Agenda Date: 6/30/25
Agenda Item: 8A

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS FOR FISCAL YEAR 2026 CLEAN ENERGY PROGRAM	))))	ORDER DOCKET NO. QO25040205

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Neil Hlawatsch, Esq., Atlantic City Electric Company
Sheree Kelly, Esq., Elizabethtown Gas Company and South Jersey Gas Company
Tori Giesler, Esq., Jersey Central Power & Light Company
Andrew K. Dembia, Esq., New Jersey Natural Gas Company
Matthew M. Weissman, Esq., Public Service Electric and Gas Company
Margaret Comes, Esq., Rockland Electric Company
Michael Ambrosio, TRC Energy Services

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers and approves the Comprehensive Resource Analysis ("CRA") Straw Proposal's Proposed Fiscal Year ("FY") 2026 ("FY26") Societal Benefits Charge ("SBC") funding level as well as the FY26 Utility Payment schedule. The new FY26 SBC funding level ("FY26 Funding Level") will be used to support the New Jersey Clean Energy Program ("NJCEP") budgets and other State Energy Initiatives.[1]

BACKGROUND & PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act ("EDECA" or "Act"), N.J.S.A. 48:3-49 et seq., was signed into law, creating the Societal Benefits Charge ("SBC") to, among other things, fund programs for the advancement of energy efficiency ("EE") and renewable energy ("RE") in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a Comprehensive Resource Analysis ("CRA") of EE and RE programs in New Jersey every four (4) years.[2] The CRA would then be used to determine the appropriate level of funding over the next four (4) years for the EE and Class I RE programs, which are part

[1] The funding levels approved in this Order are subject to State appropriations law.

[2] N.J.S.A. 48:3-60(a)(3).

of what is now known as the NJCEP. Accordingly, in 1999, the Board initiated its first CRA proceeding, and in 2001, it issued an Order setting funding levels, the programs to be funded, and the budgets for those programs, for the years 2001 through 2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – FY 2025 ("FY25").[3]

On May 7, 2025 via the BPU listserv and the NJCEP website, the Board provided notice of a May 28, 2025 public hearing. On May 22, 2025, the Board released the draft CRA Straw Proposal and related programs and budgets for FY26. The covering emails and website postings requested comments on these documents by June 6, 2025. In addition, by email dated May 29, 2025, the New Jersey Department of Environmental Protection ("NJDEP") confirmed that: a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY26 Funding Level set forth therein, as defined below; and b) the NJDEP agreed with the Proposed FY26 Funding Level.

CRA STRAW PROPOSAL

The following summarizes the key components of the CRA Straw Proposal.

Funding Levels

The CRA Straw Proposal's funding levels include the funding estimated to meet the needs of the NJCEP and the efforts of Board Staff ("Staff") to advance the initiatives required by L. 2018, c. 17, codified at N.J.S.A. 48:3-87.8 et al. ("Clean Energy Act" or "CEA"). For FY26, Staff recommend that the Board set a funding level of $344,665,000, which is the same funding level approved by the Board since FY 2015. When combined with other sources of funds,[4] it results in a total FY26 budget ("FY26 Budget") of $869,030,671.[5] Staff estimate that the Proposed FY26 Funding Level will be sufficient to maintain a full portfolio of programs. The table below provides more details regarding the FY26 Funding Level.

Proposed FY26 Funding Levels*		
CEP Budget Category	FY26 New SBC Funding ($)	Total FY26 Funding ($)
Total NJCEP + State Initiatives	344,665,000	869,030,671
State Energy Initiatives	97,200,000	216,189,000
Total NJCEP	247,465,000	652,841,671

[3] In the early years, the budgets and programs were based on calendar years, but in 2012, the Board determined to begin basing the budgets and programs on fiscal years to align with the overall State budget cycle. In 2012, the Board ceased issuing the CRA on a four (4)-year cycle and began to issue a CRA annually. See In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 – 2012 Clean Energy Program, BPU Docket Nos. EO07030203 and EO11100631V, Order dated November 20, 2012.

[4] Other sources of funding can include interest earnings, carryforward funds, and revenue from application fees.

[5] The FY26 Budget reflects the new SBC funding going to the NJCEP and to other State Energy Initiatives, plus carryforward SBC funds from the previous year. It does not reflect the total NJCEP budgets from all funding sources.

Energy Efficiency Programs	**61,790,034**	**191,406,296**
C&I EE Programs	**28,399,755**	**67,463,790**
New Construction Programs	**33,390,279**	**69,204,679**
State Facilities Initiative	**0**	**54,675,202**
Acoustical Testing Pilot	**0**	**62,626**
Distributed Energy Resources	**10,205,741**	**25,923,043**
CHP - FC	**10,205,741**	**19,323,828**
Microgrids	**0**	**731,738**
Energy Storage	**0**	**5,867,478**
RE Programs	**3,025,441**	**7,372,116**
Resource Adequacy	**0**	**4,346,675**
Solar Registration	**3,025,441**	**3,025,441**
Planning and Administration	**18,749,429**	**70,407,798**
BPU Program Administration	**0**	**10,400,000**
Marketing	**4,867,352**	**7,000,000**
CEP Website	**0**	**1,423,000**
Program Evaluation/Analysis	**7,816,552**	**44,661,932**
Outreach and Education	**5,994,383**	**6,779,961**
Memberships	**71,141**	**142,906**
BPU Initiatives	**153,694,355**	**357,732,416**
Clean Energy Affordability	**54,766,461**	**133,802,216**
Grid Modernization Efforts	**0**	**15,000,000**
Electric Vehicle Programs	**98,927,894**	**207,930,200**
Workforce Development	**0**	**1,000,000**

*Totals may not add up precisely due to rounding to the nearest dollar

SBC Collection Schedule

The table below sets out the proposed monthly payments to the Clean Energy Fund due from each utility. This fund is used to support clean energy initiatives in the state including the NJCEP and other state energy initiatives and is supported by revenues collected from the SBC on monthly utility bills. Staff utilized the utilities' revenue and sales projections to develop the proposed monthly utility payments, resulting in the table below. Staff recommend that the Board use these assumptions for allocating the funding to utilities in FY26.

FY26 Utility Payments:

FY26	PS-Electric	JCP&L	ACE	RECO	NJN	SJG	PS-Gas	ETG	Total
Jul	$13,077,954.67	$6,601,881.55	$2,881,012.11	$530,111.04	$522,596.77	$512,081.35	$1,877,279.41	$504,426.08	$26,507,342.98
Aug	$13,162,205.60	$7,195,794.43	$3,127,380.70	$534,807.17	$507,688.68	$461,123.31	$1,723,820.55	$519,444.56	$27,232,264.99
Sep	$12,255,600.46	$6,424,286.75	$2,940,726.66	$490,861.59	$502,203.32	$503,413.88	$1,815,047.78	$529,491.05	$25,461,631.49
Oct	$9,703,644.06	$4,930,966.63	$2,006,633.92	$369,033.05	$923,367.51	$554,606.05	$2,574,816.00	$547,636.24	$21,610,703.46
Nov	$9,690,197.77	$4,512,316.56	$1,930,452.84	$340,087.83	$1,874,969.75	$785,858.71	$5,674,248.68	$982,582.64	$25,790,714.78
Dec	$11,058,244.62	$5,034,931.86	$2,027,301.78	$383,133.59	$2,904,524.84	$1,674,340.75	$9,668,142.47	$1,669,639.57	$34,420,259.48
Jan	$11,244,369.99	$5,625,400.74	$2,405,200.70	$426,139.84	$3,510,284.53	$2,349,578.51	$11,823,223.22	$2,163,301.55	$39,547,499.08
Feb	$10,569,947.86	$5,455,040.44	$2,248,043.23	$397,112.71	$2,986,338.46	$2,254,946.53	$12,142,898.32	$2,112,761.55	$38,167,089.10
Mar	$10,312,384.16	$5,150,827.76	$2,034,031.10	$352,563.36	$2,449,564.92	$1,986,360.17	$10,110,954.22	$1,876,694.66	$34,273,380.35
Apr	$9,306,901.16	$4,666,747.03	$1,900,870.74	$347,217.77	$1,349,584.49	$1,326,814.51	$6,700,062.04	$1,397,077.26	$26,995,274.99
May	$9,319,063.65	$4,387,309.13	$1,728,612.11	$333,999.07	$751,788.15	$751,501.93	$3,931,428.09	$913,000.44	$22,116,702.58
Jun	$10,625,536.40	$5,218,280.22	$2,206,353.30	$416,569.74	$519,963.12	$549,613.57	$2,427,993.38	$577,826.97	$22,542,136.71
Total	$130,326,050.40	$65,203,783.11	$27,436,619.19	$4,921,636.76	$18,802,874.54	$13,710,239.27	$70,469,914.15	$13,793,882.58	$344,665,000.00

Rate Impacts

The Proposed FY26 Funding Level represents a continuation of the level of new funds to be taken from the SBC in the FY, and its approval will therefore have no incremental impact on rates.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

Written and oral comments regarding the Proposed FY26 Compliance Filings and the Proposed FY26 Budget were submitted by written and oral comments regarding the Proposed FY26 Compliance Filings and Proposed FY26 Budget were submitted by Alejandro Meseguer, American Council for an Energy-Efficient Economy ("ACEEE"), American Lung Association ("Lung Association"), Cherry Hill Township, Bloom Energy ("Bloom"), Capital Access, ChargeScape, ChargEVC-NJ, DCO Energy, Energy Efficiency Alliance of New Jersey ("EEA-NJ"), Energy Efficiency Alliance Coalition ("EEA Coalition"), Environment New Jersey ("Environment NJ"), Installations 3 Construction Training Center, Isles Inc ("Isles"), Jersey Renews, Jersey Renews Coalition ("Coalition"), MaGrann Associates ("MaGrann"), New Jersey Coalition of Automotive Retailers ("NJCAR"), New Jersey Division of Rate Counsel ("Rate Counsel"), New Jersey Energy Coalition ("NJEC"), New Jersey League of Conservation Voters ("NJLCV"), New Jersey Offshore Wind Alliance ("NJOWA"), New Jersey Utilities Association ("NJUA"), NJ Work Environment Council, Northeast Chapter of the Combined Heat and Power Alliance (“The NE Chapter”), Public Service Electric and Gas Company ("PSE&G"), Renew Home, Robert Erickson, Sangeeta Doshi, Susan Dorward, Tri-County Sustainability, United States Hydrogen Alliance ("USHA"), and Volt Industrial Equipment ("Voltie").

Below is a summary of the testimony and comments, as well as Staff’s responses to them. Staff reiterate that they are conducting a series of meetings and other outreach for soliciting input on the broad features of the programs that will enable the State to meet the clean energy goals set forth in the CEA and the 2019 Energy Master Plan (“EMP”).[6] In other words, the current proceeding is not the most appropriate vehicle for considering input on certain program features, and Staff will continue to seek such input in other forums.

Staff note that the process and schedule for commenting on the CRA Straw Proposal and on the associated draft FY26 Compliance Filings and Budgets were very similar and that both proposals

[6] New Jersey Board of Public Utilities, 2019 New Jersey Energy Master Plan: Pathway to 2050, available at https://nj.gov/bpu/pdf/publicnotice/NJBPU_EMP.pdf.

are being presented to the Board on the same Agenda. Because some comments do not readily lend themselves to being classified as being about one (1) proposal versus the other, Staff strongly encourage readers interested in either proceeding to read the comments and responses regarding both proposals.

General

Comment: NJLCV expressed support for the FY26 budget but are concerned that 30% of the budget is being carried forward (carry forward of nearly $40 million for CEP and over $300 million in total). Despite the urgent need, they state that funds are not being spent in a timely manner. NJLCV believe that unspent funds could support programs like microtransit, Electric Vehicle ("EV") charging infrastructure, and scaling up of whole-home EE programs. NJLCV asked that BPU clarify the source and reason that funds are being carried over, accelerate investment where it will benefit residents, and clarify where funds have been allocated but not drawn down.

