary HVAC incentive tables to align with ASHRAE and AHRI size categories and updated performance requirements, and
 - Adjust Performance Lighting incentives to remove the \$30 per fixture cap, and
 - Adjust Food Service requirements to align with latest ENERGY STAR standards, and
 - Adjust Boiler Economizing Controls incentive to existing buildings only, and
 - Adjust Gas Water Heating requirements/efficiencies to reflect USDOE standards, and
 - Adjust Kitchen Hood VFD incentive to existing buildings only, and
 - Adjust Floating Head, Floating Suction, Door Heater Control, and Electric Defrost Control incentives to existing buildings only, and
 - Replace the existing Custom Measure requirement that the measure exceed Code requirements by $\geq 2\%$ with the requirements that (a) retrofits meet or exceed Code and use existing conditions as the baseline (unless Code would be a more appropriate baseline) (b) new construction exceeds Code and uses Code as the baseline.

Pay for Performance: Existing Buildings (P4P-EB)

- No changes, except for those proposed for all of C&I EE.

Pay for Performance: New Construction (P4P-NC)

- No changes, except for those proposed for all of C&I EE.

Large Energy Users (LEUP)

- The eligibility threshold from \$200,000 of contributions to the NJCEP fund has been changed to \$5,000,000 of annual energy costs. The results will be essentially similar, but the change will be much easier for potential applicants to determine their eligibility, thereby increasing the likelihood of their participation.

Customer Tailored Energy Efficiency (CTEEP)

- The Proposed Program Changes for SmartStart will, to the extent applicable, also apply to CTEEP.
- The incentive caps have been increased to align with the incentive caps for SmartStart. This will, among other things, encourage larger projects with greater energy savings.

Local Government Energy Audit (LGEA)

- No changes, except for those proposed for all of C&I EE.

Direct Install (DI)

- No changes, except for those proposed for all of C&I EE.

Multifamily, Existing Homes, and Commercial and Industrial (C&I) Buildings Programs

- TRC and Board Staff have decided to indefinitely suspend the launch of the Multifamily, Existing Homes, and Commercial and Industrial (C&I) Buildings Programs that previously were expected to launch during FY20. The existing C&I programs will continue for FY21.

DISTRIBUTED ENERGY RESOURCES (DER) PROGRAMS

Combined Heat and Power – Fuel Cells (CHP-FC)

- The requirement that applicants receive the Program Manager’s approval prior to installation/construction has been changed to a requirement that they instead receive either a notification of a successful pre-inspection or a waiver of pre-inspection from the Program Manager. This will apply both retroactively and prospectively. This Program detail is and will be reflected in the application and similar documents; it is not included in the Compliance Filing.
- The schedule for submitting an application for Incentive #3 to within eighteen (18) months of installation has been clarified, with the foregoing deadline being subject to being extended for six (6) additional months by the Program Manager.
- During FY21, new incentive commitments for Fuel Cells without Heat Recovery (FCwoHR) will be capped at \$4,500,000, and new incentive commitments for projects involving primarily equipment from any single FCwoHR manufacturer at \$1,500,000.

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