Response: Staff thank NJLCV for their support of the FY26 Budget. Staff are continuously looking for ways to spend down the carryforward amounts as efficiently as possible. In the FY26 Budget table, Staff identified carryforward that is already committed to programs in the estimated committed carryforward column. In some circumstances the Board has already approved programs and budgets, but a formal commitment has not been made yet. The nearly $40 million cited by NJLCV falls into this category: money that has been obligated by the Board and is awaiting a formal commitment such as a contract, grant, or other purchase order. A commitment is considered formal when a contract, grant, or purchase order is created. These funds cannot be reallocated. Staff also identified carryforward that is pending Board action, but not yet committed. These columns were added to provide for more transparency and clarity in the FY26 Budget.

Comment: Robert Erickson recommended that the BPU establish a clear plan with schedules by utility and generation source by year to get to 100% clean electric by 2035.

Response: Staff acknowledge the importance of having a clear plan to meet the Clean Energy goals. There are documents and proceedings, such as the EMP, that are meant to best determine how the State can meet these Clean Energy goals while maximizing the benefit to ratepayers.

Comments: The Lung Association strongly recommended including a side-by-side comparison with FY25 budget figures, either as an additional column or a separate table to enhance transparency and allow the public to more easily assess year-over-year changes in program funding. They stated that this change would allow for a more efficient review of budget trends and improve accountability in tracking how program funds are spent over time.

Robert Erickson recommended the FY26 budget have a clear, simple table for each item and all sub-items in the FY26 budget as to the cost, benefit, and the amount of GHG, including pollution levels, year by year. He stated that the focus on eliminating carbon dioxide and GHG emissions is largely missing from the FY26 budget plan, similar to prior years' budgets. He highlighted that a technical explanation should detail how greenhouse gas ("GHG") reductions will be achieved and illustrate New Jersey's planned versus actual progress in reducing emissions according to Executive Orders and EMP documentation.

Response: Staff thank the Lung Association for their comment. Staff are continuously looking for ways to improve transparency in the budget process and will take the recommendation into consideration in the FY27 budget cycle.

Staff thank Mr. Erickson for the recommendation. Staff continue to internally evaluate the effectiveness of the programs that receive funding by utilizing a carbon abatement cost. Staff will look for future opportunities to incorporate this work into future budget analysis. Staff point the commenter to the quarterly reports that can be found on the NJCEP website. Metrics can be found in the report that show how NJCEP budgets reduce various pollutants, lower carbon emissions, and achieves energy efficiency savings.

Comment: Rate Counsel repeatedly raised issues with the DCE's single-year CRA and Budget plans, and the level of detail in its Compliance Filings. Rate Counsel alleged that the single-year plans violate the law and lead to higher carryforward funding since Staff do not consider future obligations and revenue in the current year Budget. They recommended that the Board provide a multi-year plan that analyzes program funding, performance, and spending. Further, they charged that the compliance filings do not provide evidence or justification for a wide range of Budget requests, nor do they provide sufficient detail about programs, plans, incentives, savings, and emissions. Finally, they stated that the use of the same text in Compliance Filings year over year indicates that there was no updated Budgetary analysis for several programs.

Response: Although Staff have considered a longer-term Budget, Staff disagree with the commenter regarding the advantages of a multi-year Budget or CRA. The Board determined that the CRA and Budget should be adjusted in 2012 to better align with the State's annual Budget. Also, this annual approach to developing the CRA and Budget allows for greater stakeholder input and enables Staff to better assess changes that impact program needs. Further, Staff consider a range of issues when crafting the Budget, including future obligations and revenue. Staff disagree with Rate Counsel and assert that there are sufficient details to justify the proposed funding levels. Program details can be found in the most recent compliance filings, including the EE programs, which are available on the NJCEP website. Additionally, financial and energy savings reports, which show expenditures and associated metrics for each program, are posted on the NJCEP website quarterly. Finally, Staff analyze programs each year. The use of the same language in compliance filings year over year is intended to provide consistency for stakeholders, not to indicate that Staff did not review programs. Nevertheless, Staff will take these recommendations into consideration in its ongoing efforts to improve the budget process.

Comment: Rate Counsel recommended providing more time between the filing and the stakeholder meeting and more time between the meeting and the comment deadline. They argued the time provided currently is too short to get through the documents. Further, they recommended introducing an evidentiary proceeding whereby Staff provide data necessary for Rate Counsel and other stakeholders to evaluate the Budget. They recommended that Staff at least answer questions at the public hearing.

Response: Staff have provided additional time for comment review in recent FYs based on previous feedback from stakeholders. Staff will continue to look for ways to provide as much time as possible for stakeholders to review. However, the FY26 Budget must be approved by the Board before the new FY begins on July 1st, so providing as much time as Rate Counsel would like is rarely possible. Further, the Budget relies on estimates and actual current year spending. If the Budget is completed earlier, Staff will have a less accurate picture of current year activity and of expected carryforward funds. Also, Staff assert that there are sufficient details to justify the proposed funding levels. Program details can be found in the most recent Compliance Filings, including the EE programs, which are available on the NJCEP website. Additionally, financial and energy savings reports, which show expenditures and associated metrics for each program, are posted on the NJCEP website quarterly. Staff will continue to look for ways to improve

transparency in the Budget process.

Budget

Comment: Rate Counsel submitted their own FY26 NJCEP Budget proposal, which recommends reducing new SBC funding in FY26 to $53.6 million, which would fund Comfort Partners. Additionally, they recommended cutting FY25 Estimated Carryforward that is pending Board approval, which would lead to a total FY26 Budget of $385.5 million, down from Staff's recommendation of $869 million.

Response: Staff disagree with Rate Counsel's recommended FY26 budget. Staff have addressed the need for specific programs in other comments. Here, it is important to highlight that Rate Counsel is recommending that the Board not provide funding for statutorily mandated programs such as the Plug in EV Incentive Fund, Charge Up New Jersey ("CUNJ") Residential Charger Incentive, Electric School Buses, and Medium and Heavy Duty Depot ("MHD"). Moreover, they recommend that the Board does not provide money for State Energy Initiatives, which the Board does not actually have control over. As stated previously, the State Energy Initiatives funding is determined by the State Budget. Further, cutting funding for Solar Registration would effectively close several solar programs, as new applications could not be accepted.

Comment: Rate Counsel criticized the State Energy Initiatives FY26 Budget proposal of $91.2 million, which it said represents funds diverted to the State General Fund without clarification in the Compliance Filings. They stated that these initiatives are unrelated to the State's clean energy goals and should not be funded by ratepayers, many of whom are struggling with bills. They stated there is no legal justification provided for the use of SBC funds in this context, nor is there data supporting the request of $91.2 million.

Response: Staff appreciate the comments submitted by Rate Counsel regarding the State Energy Initiatives budget line. However, this amount is set through the State Budget, outside of the Board's control. In FY26, in accordance with the FY26 Appropriations Bill[7], the State Energy Initiatives budget is $216.189 million.

Comment: Rate Counsel raised issue with prior year carryforward in the Budget of $524.3 million, which they believe indicates that Staff will not be able to spend funds collected through the SBC. Without an evidentiary process supporting decisions, they stated that funds should not be collected to support most areas of the Budget. For example, they stated that rather than collect the regular $344 million SBC in FY26, the SBC should be reduced by $173.7 million, the amount that is being used to provide assistance via the Residential Energy Assistance Payment ("REAP") and Energy Bill Assistance lines. They emphasized that this is especially true given the 20% increase in electric rates expected this month.

Response: Staff disagree that the amount of carryforward shows that the SBC is too high. Staff regularly work to improve the allocation of funding and minimize the amount of carryforward commitments, but commitments are a precursor to spending. In this way, Rate Counsel misses the distinctions in the FY26 Budget when it cites the $524.3 million in carryforward: $293.3 million of this has been formally committed through agreements and $38.5 million has been obligated by the Board and is awaiting a formal commitment such as a contract, grant, or other purchase order. Accordingly, there needs to be money in the Budget to make these commitments, which often

[7] S.2026/A.5800 (2025).

means carrying forward funding.

Staff disagree with Rate Counsel regarding support for budget decisions, noting that Board-approved NJCEP programs are subject to a process involving extensive research and stakeholder engagement, which Rate Counsel participates in. The NJCEP is a dynamic program, with changes made to existing programs and new components introduced from year to year. In addition, due to the current rate environment, Staff have found ways to reallocate funding to provide utility bill relief to ensure that long-term and short-term needs of ratepayers are addressed.

With respect to energy bill assistance, Staff notes that this initiative will now be fully supported by RGGI[8] and the Solar Alternative Compliance Payment[9] ("SACP"), outside of the NJCEP budget. To align with the FY26 Appropriations Bill[10], slightly less than $119 million was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole House.

Comment: Rate Counsel recommended the Board not approve collection of new SBC funds and instead create an evidentiary process over the next several months so that stakeholders can request additional materials from Staff and its consultants; submit interrogatories that Staff and its consultants must answer; the opportunity to cross examine Staff and consultants; and submit comments.

Response: Staff disagree that the Board should not approve new SBC funds for FY26. Doing so would inhibit the Board from planning and carrying out clean energy objectives as specified in the EMP. Further, it would damage the State's credibility in the industry at a time when clean energy projects are already facing obstacles. As stated, Staff are always looking to improve transparency and the Budget process. However, providing as much time as Rate Counsel would like is rarely possible. Even so, Staff provide opportunities throughout the year and specifically during the Budget process and true-up Budget process for stakeholders to review detailed Budget and programmatic information and provide comment. Through these processes, Staff do respond to stakeholders.

Comment: Rate Counsel argued that the Acoustical Testing Pilot program should be ended as soon as practical and that no funding should be committed or budgeted in FY27.

Response: Staff will be closing out the remaining grants in FY26. No additional funding for this program will be committed in FY27.

State Facilities Initiative

Comment: Rate Counsel pointed out that all FY26 Budget for the State Facilities Initiative ("SFI") is from the FY25 estimated committed carryforward of $54,675,202. They stated that the DCE FY26 Compliance Filing does not provide data on State Facilities Initiative, but stated that current funds were carried over from FY25 based on updated project timelines. Rate Counsel argued

[8] New Jersey receives a portion of funds collected from the RGGI CO_2 quarterly auctions. The Board receives 20% of the proceeds from the New Jersey auctions.

[9] Electricity suppliers are required to pay an SACP if they do not meet the requirements of New Jersey's solar Renewable Portfolio Standards (RPS) with Solar Renewable Energy Certificate (SREC) retired. These payments are put into a separate account and are required to be returned to ratepayers.

[10] S.2026/A.5800 (2025).

that DCE has not provided data on energy savings and cost-effectiveness data for SFI.

Response: Staff agree that SFI will be funded by Committed Carryforward in FY26. Staff post updates on the SFI Projects on the Board's website www.nj.gov/bpu, through the Division of State Energy Services. Additionally, projects managed by Treasury Division of Property Management and Construction have Request for Proposals posted to NJSTART. Projects report energy savings as part of final construction requirements by contractors. The State Facilities Energy Consumption Report is not funded by SFI. This report was included on the BPU and DPMC Designated Project List, but was removed in FY25. No SBC funds were used for this effort.

Energy Efficiency

Comment: Robert Erickson commented that NJ needs to replace the Energy Star program immediately if the program is cut. He stated that the FY26 NJCEP filings reference the federal Energy Star program, with many programs, equipment, and incentives dependent on Energy Star qualifications, including the NJ EV charger incentive program and NJ utility incentives. He emphasized that with the federal Energy Star program potentially ending, NJ needs to establish a multi-million dollar replacement program in 2025 to prevent disruptions or collapse of clean energy programs reliant on Energy Star. He recommended that a replacement program collaborate with other States to reduce costs, provide standards, equipment testing, and publish qualifications, like the federal program. It would also use consortium results where appropriate.

Response: Staff thank Mr. Erickson for comments regarding the uncertain future of the Energy Star program. Stakeholders at the May EE stakeholder meeting expressed similar concerns and offered comments on the topic. Staff are in discussions about options that would allow New Jersey to continue to offer Energy Star-related clean energy programs without disruption if the federal government ends the Energy Star program.

Comment: Robert Erickson suggested that the BPU should include specific goals and public annual tracking statistics for the installation of cold climate heat pumps in this year's Budget and future year Budgets, given the New Jersey EO 316 which calls for 400,000 additional buildings to be electrified by 2030 and 2019 EMP Strategy 4.1. He stated that only "cold climate" heat pumps should be approved for new residential construction incentives in New Jersey programs funded by taxpayers or ratepayers. For the Comfort Partners program, replacements should be cold climate heat pumps, avoiding natural gas or oil systems. He critiqued language in the CRA that has been repeated four years in a row that the BPU is "assessing" heat pumps. He noted excellent "cold climate" heat pumps are readily available in the market to install. Some of these have been successfully installed in NJ and are widely being installed in both Maine and Massachusetts. He emphasized the importance of heat pump installations for New Jersey to meet Executive Order 316 and the 2019 EMP goals, which call for incentives to transition to electric heat pumps and other electric appliances, crucial for achieving 100% clean energy targets.

Response: Regarding public goals and statistics, Staff are working with EE program administrators to add to publicly available quarterly program reports statistics that track to EO 316 objectives, including dwelling units and commercial spaces and/or public facilities with electric space heating and cooling and electric water heating systems, as well as residential units serving households earning less than 80% of area median income that are made ready for electrification through the completion of necessary electrical system repairs and upgrades. These statistics could include information about conversions from oil, gas, propane, or resistance heating to

electric heat pumps; new homes adopting heat pumps; and other valuable data. Staff thank Mr. Erickson for the comments and suggestions.

Comment: Robert Erickson recommended that the BPU establish an aggressive Building Electrification roadmap by the end of 2025 as part of the FY26 Budget. He stated that a roadmap is needed for clean energy investments and suggested that the BPU add a newly funded program for the development of a Building Electrification Roadmap as a standalone Budget item.

Response: BPU has been working with the Governor's Office of Climate Action and the Green Economy and other State agencies to develop a New Jersey strategic roadmap for building decarbonization following convening of the Clean Buildings Working Group. This roadmap will be released soon, and we welcome continued discussion on the topic.

Comment: Robert Erickson argued that BPU needs to eliminate all natural gas equipment incentives in the FY26 Budget. These incentives should be eliminated to prevent further GHG pollution and worsening global warming. Funds saved from cutting these incentives should be redirected towards cold climate electric heat pumps and other electrification priorities. He recommended that additional funds be allocated to fossil fuel equipment or infrastructure. He argued that natural gas companies should be prohibited from covering the costs of installing gas pipelines and meters at customer premises, requiring customers to bear these costs.

Response: BPU's revised new construction program includes incentives for two (2) or more individual improvements through the Bundled Pathway, with eligible measures comprising electric efficiency equipment and efficient envelope and insulation measures. Program applicants may also participate in the Streamlined and High Performance Pathways, which offer tiered incentives for overall building performance that exceeds certain thresholds above minimum standards, as well as a GHG emission reduction bonus.

BPU does continue to offer a natural gas energy efficiency incentive through the Large Energy Users Program at $3.75/therms saved annually, which can come from multiple sources and types of equipment under the program. Staff will continue to evaluate natural gas equipment incentives.

Regarding the costs of gas pipelines and meters, the Board appreciates this comment and will consider it in the appropriate context. Currently these costs are regulated pursuant to N.J.A.C. 14:3-8 et seq.

Comment: Robert Erickson suggested NJCEP prohibit utilities from offering incentives for central air conditioning systems that only provide cooling. Incentives should focus solely on "cold climate" heat pumps, which offer both heating and cooling. Funds for central air conditioning and dehumidifier incentives should be redirected to support heat pumps, as investing in central air conditioning locks in less efficient equipment for the long term, burdening taxpayers and ratepayers. He suggested that prohibiting support for central air conditioning might encourage multi-family housing and HOAs to accept heat pumps, citing instances where owners faced challenges installing heat pumps due to HOA restrictions. He argued that incentives should not be given to hybrid systems that facilitate automated fuel switching, as these perpetuate fossil fuel dependence. However, homeowners should be supported in partially transitioning by installing heat pump minisplits alongside existing equipment as an interim solution.

Response: As part of the Triennium 2 Efficient Products programs, the utilities offer modest incentives for residential central air conditioning systems (up to $200 per unit, compared to $500 per unit in Triennium 1). As part of the new Triennium 2 building decarbonization start-up

programs, by comparison, the electric utilities offer robust incentives for residential cold climate air source heat pumps that fully displace fossil fuel heating. For example, a customer adopting a full displacement cold climate air source heat pump is eligible for the lesser of $10,000 or 50% of the installation cost per house (i.e., cost of installation and dehumidifier). Moderate income customers are eligible for the lesser of $12,000 or 60% of the installation cost. In addition, the utilities offer $2000 for re-ducting if applicable and $2000 for decommissioning a fossil fuel system. These incentives are designed to encourage adoption of cold climate heat pumps that fully displace fossil fueled heating equipment while transitioning away from central air conditioning units.

Among the gas utilities, as part of its building decarbonization start-up program, New Jersey Natural Gas Company offers up to $2000 or 30% of the project cost per house (and $3000 or 50% of the project cost per house for moderate-income customers) for an air source heat pump, including integrated controls, that partially displaces the usage of natural gas fired equipment by being sized for at least cooling load plus electrical panel capacity if appropriate, up to heating load. Staff suggest that these incentives support residents to partially transition by installing one or more heat pumps alongside existing equipment as an interim solution.

Staff invite Mr. Erickson and other interested stakeholders to participate in opportunities for discussion and feedback about implementation of Triennium 2 programs ,and in particular, the vision for Triennium 3 programs, whether through public stakeholder meetings or requests for comments on proposed approaches in 2025 and beyond.

Comment: Robert Erickson commented that the Board has consistently stated over four years that it is "assessing cost-effectiveness of heat pump adoption," particularly for oil- and propane-fueled buildings. However, there appears to be no reported progress, suggesting the text is simply copied annually without updates. He emphasized that heat pump replacement for oil and propane systems has been cost-effective for years and addressing natural gas consumption—responsible for over 80% of residential space heating emissions—is crucial. He cited Maine's significant progress, with heat pump heating becoming more common than oil heating in new homes. He highlighted that NJ lacks annual public goals or statistics on conversions from oil, gas, propane, or resistance heating to electric heat pumps, or on new homes adopting heat pumps. Despite its reputation as a technologically advanced state, Erickson stated that New Jersey lags behind Maine in promoting and adopting electric heat pumps on a population-adjusted basis.

Response: While Staff agree that it is cost-effective to transition from electric resistance to an air source heat pump for heating, with increasing electricity prices, assessment of the cost-effectiveness of heat pump adoption continues to be relevant based on the relative prices of electricity, natural gas, and delivered fuels.

CHP-FC

Comments: The NE Chapter expressed its disagreement with the BPU's proposal to stop accepting new applications at the end of the calendar year for the NJCEP Combined Heat and Power – Fuel Cells ("CHP-FC") program.

USHA urged the Board to maintain the current CHP-FC Program and extend its availability to new applicants beyond the current deadline of December 31, 2025. They stated that preserving access to the program during the transition to a future framework centered on renewable energy will help ensure continuity for stakeholders and prevent delays in deploying efficient, low-carbon energy technologies. They stated that closing the program without a successor could disrupt

progress. To strengthen and maintain its effectiveness, they suggested that the Board review and update incentive structures to reflect inflation and market needs, improving accessibility and investment incentives. They welcomed opportunities to participate in stakeholder engagement efforts to help shape the future framework.

DCO Energy opposed the proposed elimination of financial incentives for Combined Heat and Power ("CHP") systems not fueled by Class I renewable energy resources. They stated that the current incentives have been crucial in developing projects that enhance energy efficiency, reduce emissions, lower operating costs, and contribute critical distributed generation capacity to the grid. They explained that New Jersey lacks significant Class I thermal energy resources beyond landfill gas, and its biofuels market is underdeveloped, lacking necessary infrastructure and commercial maturity for project deployment. Additionally, no transitional solutions are provided to sustain CHP viability while these renewable options are developed. Therefore, DCO Energy argued the change would dismantle the CHP program, halt microgrid development, increase grid pressure, and reduce energy efficiency gains. The change is seen as premature and misaligned with market realities and clean energy goals. They urged the Board to maintain a fuel- and technology-neutral incentive structure and pursue a phased transition only when Class I renewable fuel markets are viable.

NJEC urged the Board to maintain the current CHP-FC Program, and allow it to remain open to new applications beyond December 31, 2025, ensuring continued support for CHP-FC projects during the transition to a new program focused on renewable energy sources. They suggested the Board issue a generic procedure order for the program to address increasing the incentives in line with inflation. They stated that a premature closure of the existing program before the replacement initiative is fully developed could create a gap in clean energy investment, causing uncertainty among stakeholders and potentially delaying critical projects that contribute to the state's clean energy goals. They strongly recommended that the existing program remain open and accessible to ensure stability.

Bloom suggested that the Board reconsider its decision to stop accepting new applications for the NJCEP CHP-FC incentive program at the end of 2025. They argued that onsite generation with CHP and fuel cells, even when using natural gas, offers significant benefits such as reducing grid load, improving energy efficiency, and providing emissions reductions. Bloom emphasized that renewable fuels are not yet affordable or available at scale in New Jersey, potentially making CHP-FC projects economically unfeasible or requiring increased incentives. Without support for cleaner onsite generation, reliance on dirtier grid power could increase emissions. They stated that fuel cells can replace diesel generators, reducing CO2 emissions and pollution, especially in vulnerable communities. They noted that the New Jersey Fuel Cell Task Force report supports these claims, highlighting fuel cell's role in enhancing grid reliability and reducing reliance on high-emission peaking units. Bloom urged continued support for onsite generation to maintain environmental benefits and address grid challenges effectively.

Response: Staff thank the commenters for their concerns regarding the proposed change to the CHP-FC Program and suggestions for how to transition to a renewable energy fuels pathway. After considering stakeholders feedback, Staff are recommending that this Program remain open to new applications and unchanged until further policy development can be completed to transition to a renewable energy fuel pathway. Specifically, Staff need additional information on the availability of renewable resources for these projects and the challenges around ensuring the necessary infrastructure exists. Staff anticipate further stakeholder engagement around the issues of the availability of renewable energy fuel and the challenges around ensuring the

necessary infrastructure exists. Once this process is completed, Staff anticipate making final recommendations to the Board at a future time.

Comment: The NE Chapter commented that it disagrees with the recommendation to set the FY26 budget for Distributed Energy Resources ("DER") at $12,588,216, which it claims is a significant decrease from its FY25 Funding Level of $93,188,194. The FY25 budget included CHP–FC funding of $31,500,69, which is completely absent from the FY26 Budget. They further claimed the NJCEP partially recognized this error in its May 28th Public Hearing on its Proposed FY26 CRA, Budget and Program Plans, where it suggested CHP-FC funding of $10,205,741 under a modified program. The FY26 Budget fails to recognize that DERs, and CHP specifically, reduce the cost of energy for all ratepayers while providing additional benefits.

Response: Staff submit that its level of proposed funding is sufficient to maintain the existing level of CHP-FC activity and that the NE Chapter might have become confused as to the proposed funding for CHP-FC. Staff did not make any error regarding this item.

Contrary to the commenter's statement above, the actual Total FY26 Funding for CHP-FC is $19,323,828, not $12,588,216. Staff note that the proposed Division of Clean Energy Compliance Filing proposes a $12,588,216 budget for DER, but that budget is only for the DCE-managed programs and does not include CHP-FC, which is managed by TRC. Based on recent trends, Staff believe the proposed FY26 CHP-FC funding will be sufficient to maintain those trends. For example, during FY25, NJCEP is on pace to commit and spend approximately $20,000,000 for CHP-FC projects, leaving approximately $5,000,000 unused and suggesting that $15,000,000 could be adequate for FY26.

Staff also note that $60,000,000 of the FY25 DER Budget was allocated to Energy Storage. During FY26, Staff proposed funding Energy Storage through another source, i.e., the Ørsted settlement, thereby reducing the FY26 DER Budget by approximately $60,000,000.

Comment: Bloom commented, as it has in the past, that the manufacturer diversity cap should be "lifted" because it disfavors non-combustion fuel cell technology without a rational basis for doing so.

Response: This comment has been made, considered, rejected, and fully responded to regarding one or more previous Staff proposals. The reader is respectfully referred to those materials. For example, in connection with the proposed FY21 TRC Compliance Filing, Staff explained that "the fuel cell program is the only NJCEP program that historically has been dominated by a single manufacturer; all the others, including CHP, have consistently had a healthy mix of manufacturers, contractors, consultants, and applicants." Indeed, for the last several FYs, the only fuel cell applications NJCEP has received have been for Bloom equipment, thereby providing continuing evidence of the need for a cap to prevent Bloom from monopolizing the market. Staff continue to believe that limiting any manufacturer to $5,000,000 incentives is more appropriate than allowing Bloom to monopolize the market. Staff also note that in recent FYs this cap has not been reached, i.e., that applicants have not submitted approvable applications using Bloom technology and totaling $5,000,000 or more. Indeed, with only a few weeks left in FY25, NJCEP has not received even a single approvable fuel cell project. In other words, Bloom has not offered, and there otherwise is not any real evidence to support its claim that the manufacturer cap drives customers towards non-fuel cell CHP projects and away from

fuel cell projects.

Comment: Bloom commented that the proposed CHP-FC incentive structure is contrary to Recommendation 2.13 of the Fuel Cell Task Force, to wit: "[T]he BPU Clean Energy Program budget should increase the incentive for non-combustion generation, like fuel cell systems, that emit no air pollutants. The program currently allocates an incentive that could be three times greater for the installation of a combustion CHP system that increases air pollutants."

Rate Counsel commented, as it has in the past, that NJCEP should not provide incentives for fuel cells that are <60% efficient.

Response: Staff disagree with Bloom and point out that fuel cells with the same ≥60% efficiency as CHPs are subject to the same $3,000,000 cap as CHPs. Although Staff continue to evaluate the potential benefits of non-combustion generation and possible ways to further incentivize its use, it continues to believe it appropriate to provide a greater incentive to a technology that is ≥60% efficient than to a technology, like Bloom's, that is only ≥40% efficient. Staff also note that it has considered, rejected, and fully responded to similar comments regarding one or more previous Staff proposals. In addition, Staff continue to believe, despite Rate Counsel's contrary comment, that the environmental and grid resiliency benefits of ≥40% fuel cells continue to justify and support the existing incentives for that equipment.

Comment: Rate Counsel commented as it has in the past, including regarding the proposal for FY25 CHP-FC, that the Board should re-evaluate the justification for continuing to use limited ratepayer funds to incentivize mature technologies that use fossil fuel, such as CHP-FC. Rate Counsel again emphasized that CHP-FC projects can have adverse impacts on Overburdened Communities ("OBCs") and therefore, if the Board continues the CHP-FC Program, it should establish siting requirements to minimize the impact on OBCs.

Response: Similar to Staff's response to similar comments in the past, Staff appreciate Rate Counsel's reservations about incentivizing a fossil fuel technology, but note that, in general, projects in the CHP-FC program demonstrate overall efficiencies greater than those from current overall electric utility generation. The projects result in energy and GHG reductions at a customer's site and provide resiliency benefits. Staff continue to reevaluate this program and will take Rate Counsel's recommendations into consideration as part of that reevaluation.

As part of its overall reevaluation of CHP-FC, Staff will also consider whether CHP-FC has or is likely to have a significant adverse impact on OBCs and, if so, potential ways to mitigate that impact, including the potential efficacy and appropriateness of adding siting criteria to the program rules. In that regard, Staff note that CHP-FC projects are often substantially cleaner and more energy and cost-efficient than traditional power projects and that therefore they can also have a significant positive impact on an OBC.

New Construction Programs

Comment: MaGrann commented that the Board should add "language into the compliance filing to provide flexibility in program design to accommodate potential impacts from changes in federal programs such as EPA ENERGY STAR." The Lung Association commented that given the "uncertainty" around ENERGY STAR, the Board should work with public utilities to provide guidance to customers about how they can continue to purchase and maintain efficient equipment.

Response: Staff in principle agree with these comments. The TRC Compliance Filing states: "News sources indicate that United States Environmental Protection Agency may be eliminating the ENERGY STAR program. The Board is closely monitoring this situation and will consider appropriate revisions to NJCEP if and as appropriate." Staff are in discussions about options that would allow New Jersey to continue to offer Energy Star-related clean energy programs without disruption if the federal government ends the Energy Star program.

Comment: MaGrann commented that its understanding is that although Table 1 in the TRC Compliance Filing indicates the Bundled Pathway is "n/a" for Multifamily buildings, TRC will continue to apply its guidance allowing the use of that Pathway for Multifamily common areas that are not covered by the Energy Rating Index path calculation."

Response: Staff do not expect the guidance to change in the near term, and it does expect TRC to continue to utilize it in the near term.

C&I Buildings / LEUP

Comment: Rate Counsel commented, as it has in the past, that the TRC Compliance Filing should provide more detail regarding how much of the budget for this line item is allocated to the "base" Large Energy Users Program ("LEUP") program versus the LEUP Decarbonization Program.

Response: As it has in the past, including regarding its proposal for FY25, Staff submit that establishing a single budget covering both the LEUP and the Decarbonization Pilot contained within it is reasonable and consistent with Staff's and the Board's historic practice regarding pilots created within existing programs. Especially for pilots, it is useful and important for Staff and TRC to have the discretion to readily direct funds towards the pilot if it is attracting more than expected participation and to direct funds away from the pilot and towards the "base" program if the pilot is attracting less than anticipated participation.

Cost Benefit Analysis

Comment: Rate Counsel commented, as it has in the past, that TRC's Cost-Benefit Analysis ("CBA") fails to provide sufficient supporting details for its analysis, such as the methodology and assumptions it used.

Response: As previously and similarly stated in the response to similar comments regarding the FY24 and FY25 TRC CBAs, Staff disagree. The CBA includes a discussion and the results of the application of all six tests of cost-effectiveness generally recognized in New Jersey (including the Triennium 2 New Jersey Cost Test). The level of detail and support is consistent with N.J.S.A. 48:3-60, with the Board's Orders implementing that statute and identifying the requirements for Compliance Filings[11] and the level of detail and support historically contained in Board-approved Compliance Filings.

Distributed Energy Resources

[11] See In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040, QO23030150, & QO17091004, Order dated May 24, 2023.

Comment: Rate Counsel commented that no funding should be provided for Microgrids in the Budget and have concerns about them being new sources of noise and air emissions in OBCs. They also stated that no evidence has been provided that funding microgrids provides any tangible benefits to ratepayers.

Response: The only funding currently in the FY26 Budget to support microgrids are the remaining grant agreements that have not yet been paid out as part of the Town Center Distributed Energy Resources Microgrids Incentive Program. Under Phase 1 and 2 of this Program, no funds have been provided for the construction of a microgrid, but were intended to evaluate the feasibility and design of various proposals. In order to best determine the viability and understand the technological and regulatory challenges, evaluating proposals at this stage of the process is key. The Board has not yet determined next steps on funding this program beyond the current phases.

Comment: Robert Erickson suggested that the BPU needs to specify a substantial program of electricity storage to complement the vast increase in renewable electricity expected by 2035. He referenced large storage programs in both California and Texas. He highlighted that the California program has helped address large swings in solar each day, without requiring increases in natural gas usage and Texas is set to surpass California in battery storage by 2026. He noted that the BPU has solicited 160 MW of solar-paired storage, with bids closing in July 2025 and references the NJCEP's ambitious storage goals. However, it lacks annual statistics on planned or active storage sites and projections which highlights the need for a detailed storage roadmap.

Response: Staff agree that energy storage will play a valuable role in helping New Jersey meet its clean energy goals. Staff note the June 18, 2025, launch of Phase 1 of the Garden State Energy Storage Program (“GSESP”), which seeks to incentivize transmission-scale. A program administrator will play a vital role in tracking metrics for projects that are incentivized, including details on size, location, and other performance indicators.

Comment: Rate Counsel commented on BPU's efforts on energy storage, including incentivizing solar + storage under CSI and developing a standalone program.

Response: Staff acknowledge Rate Counsel's comments on the progress that has been made in regard to meeting the State's storage goals and note the successful launch of Phase 1 of the GSESP, which will focus on transmission-scale projects.

Nuclear

Comment: Rate Counsel commented that the DCE Compliance Filing did not provide details on the amount of funding that is anticipated to be utilized in FY26 to support the BPU's efforts around nuclear, specifically reviewing stakeholder input and why ratepayer fund should be used to support unregulated generations.

Robert Erickson commented that no taxpayer or ratepayer funding should be spent to develop and subsidize nuclear, as it needs to stand on its own financially. The commenter explained that industry customers, like data centers, seeking new electricity sources, including nuclear power, should cover all associated costs without burdening taxpayers or ratepayers. They should finance the entire lifecycle of new or expanded power plants, including risk management, evacuation plans, research and development, siting, waste management, insurance, and other expenses. Residents within 75 miles of new or expanded nuclear sites must be informed about plans, schedules, risks, and impacts. He stated that offshore wind (“OSW”) farms, solar, and storage

are considered safer and potentially cheaper than nuclear options when factoring in environmental costs across the lifecycle.

Response: Staff are still in the early phases of gathering stakeholder input to inform the State's next steps towards potentially advancing new nuclear and have recently released a Request for Information ("RFI") on May 5, 2024. Any use of funds to support future efforts will require additional Board action. Also, Staff expect additional extensive stakeholder engagement following review of the comments that are received from the RFI, including how to maximize ratepayer benefits from bringing any new generation online. Additionally, Staff are evaluating the benefits and needs for clean firm generation, which could include nuclear, to complement other renewable energy sources to ensure resource adequacy.

Offshore Wind

Comment: The Jersey Renews Coalition, along with 17 supporting organizations[12], urged the Board to reconsider its allocation of the $125 million Ørsted settlement funds, which are currently designated entirely for the new GSESP. While they acknowledged the importance of energy storage, the coalition argues that directing all funds to this initiative is short-sighted. They recommended reallocating a portion of the funds to support OSW-related programs, such as workforce training and public education through the Wind Institute, to maintain momentum and competitiveness in New Jersey's OSW development.

The Coalition stressed that consistent investment is necessary to build a robust supply chain and workforce for OSW, which is crucial for meeting the state's clean energy goals. They highlighted that energy storage, while important, creates fewer permanent jobs compared to investments in supply chain manufacturing for clean energy production, which could generate hundreds of permanent jobs.

The Coalition advocated for a balanced approach, using some funds for the GSESP and directing others towards supply chain development for OSW and solar projects. The coalition believes this strategy will maximize job benefits and economic growth, leveraging existing industry investments to ensure New Jersey remains a leader in the national OSW landscape. They urged the BPU to revise its decision to better allocate the Ørsted settlement funds to projects that will provide the most benefits for the State's clean energy economy.

NJOWA urged the Board to allocate a portion of the Ørsted settlement funds to OSW initiatives, including infrastructure initiatives related to the now canceled Transmission Siting and Economic Development Grant Program. NJOWA also highlighted the importance of continuing to fund NJ EDA's Wind Institute in order to maintain momentum in developing the workforce for the industry.

NJLCV urged the Board to reconsider the drop in OSW Workforce Development funding from $22 million in FY25 to $0 in FY26. They argued that the State needs to develop its OSW and RE workforce, so that NJ can get projects online quickly when the federal landscape changes. NJLCV urged the Board to engage labor unions, educational institutions, and community-based

[12] Action Together New Jersey, Anglers for Offshore Wind, Clean Water Action, Clinicians for Climate Action NJ, Elevate Network, Emerald Cities Collaborative, Environment New Jersey, Environmental and Climate, Justice Committee NAACP State Conference, GreenFaith, New Jersey Offshore Wind Alliance, New Jersey Policy Perspective, New Jersey Progressive Equitable Energy Coalition (NJPEEC), New Jersey Sustainable Business Council, NJ Work Environment Council, Salvation and Social Justice, Unitarian Universalist Faith Action NJ, and Wind of the Spirit.

organizations to identify needs and opportunities in FY26.

Alejandro Meseguer expressed support for the State's clean energy targets and recommended the administration use the Ørsted settlement funds to contribute to OSW investments and storage. Meseguer noted that with a new Governor taking office next year, clean energy's future in the State is uncertain, so investments in OSW should be made now.

Response: Staff recognize the significant potential benefits associated with the deployment of OSW and the need for both OSW workforce development efforts that will ensure a workforce is in place to support the industry when needed and programs to help facilitate transmission siting and development. Staff note that funding from prior budget allocations remains available to EDA for OSW workforce development. The reduction in the FY26 OSW budget and use of Ørsted Settlement funds for GSESP reflect uncertainty in OSW deployment driven by federal policy, balanced against the critical need to fund projects, such as storage that will ease capacity market prices and help stabilize ratepayer bills. The use of the Ørsted settlement funds to support the GSESP are aligned with New Jersey's clean energy goals and the Board's mission of ensuring safe, adequate and proper utility service at reasonable rates. The state remains committed to advancing OSW and will reassess whether future funding should be obligated to support OSW, transmission, and workforce development initiatives as the industry progresses in future years.

Solar

Comment: Richard Harris III of Installations 3 Construction Training Center in Newark, NJ provided oral comments at the public hearing. The commenter stated that in 2023, the Commissioner requested that their organization submit a letter for the Solar for All (“SFA”) program from the Governor's Office. The company submitted the letter and the Commissioner followed up with the training opportunity. The commenter emphasized that they are awaiting the rollout of the training and criticized the Board for the lack of clear communication about participation in training and education planning. The commenter requested a timeline on the training rollout from the GHG Emission Fund. The commenter highlighted the organization's accreditations and their eagerness to educate the community on Whole House program repairs and the community solar program.

Response: Staff appreciate the commenter's letter of support for the New Jersey SFA award. Staff acknowledge that the SFA’s roll out has been taken longer than expected due to unforeseen changes in federal guidance. The Board has secured the federal award and will stakeholder the program proposal, including its workforce training and education plans, before the SFA federal planning period ends in December 2025. Staff are working vigorously to keep the program in compliance with its SFA terms and conditions and to share the benefits of solar energy with New Jersey stakeholders as soon as possible.

Comment: Robert Erickson expressed the need to greatly increase incentives for solar and storage to make up for the OSW deficit. He stated that the solar incentive increase may also need to compensate for the pending elimination of the federal solar tax credit in pending Congressional legislation.

Response: Staff are initiating a stakeholder proceeding to evaluate Administratively Determined Incentive Program incentive levels, as well as a consideration for the addition of storage. A Request for Information is expected to be released in June to gather stakeholder input on incentives, capacity changes, and program design. Staff encourage stakeholders to submit comments on incentives as part of this process.

Planning and Administration

Comment: Rate Counsel asked why an additional nearly $4.4 million is proposed to be transferred to Program Evaluation and Analysis. They stated Staff should demonstrate that their evaluation activities do not overlap with those done by the utilities.

Response: The additional increase to the Program Evaluation and Analysis Budget line supports ongoing or anticipated contractual obligations. NJCEP evaluation funding supports the Statewide Evaluator ("SWE"), which runs the Evaluation, Measurement, and Verification ("EM&V") Working Group, develops the EM&V Framework applicable for all EE program administrators, and oversees implementation of statewide evaluation studies. NJCEP evaluation funding also supports the Energy Efficiency Evaluation Study Team, which conducts statewide evaluation studies. These activities all complement and do not overlap with or duplicate those conducted by the utilities. The utilities, in turn, are responsible for hiring independent utility evaluators to conduct impact and process evaluations of utility programs, with oversight by SWE. The utilities' evaluation budgets are low compared to industry standards and are essential in the monitoring of performance for specific measures, service providers, and utility administrators.

Outreach and Education

Comment: Rate Counsel stated they cannot find evaluations or audits of Sustainable New Jersey ("TCNJ"), NJIT Center for Building Knowledge ("CBK"), Rutgers Center for Urban Policy Research ("CUPR"). Further, they stated that these programs have not been audited within the past three years and should be in order to determine effectiveness and ensure that ratepayer funds are being spent well.

Response: Sustainable Jersey at TCNJ, the CBK, and the CUPR are not programs. Rather, the BPU has contracts with these State colleges and universities to assist with and support the BPU Division of Clean Energy's programs and initiatives. The Memoranda of Understanding with TCNJ and NJIT, along with their work plans and more detailed budgets for work that commences in FY26, are before the Board for their consideration in parallel with the FY26 budgets and programs. The next MOU with CUPR would commence in FY28.

Comment: The Lung Association recommended that the Board ensure education and outreach allocations in FY26 include health-focused messaging on the air quality and associated health benefits of electrification and energy efficiency. By coordinating with community health partners who already conduct home assessments and engage with vulnerable populations, they emphasized that the State could improve program uptake, share outreach materials, and strengthen the connection between clean energy and public health goals.

Response: Staff thank the Lung Association for their comment and will consider their recommendation. Staff are committed to raising awareness of the benefits of clean energy and energy efficiency, and aim to continue engaging with new and existing stakeholders to encourage adoption of clean energy and energy efficiency where appropriate.

Grid Modernization

Comment: Isles supported the proposed $15 million for Grid Modernization efforts for FY26, but urged the BPU to add new funding for these efforts as well noting that grid modernization issues underly the greater energy crisis currently facing New Jersey. They emphasized that the current grid's infrastructure and management processes must be modernized to meet our increasing

electricity demands and support the shift away from fossil fuels. They recommended that projects include community-based microgrids, especially in areas prone to outages and climate impact, considering the impact of data centers on the grid, ensuring that funding supports storage co-location with distributed renewable energy, and planning processes include equity-centered stakeholder engagement with community-based organizations and municipalities.

Response: Staff appreciate Isles's support for the greater grid modernization effort and the critical importance of allocating funding towards these efforts. The Board is working on addressing issues such as grid management processes, supporting the shift away from fossil fuels, and meeting increasing energy demands in a cost-effective manner with minimal ratepayer effects through the Grid Modernization Forum. The allocated funding will go towards running the Forum, which is a collection of stakeholder workgroups, and the running of "Grid Innovation Demonstrations" or pilots to test newer technologies and processes. The Board appreciates the commenter's suggestion and intends to incorporate these projects, such as community-based microgrids and energy storage systems co-located with distributed generation sources, within the Grid Modernization Forum and the Innovation Demonstrations while ensuring appropriate stakeholder engagement and opportunities for further feedback.

Comment: Nick Dreher provided oral comments on behalf of Renew Home. Renew Home recommended additional focus be considered and placed on grid flexibility resources and initiatives, including virtual power plants ("VPP"), whether tied to smart thermostats, solar plus storage, storage, or heat pump water heaters. The commenter emphasized that VPP-tied grid flexibility will avoid utility system costs related to transmission and distribution, aid utilities and State planners in modernizing the grid effectively, and ultimately save money and reduce costs for all rate payers.

Response: Staff appreciates the commenter's feedback and emphasizes the importance of grid flexibility resources and initiatives. The compensation of "grid flexibility services" such as VPPs, demand response through smart thermostats, energy storage, and vehicle to grid capabilities are the subject of the next workgroup planned under the Grid Modernization Forum. The Board acknowledges the enormous potential for a new market compensation mechanism for such services and works toward investigating and evaluating such mechanisms already underway. It is the Board's intent to continue working toward establishing such market-driven, rather than subsidy-driven, mechanisms for the compensation DER ownership.

Clean Energy Affordability

Comment: NJLCV stated that affordability should be central in the clean energy transition and recommended: reevaluating income thresholds for assistance programs to ensure they reflect economic conditions and utility cost increases; scaling ratepayer assistance programs proportional to rising utility rates; expanding energy affordability strategies to include water, by doing automatic enrollment and utility data sharing mechanisms; maintain strong utility shutoff protections to protect vulnerable households.

Response: Staff appreciate the comments and note that they are working to identify ways to structure programs to prioritize affordability. These recommendations, if not already considered, will be kept in mind when programs are evaluated. Specifically, in regard to Comfort Partners, Staff will be reviewing and considering changes to the program income eligibility to be aligned with existing assistance programs such as the Universal Assistance Fund ("USF").

Comment: Rate Counsel suggested that the $1.1 million dollars for the Clean Local Energy

Advisory and Resource Fellowship ("CLEAR") should not be approved.

Response: Staff thank Rate Counsel for their comments but respectfully disagree that funds would be best spent through the USF. Although the program is still in development, Staff believe that the CLEAR Fellowship will be beneficial to municipalities for the purposes of strengthening their clean energy and energy efficiency portfolio while broadening access to cost savings. The CLEAR fellows will work with municipalities across the State that have some of the highest energy consumption per capita to help them significantly reduce energy consumption.

Comment: The commenter suggested that the FY26 Compliance Filing for Community Energy Planning Grants ("CEPG") is a "cut and paste version" from the FY25 Compliance filing.

Response: Staff appreciate the commenter's feedback and would like to note that updates have been made regarding Program Year 4 of the CEPG, with applications open this month, June 2025.

Comfort Partners

Comment: NJLCV stated that the Comfort Partners Program is vital to achieving the State's clean energy and equity goals. However, rising inflation and increased demand are putting pressure on the program's capacity. They noted that it is critical that funding levels are adjusted to meet these challenges and ensure existing and future projects are not delayed. Ensuring the program remains fully funded will also help advance energy efficiency in low-moderate income ("LMI") households and contribute to long-term affordability, as well as energy equity.

Response: Staff thank the commenter for their comments and acknowledge the need for continued support of the programs that serve the LMI population of New Jersey, particularly a program like Comfort Partners which provides necessary weatherization and equipment upgrades which will keep residents' costs low. Staff have been and continue to work to make appropriate budget recommendations to help the program meet capacity needs.

Comment: PSE&G noted that the recent increases to the Comfort Partners budget is not enough, and total funding for the program should increase by up to 30%. One recommendation for achieving this target is by reallocating budget funding from other clean energy programs. Additionally, PSE&G extended their support for reviewing the possibility of transitioning program eligibility requirements away from federal poverty level and to state median income in the current FY.

Response: Staff thank PSE&G for their comments regarding increased funding to support Comfort Partners and for their efforts as partners in the program. Staff agree that continued support for the program is essential to serve low-income residents throughout the state. In addition to the increased funds allocated in the FY25 True-up and FY26 budget, Staff have considered other ways to support the overall operations of the Comfort Partners program, including leveraging federal funding for the purposes of home electrification. Staff will continue to look for ways to improve support to the program and in turn to continue providing these important services to New Jersey residents.

Additionally, Staff acknowledge the commenters' encouragement to transition the income eligibility criteria for Comfort Partners participants in order to align with USF. Staff understand the importance of keeping the enrollment process as simple as possible so that eligible customers can easily participate in both programs. No specific timeline details have been decided yet, but

relevant details on this effort will be shared when available.

Comments: ACEEE commended New Jersey's Comfort Partners Program and recommended that the current Comfort Partners budget should significantly increase, if not double. ACEEE submitted a copy of the report they sent to PSE&G regarding their analysis of the Comfort Partners program.

NJUA expressed their support of transitioning the income eligibility criteria for the Comfort Partners program from federal poverty level to State median income to align with the USF, simplifying enrollment and improving access to weatherization services. NJUA highlighted that New Jersey's investment in low-income energy efficiency programs is low compared to other states. They recommended increasing funding for the Comfort Partners program by two to three times to match best practices, noting that other leading states allocate 20-30% of their energy efficiency budgets to low-income programs. NJUA urged the Board to approve a substantial funding increase for Comfort Partners in FY26 to address rising PJM electricity capacity market prices, which disproportionately affect vulnerable households. They acknowledged scaling such a program will take time and propose reallocating funds within the Clean Energy Program's FY26 budget to start supporting an expanded Comfort Partners program without increasing the overall BPU budget. NJUA emphasized the importance of advancing energy equity and affordability for New Jersey residents.

Response: Staff thank ACEEE and NJUA for their comments. Staff thank ACEEE for submitting a recently published research memo pertaining to the Comfort Partners program. Staff would like to note that the Comfort Partners budget increased in the FY25 true up Budget and the total remained the same as part of the FY26 Budget. In addition to the funds allocated in the true up and FY26 Budget, Staff have considered other ways to support the overall operations of the Comfort Partners program, including leveraging federal funding for the purposes of home electrification. Staff will continue to look for ways to ensure the program is working effectively to serve New Jersey's low-income population.

Additionally, Staff appreciate the support of NJUA to transition the income eligibility criteria for Comfort Partners participants to align with USF. Staff understand the importance of keeping the enrollment process as simple as possible in order to ensure that low-income residents have easy access to program services. Staff will keep these factors in mind when reviewing and considering changes to program eligibility requirements.

Comment: Isles applauded the proposed $250 million in Clean Energy Affordability programs, especially the $125 million for Energy Bill Assistance and $62.9 million for Comfort Partners. They expressed that these programs, along with the solar energy and battery storage projects that have been prioritized, will lead to local job creation and reliability for those who run the risk of facing unreliable power supply. They commented that this is a win for all constituents because affordability affects everyone.

Response: Staff thank the commenter for their support of the proposed budgets for Clean Energy Affordability and Comfort Partners. The intention is to provide more services and benefits to the residents of New Jersey who are most in need of assistance.

With respect to energy bill assistance, Staff notes that this initiative will now be fully supported by RGGI and the SACP. To align with the FY26 Appropriations Bill[13], slightly less than $119 million

[13] S.2026/A.5800 (2025)

was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole House.

Comments: Robert Erickson highlighted that approximately $41 million of the $63 million Comfort Partners Budget is allocated for gas incentives, overshadowing the $22 million set aside for electric incentives. He argued that the gas incentives should be eliminated, or at least the ratio be shifted so that electric incentives dominate.

Mr. Erickson also emphasized that the Comfort Partners program continues to saddle low-income customers with the possibility of converting from oil to gas, thus locking low-income customers into natural gas usage and high future costs for decades to come. He claimed the focus should be on “cold climate” heat pumps.

Responses: Staff appreciate the comments on the Comfort Partners program and will consider the recommendations when reviewing the program for potential improvements. Efforts have already been made to expand the electrification/electrification-readiness measures offered through the program. Additionally, due to recent historical trends, more funding has been dedicated to gas measures at the start of the FY as an estimate of how the budget will be spent. If necessary, the budget will be adjusted at a later date, including moving funding from gas to electric, to account for actual program spending.

Comment: Rate Counsel concurred with the FY26 draft budget for the Comfort Partners program.

Response: Staff appreciate Rate Counsel's concurrence with the FY26 draft budget for Comfort Partners, as the FY26 budget is the same as the FY25 true up budget.

Whole House

Comments: NJLCV urged the Board to continue and expand support for the Whole House Pilot program (“WHPP”), rather than eliminate funding, especially given increases in rates this summer. NJLCV explained that Whole House helps low-income and overburdened households access EE services that save them money and improve health and safety. Further, there remains significant and unmet need. They argue that other sources of funding could be used to support Whole House if EE is recognized as a necessary health intervention.

EEA-NJ supported the continuation, expansion, and increased funding of the WHPP. They noted that the program addresses structural and weatherization barriers in homes, which are essential for creating safe and healthy living environments, especially for low-income families experiencing high energy burdens. They expressed that the WHPP has proven effective, saving participants money on energy costs and providing broader system benefits. EEA-NJ criticized the Board's decision to deprioritize the program in favor of EV incentives, which primarily benefit wealthier residents. They argued for expanding the program beyond Trenton to other New Jersey cities with better infrastructure to support its rollout. They pointed to funding sources like the Regional Greenhouse Gas Initiative (“RGGI”) and Infrastructure Bank as potential avenues for supporting the program. EEA-NJ emphasized the WHPP's importance in addressing energy poverty and promoting energy efficiency, and urged the Board to continue and expand the program to benefit more New Jersey residents.

The Lung Association expressed concern that the WHPP will be discontinued for FY26 and urged

the Board to preserve funding for the WHPP or specifically address how the Comfort Partners program will use new funds to address health hazards. They noted how health hazards, such as mold, lead, and structural deficiencies, are identified and addressed in weatherization and retrofit projects, particularly in low-income and OBCs. They also suggested improving cross-agency collaboration with health and community affairs departments that may have the resources and authority to address these hazards directly.

The EEA Coalition, a coalition of over 25 organizations[14], led by EEA-NJ, urged the Board to continue and expand the WHPP in FY26. They stated that the Trenton pilot has already improved 20 homes, showing substantial need and effectiveness, with an average cost of $9,698 per home and significant returns on investment. They emphasized the systemic benefits that flow from the program: reducing high energy burdens helps families move off of utility assistance programs, lowering costs for all ratepayers. Improving building efficiency also reduces the amount of electricity needed by individual utilities, contributing to lower capacity charges within PJM markets. Given the high demand for such initiatives, exemplified by Pennsylvania's successful Whole Home Repair Program, the coalition recommended expanding the program beyond Trenton and utilizing additional providers. They emphasized the program's multifaceted benefits as an energy, housing security, workforce, public health, and community safety initiative. The coalition highlighted alternative funding sources, such as the RGGI and Infrastructure Bank, to support the program's expansion. They called on the Board to ensure all New Jerseyans have access to safe, efficient, and affordable homes.

Isles strongly urged the Board to formalize and fund a WHPP line item that integrates energy efficiency, weatherization, lead remediation, health and safety interventions, and electrification upgrades. They acknowledged that the current budget proposal does not include a specific line item for the WHPP, and urged the BPU to reconsider the allocation based on the success of similar programs throughout the country. They emphasized that these programs create jobs, meet community members where they are, and build relationships throughout the community. They recommended providing flexible funding through Comfort Partners or Community Energy Grants to allow for holistic interventions, and partnering with community-based implementers like Isles to develop a model for Statewide scaling to ensure equity in energy savings and deliver long-term value to residents in LMI communities.

Response: Staff thank the EEA-NJ, NJLCV, the Lung Association, the EEA Coalition, and Isles for their support of WHPP. Based on stakeholder feedback, Staff have allocated money towards the WHPP for FY26, despite the program being set to end June 30, 2025, to begin assessment of the program after its conclusion. Staff will use the evaluation to assess the program design moving forward. If a statewide program, upon further evaluation, is appropriate and approved, low-income residents across the state who are in need of health and safety improvements will be eligible to receive services from both Whole House and Comfort Partners. Staff would also like to note that as of June 3, 2025, the estimated average cost for Whole House work is $10,013 per client and estimated average cost for Comfort Partners work is $10,000 per client. Staff acknowledge that there could be considerable variation in costs per unit seeing as Health and

[14] Action Together New Jersey, American Council for an Energy-Efficient Economy, Bright Power, Building Performance Association, Capital Access, Inc., Clean Water Action, Clinicians for Climate Action NJ, CMC Energy Services, Elevate Newark, Emerald Cities Collaborative, Environment New Jersey, Environmental Defense Fund, Green Energy Economics Group (GEEG), Housing and Community Development Network of New Jersey, Isles, Krem Energy, LLC, Natural Resources Defense Council, New Jersey Future, Newark Green Team MnM Consulting, New Jersey League of Conservation Voters, New Jersey Progressive Equitable Energy Coalition (NJPEEC), New Jersey Policy Perspective, New Jersey Sustainable Business Council, Salvation and Social Justice, Sealed, Sunowner, Inc., Vote Solar, Waterspirit.

Safety costs can vary from unit to unit, however, current energy savings of post comfort partners improvements are typically $400 a year with a potential 50 year payback period for both Comfort Partners and Whole House.

Staff would like to note that Comfort Partners does already provide certain services to homes with existing health and safety issues, and that they would continue to be available for homes not eligible to participate in Whole House. Lastly, Staff acknowledge the comment regarding collaboration with other state departments in order to provide the best service to constituents, and will keep in mind as it works to improve the program in the future.

Staff appreciate the recommendations to provide flexible funding to Whole House through other programs, specifically Comfort Partners and Community Energy Grants. Staff will consider the recommendations presented by the commenter when proposing any changes to each of the mentioned programs.

Comment: Rate Counsel generally supported Whole Homes spending if it can be done in a cost effective manner. Rate Counsel stated that they plan to comment on Whole House's evaluation report.

Response: Staff look forward to reading Rate Counsel comments on the WHPP Evaluation report. Staff note that based on stakeholder feedback Staff have allocated funds to WHPP for FY26.

Comment: Jeremy Newberg of Capital Access commented during the May 28 stakeholder meeting. The commenter shared insights and experiences from Capital Access's home repair program in Philadelphia and Bucks County. The commenter emphasized the challenges of implementing a full Whole House program. Jeremy expressed Capital Access' support of the NJ WHPP. He suggested that WHPP is struggling to get to scale and impact because the work needed for the target low income population with the low dollar subsidy caps often at $10,000 a house or less are not aligned with the need. The commenter proposed 1) increasing funding caps to $75,000 per single family occupied home in combined subsidy and financing; 2) establishing a challenge where if a city and a county that administers Housing and Urban Development (“HUD”) funds, along with a county weatherization assistance provider and the State rebate administrator and local utilities invest subsidy funds in a coordinated manner, New Jersey BPU will provide a 100% match to fund up to $75,000 a house to address whole home performance basic system repair and energy retrofit needs; 3) providing accessible and affordable financing combined with grant subsidy based on ability to pay debt service; 4) opening the WHPP administration to more providers based on market and demographic needs in the State; 5) procuring GCs on a rolling request for proposal basis so a discrete number of publicly procured GCs can build more robust books of business in batches rather than the one-off contract awards; 6) providing technical assistance help GCs get approved to participate in all of these funding programs; and 7) investing in life cycle case management services to educate communicate and coordinate with low-income homeowners so they can be successful and satisfy clients. Capital Access expressed their willingness to help implement common sense solutions for LMI homeowners in NJ.

Response: Staff appreciate the commenters’ feedback on the WHPP. Staff will consider in future iterations of the program these financing options and best ways to engage with customers of the program.

Urban Heat Island

Comment: NJLCV commended the Board for doubling funding for the Urban Heat Island ("UHI") Program to $5 million. They noted that investments in energy-efficient public cooling infrastructure and green space are crucial for building climate resilience in overburdened and heat-vulnerable communities. These needs will only become more apparent due to the effects of climate change and encouraged the Board to have a robust, well-funded program to meet the need.

The Lung Association expressed support for the $5 million increase in UHI mitigation in FY26. They emphasized that urban areas experience more heat-related illnesses, which can exacerbate health symptoms for residents with chronic respiratory conditions, and strategic investment in these areas is critical to achieving health equity outcomes tied to energy resilience and climate adaptation. They urged the BPU to continue prioritizing long-term clean energy investments that address both environmental and public health needs through continued support for low-income energy assistance, promoting the adoption of high-efficiency appliances, and expanding access to weatherization and electrification incentives. Further, they encouraged continued transparency in how these funds are deployed.

Isles supported the funding and BPU's dedicated allocation to UHI Mitigation, noting it is critical for programs that aim to reduce extreme heat risk through strategic tree planting, green infrastructure, and other science-based solutions, especially in vulnerable urban areas with limited canopy and aging housing stock. They encouraged the Board to prioritize funding for community-based organizations with a history of environmental health work in OBCs, and ensure investments also support local workforce development and long-term tree maintenance capacity.

Response: Staff appreciate UHI program support from NJLCV, the Lung Association, and Isles. Funds will be deployed for the expansion of outdoor public cooling infrastructure (e.g., street trees, urban green spaces, and cool pavements) and resilience hub development (i.e., enhancing energy efficiency and energy resilience of critical community facilities). The objective of the UHI Program is for overburdened municipalities ("OBMs") and community-based organizations ("CBOs") to develop and implement projects that address UHIs and lower energy demand in communities disproportionately impacted by extreme heat. A co-benefit of these projects can be reduced emissions, which will result in improved public health outcomes. Grant proposals will be evaluated in part on the strength of stakeholder involvement through established inclusion of community members in the design and implementation of projects, which can also include workforce development.

Comment: Rate Counsel expressed concerns about funding the UHI Program and referenced their April 17, 2025, filing in response to the UHI Program Request for Comments ("RFC"). In the filing, Rate Counsel proposed eliminating some of the Program funding and in response to the FY26 Budget, Rate Counsel is proposing complete removal of funds for the UHI Program. Rate Counsel also indicated that the proposal is most likely not close to being finalized and requested that Staff provide a detailed response to each comment in Rate Counsel's April 17, 2025, filing.

Response: Staff thank Rate Counsel for their comments and acknowledge their concerns regarding the proposed funding allocation for the UHI Program.

As noted in Rate Counsel's April 17, 2025, filing in response to the UHI Program RFC, Rate Counsel expressed support for preserving funding for Category 2: Cooling the Built Environment—which focuses on energy efficiency and resilience upgrades for public buildings that serve as cooling centers and local resilience hubs. Rate Counsel also recommended reducing funding for Category 1: Comprehensive UHI Interventions—which supports large-scale

revitalization projects that expand outdoor public cooling infrastructure—and eliminating Category 3: UHI Microclimate Interventions—which funds small-scale community initiatives including local greening efforts. These recommendations were based on Rate Counsel's concern that Categories 1 and 3 have limited connections to energy use.[15]

Staff disagree with Rate Counsel's position to eliminate funding for the UHI Program entirely. The UHI effect and development density are closely linked to increased energy consumption, particularly in overburdened and low-income communities that often lack adequate tree canopy cover and cooling infrastructure. These communities experience higher temperatures, leading to increased demand for air conditioning and increased energy costs, thereby exacerbating energy burdens.[16]

To address these challenges, the UHI Program proposes investments in public cooling infrastructure and natural land cover expansion. Greening efforts, including tree planting and community green spaces, contribute to cooling through shading and evapotranspiration, both of which are proven to reduce surrounding air temperatures and building cooling loads.[17]

The BPU, in partnership with the NJDEP, previously implemented the Cool Cities Program to expand residential tree canopy and shading to promote energy conservation. In a similar initiative, the New York State Energy Research and Development Authority ("NYSERDA") launched a large-scale urban forestry initiative in the Bronx informed by the New York City Regional Heat Island Initiative report.[18] This study found that modeled urban forestry interventions could reduce summer peak electricity demand by approximately 2–3% (MW).[19]

---

[15] In re the Establishment of an Urban Heat Island ("UHI") Mitigation Program, BPU Docket No. QO24100834, Rate Counsel Comments (April 17, 2025).

[16] See UHI exposure linked to redlining and limited investment in green spaces at Scientific American and Nature, Discrimination Has Trapped People of Color in Unhealthy Urban 'Heat Islands', https://www.nature.com/articles/d41586-023-02618-1; It's Getting Hot in Here: A Roadmap for Stakeholder Involvement in Urban Heat Island Mitigation, Midwest Energy Efficiency Alliance (2023), https://www.mwalliance.org/sites/default/files/meearesearch/its_getting_hot_in_here_a_roadmap_for_stakeholder_involvement_in_urban_heat_island_mitigation.pdf.

[17] See for drivers of the UHI effect in cities at Urban Climate Lab at the Georgia Institute of Technology and The Trust for Public Land, The benefits of green infrastructure for heat mitigation and emissions reductions in cities, https://www.tpl.org/wp-content/uploads/2023/05/Benefits-of-Green-Infrastructure.pdf; See natural land cover for UHI mitigation and energy conservation, Yekang Ko, Trees and vegetation for residential energy conservation: A critical review for evidence-based urban greening in North America, 34 Urban Forestry & Urban Greening 318–335 (Aug. 2018), https://doi.org/10.1016/j.ufug.2018.07.021; and See for energy savings and temperature reduction associated with community gardens at MOST Policy Initiative, Community Gardens in City Parks (2024), https://mostpolicyinitiative.org/community-science-no/community-gardens-in-city-parks/#:~:text=Urban%20green%20space%2C%20including%20parks,Okvat%20and%20Zautra%2C%202011.

[18] See Heat Island Community Actions Database at EPA, https://www.epa.gov/heatislands/heat-island-community-actions-database. See Greening the Bronx: Urban Heat Island Mitigation Project (2018), https://portal.nyserda.ny.gov/servlet/servlet.FileDownload?file=00Pt0000005vuDZEAY.

[19] See tree planting impacts on energy demand at report prepared by Columbia University, NASA/Goddard Institute for Space Studies, and Hunter College CUNY, and SAIC for NYSERDA, MITIGATING NEW YORK CITY'S HEAT ISLAND WITH URBAN FORESTRY, LIVING ROOFS, AND LIGHT SURFACES-New York City Regional Heat Island Initiative (2006), https://www.coolrooftoolkit.org/wp-content/uploads/2012/04/Mitigating-New-York-Citys-Heat-Island-with-Urban-Forestry-Living-Roofs-and-Light-Surfaces.pdf.

The proposed UHI Mitigation Program builds on these precedents and reflects an evidence-based approach to both energy reduction and increased community resilience. Staff note that the proposed FY26 budget for the UHI Program has been reduced to $5 million. Staff anticipate finalizing the proposal before or by the end of the calendar year.

Residential Energy Assistance Payment & Energy Bill Assistance

Comment: NJLCV commended the Board for significantly increasing funding for the REAP program and for allocating $51 million for customer energy assistance. With rate increases anticipated this summer, they stated that these programs offer a lifeline to vulnerable households. However, they advocated for short-term relief to be accompanied by long-term solutions, noting that transitioning off volatile fossil fuels and investing in energy efficiency and electrification will reduce household energy burdens and increase overall resilience.

Response: Staff thank the commenter for their support of energy assistance to New Jersey customers. Staff acknowledge the need to develop both short- and long-term solutions to ensure that all residents of New Jersey are able to achieve lower energy usage and therefore lower overall energy costs. Long-term solutions, such as Comfort Partners and the Community Energy Planning Grants and the implementation grants, among others, can help reduce residents' energy bills, and the Board continues to consider ways to deploy more long-term solutions.

Comment: Rate Counsel suggested that the $125 million for energy bill assistance that is unspent from last FY should result in a lowering of the FY26 SBC collection.

Response: Staff respectfully disagree with Rate Counsel's claim that the $125 million for energy bill assistance that is unspent from last FY should result in a lowering of the FY26 SBC collection. The SBC funds received each FY are dedicated to annual expenditures and ongoing commitments. The committed funds cannot be reallocated and due to the amount of time and complexity of certain projects, commitments that are made in one year are often carried forward into a future year.

Staff also notes that for FY26, the Energy Bill Assistance initiative will now be fully supported by RGGI and the SACP. To align with the FY26 Appropriations Bill, slightly less than $119 million was reallocated from the Energy Bill Assistance line to the State Energy Initiatives line. The remainder from Energy Bill Assistance was reallocated to Community Energy Grants and Whole House.

Electric Vehicles

Comment: NJLCV supported the increase in funding for CUNJ EV Incentive program, which has a $60 million budget in FY26 but encouraged the Board to fund CUNJ at $65 million as industry estimates show this is what is needed to reach the State's EV goals. NJLCV is also concerned by the $5 million drop in Multi-Unit Dwelling ("MUD") program funding, which they stated will slow progress on the EV Act's requirement that 15% of MUDs have chargers by December 2025. They asked that the funding be equitably distributed and stressed the importance of EV charging in densely populated and renter-heavy communities.

Response: Staff thank NJLCV for their comment. Staff note that the proposed CUNJ budget for FY26 is $50 million rather than $60 million. This represents a $20 million increase over the $30 million floor required by the legislature. Staff are committed to making progress towards the State's EV goals and allocate funding accordingly. Each year Staff analyze each EV program

and optimizes the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs registered, impact to rate payers and benefits to New Jersey residents. The CUNJ, Clean Fleet, MUD and EV Tourism Corridor Programs are all operated on a rolling basis, so applications are approved on a first-come, first service basis, each of these programs as a low-income or Overburdened Municipality bonus to ensure that funds are being equitably distributed. The reductions in new Clean Fleet and MUD funding reflect current application trends and take into account FY25 carryover. Staff believe that current budgets are sufficient to meet present demand.

Comment: NJLCV raised concerns over the 14.3% reduction in the E-Mobility Program and $3 million reduction in the Clean Fleet Program given these programs' importance towards meeting State goals and supporting underserved communities. They encouraged the Board to reassess these changes.

Response: Staff are committed towards making progress towards the State's EV goals and allocates funding accordingly. Each year Staff analyze each EV program and optimizes the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs registered, impact on ratepayers, and benefits to New Jersey residents. While SBC funding has been removed in the FY26 budget for e-mobility, the Board is still considering the program. Staff will recommend budget allocations as needed.

Comments: Channing Gardner is the CEO of Voltie, which manufactures and distributes compact battery-electric construction equipment. Gardner, in written and oral comments applauded the BPU's leadership in advancing clean energy through the Clean Energy Resource Analysis and battery electric incentive programs. He highlighted that this technology has been proven and adopted in Europe and China while the US continues to lag behind. He noted that the BPU's proposed actions are instrumental in accelerating the shift toward cleaner, safer, and more sustainable technologies, and is glad to see BPU becoming a national leader in the construction industry through the proposed changes to the Clean Fleet program.

Cherry Hill Township noted that electric equipment is a game changer for municipalities as it better meets resident's needs, is safer for employees, and saves municipalities money. However, upfront costs remain a barrier so the Township supports expanding Clean Fleet to include electric off-road and landscaping equipment.

Sangeeta Doshi supported the inclusion of electric off-road and landscaping equipment in the Clean Fleet program as it reduces localized air and noise pollution, promotes public health, and accelerates the transition to clean, zero-emission municipal operations. Doshi noted that gas powered equipment disproportionately impacts environmental justice communities and will help New Jersey meet its climate goals. Doshi urged the Board to fully fund and adopt this expansion. Doshi also expressed support for the Clean Fleet program as it is good for the environment and the people of New Jersey, noting it is supported by residents due to less noise and cleaner air.

Susan Dorward supported the inclusion of electric lawn equipment in Clean Fleet due to the environmental and noise reduction benefits.

Tri-County Sustainability requested that the Board include maximum incentives for the battery electric landscaping and charging equipment. Such equipment offers many benefits including reduced costs, improved performance and worker safety, and sustainability.

Response: Staff thank Voltie, Cherry Hill Township, Sangeeta Doshi, Susan Dorward and Tri-County Sustainability for their comments and support. The off-road program component has been removed from the FY26 budget but will continue to be reviewed.

Comment: The Lung Association supported the EV programs but is concerned about the reduction in new funding for the Clean Fleet program, which has $6 million less in new funds compared to FY25, and MUD, which has $1.9 million less in new funding compared to FY25. They stated that this decreased funding may harm the State's ability to meet its EV goals and urge the Board to maintain or increase funding compared to FY25.

Response: Staff are committed to making progress towards the State's EV goals and allocates funding accordingly. Each year Staff analyze each EV program and optimizes the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs registered, impact on ratepayers, and benefits to New Jersey residents. The reductions in new Clean Fleet and MUD funding reflect current application trends and take into account FY25 carryover. Staff believe that current budgets are sufficient to meet present demand.

Comment: Isles expressed their support of the over $3.7 million in new funding allocated to Clean Fleet. As a community-based organization with a long-standing commitment to environmental health, Isles urged the BPU to ensure dedicated outreach and technical support for community organizations, school districts, and municipalities in OBCs that may lack capacity for procurement, grant applications, and vehicle transition planning. They also suggest bundling Clean Fleet incentives with e-mobility and energy infrastructure programs to allow coordinated charging infrastructure.

Response: Staff thank Isles for their support for the Clean Fleet program. Staff note that nothing in the program precludes recipients from using the vehicles or chargers for e-mobility projects operated by an eligible entity.

Comment: Isles was encouraged by the proposed $1 million in e-mobility funds but requested the budget be raised to $5 million. They also advocated for the Board to prioritize funding for existing programs such as GOTrenton!

Response: Staff thank Isles for their support. In terms of funding, each year Staff analyze each EV program and optimize the budget of each program based on available funding and with the State's goals in mind. Staff are continuing to plan for this program, and believe the current budget is sufficient at this stage.

Comment: Isles expressed support for the $15 million in new funding for Electric School Bus programs in FY26 and encouraged additional investment in education and outreach for school districts and organizations transporting students with their fleet transition process. They commented that this program will have environmental and public health benefits.

Response: Staff thank Isles for their support and their comment.

Comment: Environment New Jersey, the NJ Work Environment Council, and Jersey Renews, a broad diverse coalition representing more than 70 faith, labor, community and environmental organizations, supported the CUNJ program and commended the Board on the impact of CUNJ on EV sales. They stated it is difficult to have measured dialogue about the program structure without access to the modeling the Board conducts to inform program changes and development.

They noted that important structural components include the amount of the EV rebate, income based adder, continuity of the program, and most importantly how to maximize sales. They also noted the importance of the customer and dealership experience.

Environment New Jersey stated that it is impossible to address these components without stakeholder input which is difficult given the time constraints. They requested a stakeholder session in Q1 of FY 2026 and for the Board to share the modeling information it uses to make programmatic decisions.

Response: Staff thank Environment New Jersey for their comment and support for the CUNJ program. Staff note that information about program metrics was shared with stakeholders. Also, Staff value transparency highly and note that many of the program statistics and information are available on our website, which is updated regularly: https://chargeup.njcleanenergy.com/.

Comment: NJCAR, in written and oral comments, supported the CUNJ program and praised that it ran throughout FY25 without closing like it had in previous FYs, noting it creates stability and ease of use. They also appreciated the historically high funding level of $50 million.

However, NJCAR believed that reducing the proposed base incentive is inconsistent with New Jersey's EV goals. NJCAR stated that the average price for an EV is $58,000 so they believe that a $1,500 incentive is insufficient, especially given that taxes and registration fees are being phased back in. They asserted that BPU has not provided evidence that a $1,500 incentive is enough to incentivize car shoppers to make a purchase.

They noted that in prior years the program exhausted its funds before the end of the FY which made it difficult for dealers and consumers. While NJCAR acknowledged that the reduced base incentive will help the program last longer, mitigating this concern, they believe that the right course is to restore a $4,000 incentive for all consumers given the increased budget.

Response: Staff thank NJCAR for their comment. Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. BPU weighs a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs registered, impact on ratepayers, and program longevity. The current structure not only will increase the total number of EVs registered in NJ but will simultaneously help LMI people purchase a vehicle by maintaining the income qualified incentive at $4,000. In addition, this structure allows the program to run for the longest amount of time. Staff will continue to evaluate these factors and optimize program design to maximize public good and make meaningful progress towards reaching the State's electrification goals.

Staff note that the proposed FY26 program structure raises the income qualified incentive so that residents who are the most price sensitive, are still eligible for a $4,000 total incentive. Individual tax filing residents with an Adjusted Gross Income ("AGI") of less than $75,000 are eligible for the $4,000 incentive while married couples filing jointly with an AGI of less than $150,000 are eligible for the $4,000 incentive as well. Additionally, Staff agree that as we moved through most of the Early Adopter phase consumers need stability in the incentive in order to access the incentive when they are purchasing a vehicle, which is why the proposed structure was selected.

Comment: NJCAR stressed the need for transparency and states that the portal providing information about program expenditures should be updated more than once every 3 months.

Response: Staff believe transparency is important and are currently meeting or exceeding most

of NJCAR's requested benchmarks. For example, NJCAR requested that the funding tracker on the CUNJ Program website shows funding availability in real-time, and the statistics for program are updated monthly. This is the best place for Dealerships to check on available funds. The funding tracker and a wide variety of program statistics can be found at https://chargeup.njcleanenergy.com/. The process from Approved to Paid takes less than 30 days.

The dealer portal currently provides application details and status, and additional changes are planned for 2025.

A marketing campaign both for dealers and consumers is put into place at the start of the new FY, those campaigns take into consideration the feedback we receive from dealers and customers in their survey responses.

Staff also note that the CUNJ administrator runs an EV Sales training program, ElectrifyIQ, which is available to dealerships at no cost.

Comment: NJCAR believed incentives for an EV subscription service will increase EV adoption by allowing consumers who are unwilling to make the investment in an EV to still go electric. So, NJCAR advocated for EV subscription incentives.

Response: Staff thank NJCAR for their comments. Staff agree that it is important for consumers to have choices that meet their unique lifestyles and needs. However, Subscription Programs do not currently provide customers with Battery Electric Vehicles under $55,000 at all times. Until that legislatively mandated threshold has been met, incentives may not be utilized. Staff look forward to continued discussions on this issue.

Comment: Rate Counsel raised concerns about the total EV budget, which is $209.9 million, including $110 million in carryover, and the increase in the EV budget over FY25. In the Clean Transportation Stakeholder meeting, Rate Counsel noted that they believe this results in an overcollection of money from ratepayers and that EVs should not be incentivized by the Board at all.

Response: Staff note that many EV projects take time to complete. For example, charger installations can take two years due to project delays such as ordering parts and permitting issues. This means funds that have already been reserved for a grantee need to be rolled over to future FYs as BPU pays the grantee once the project has been completed.

The FY25 Estimated Carryforward—Pending Board Approval category is for programs that Staff are currently working to develop. It is also important to note that the appropriation of SBC funds for the MHD Depot budget line, which is listed under this category, is statutorily mandated. The FY25 Estimated Carryforward—Board Approved category is for funding that Staff estimate will be obligated by the end of FY25 for the respective program budget line. The FY25 Estimated Committed Carryforward category is for obligated funds that have already been awarded to grantees, with fully executed grant agreements, which are pending project completion to be paid out. This means that the portion of the EV budget that is available for Staff in FY26 to use on new grantees or projects is the sum of the FY26 New Funding and the FY25 Estimated Carryforward—Pending Board Approval, bringing the available budget to $108,427,894. Of that only $9,500,000 is in FY25 Carryforward Pending Board Approval. It is also important to note that FY26 New Funding for the Plug-In Incentive Fund and the Electric School Bus Program are also statutorily mandated. Staff also note that details regarding awards for each FY were presented during the

stakeholder session which are available here.

Comment: Rate Counsel raised concerns about BPU funding EVs as they are not a utility program. Rate Counsel noted that the legislature required the Board to allocate $30 million towards EVs and stated that the legislature believes this threshold to be sufficient. They requested a justification for an EV budget that is seven times larger than $30 million. They also stated that BPU does not coordinate with utilities leading to duplicative funding.

Response: Staff thank Rate Counsel for their comment. As Rate Counsel acknowledged, BPU is legislatively required to fund EV programing. Staff note that P.L. 2019, c. 362 requires the Board to fund a Light Duty Electric Vehicle Incentive Program (CUNJ) at a minimum of $30 million. This law also provides the Board the authority to fund CUNJ at higher levels and does not provide a specific funding level that is "sufficient." Staff also note that the $30 million floor is just for CUNJ, not EV programing as a whole.

Additionally, in FY25 the Governor provided an additional $20 million in General Fund monies for CUNJ. In FY26 the Governor has directed BPU to spend a minimum of an additional $20 million in SBC funding on CUNJ as reflected in the proposed FY26 Budget which allocates $50 million in SBC dollars to CUNJ.

Additionally, the EV Act, P.L. 2019, c. 362, directs the Board to establish programs to help the State meet the goals set in the EV Act, including goals related to light duty EV adoption, public charging infrastructure, MUD charging infrastructure, governmental fleet electrification, and MHD electrification.

The EV Tourism programs are designed to help meet the EV Act goal for hotels, requiring at least 20% of all franchised overnight lodging establishments shall be equipped with charging stations by the end of 2025 and 50% by the end of 2030. The EV Act also establishes goals for public DC Fast Chargers ("DCFC") at travel corridor locations for at least 75 charging locations with at least two DCFCs and at community locations for at least 100 charging locations with at least two DCFCs by the end of 2025.

The MUD Program is designed to meet the EV Act goal requiring at least 15% of MUDs have charging infrastructure by the end of 2025 and 30% of MUDs should have this infrastructure by 2030.

The Clean Fleet program is designed to meet the goal requiring:

a) at least 25% of State-owned non-emergency light duty vehicles shall be plug-in EVs;

b) by December 31, 2035, and thereafter; and

c) 100% of State-owned non-emergency light duty vehicles shall be plug-in EVs.

It is also designed to help NJ Transit meet the goals of the EV Act: December 31, 2024, at least 10% of the new bus purchases made by the New Jersey Transit Corporation shall be zero emission buses, and (b) the percentage of zero emission bus purchases shall increase to 50% by December 31, 2026, and 100% by December 31, 2032, and thereafter.

The EV Act also gives the Board the authority to establish MHD electrification goals and gives the Board the authority to adopt policies that work towards any of the EV goals covered in the EV Act.

Therefore, each program Staff currently administer or propose are legislatively authorized under the EV Act.

Additionally, the EV Act also amends the authorized uses of the Societal Benefits Charge to include "plug-in electric vehicles and plug-in electric vehicle charging infrastructure."

Staff note that there is regular coordination between BPU, NJDEP and utilities to ensure that there is no duplication of programming. In addition, the utility and BPU incentives were designed to be complimentary rather than duplicative, as utilities may only provide funding for Make-Ready infrastructure, and BPU incentives provide funding primarily for the chargers themselves. Also, Staff note that no grantee can receive over 90% of their project costs from government and utility incentives. Grantees are not permitted to stack BPU incentives with NJDEP's Pay$ to Plug program.

Comment: Rate Counsel commented that the CUNJ FY26 Compliance Filing provides a high level overview of the CUNJ Program. Rate Counsel stated that it does not provide any data, information, analysis, or evaluation and therefore provides no support for the FY26 EV budgets or programs. Rate Counsel also advocated for the elimination of the non-LMI portion of the program.

Response: Staff thank Rate Counsel for their comment. Staff note that data regarding previous and current programs was provided during the stakeholder session and can be found here. Staff value transparency and note that many of the program statistics and information are available on our website, which is updated regularly: https://chargeup.njcleanenergy.com/.

Comment: Rate Counsel asserted that the line item for EV Studies, Pilots, and Administrative Support is vague and that there are very few details about the plans for this or the timeline, including that of the EV Roadmap. They also questioned the movement of funding from the CUNJ administrative fund to this line item.

Response: The EV Studies, Pilots and Administrative Support line is designed to fund such programs as approved by the Board. The EV Roadmap is a collaborative statewide project coordinated through the Partnership to Plug In.

Comment: Rate Counsel supported lowering the base incentive from $2,000 to $1,500. They also stated that the off-road component of Clean Fleet is vague and inconsistent with New Jersey's goals. They also requested that the progress of the EV goals, forecasts or projections, and justification for the tiered CUNJ structure were provided. Rate Counsel stated that the caps for Clean Fleet equipment reimbursements are not specified.

Response: Staff thank Rate Counsel for their comments. Staff note that the off-road program component has been removed from the FY26 Budget but will continue to be reviewed. Staff note that BPU's information about the previous and current year incentive programs were shared during the stakeholder session, that information can be found here. Also, Staff value transparency and note that many of the program statistics and information are available on our website, which is updated regularly: https://chargeup.njcleanenergy.com/. Staff also note that the Clean Fleet program is designed to help incentivize governments to meet goals of the EV Act, but BPU is not responsible for funding or tracking all EVs in state government. Information regarding the number of vehicles funded is included in the data shared during the stakeholder session.

Additionally, Staff note that the compliance filing stated the eligibility caps are based on population and location. Detailed information about the program, including the equipment caps is available

on our website at https://chargeup.njcleanenergy.com/clean-fleet.

Comment: Rate Counsel requested detailed program projections for the upcoming FY and information about past program performance, including the number of LMI residents that own an EV, the location and accessibility of the chargers, the operability of the chargers installed under the program, and a justification for the 50% OBM bonus.

Response: Staff note that detailed information about the incentives provided, including the number of chargers installed in OBMs and affordable housing complexes is available on our website and is updated monthly: https://chargeup.njcleanenergy.com/mud-incentive-statistics. The amount of money spent on chargers in OBMs is also available on the same dashboard. All BPU programs require chargers to be operational for at least 5 years and must meet or exceed the Federal uptime requirement of 97%. Additionally, Staff note that chargers funded under the MUD program are required to be accessible to all residents in the complex, but they are not required to be publicly accessible. The number of vehicles sold, and the associated program expenditures, to LMI residents under our program are available on our website: https://chargeup.njcleanenergy.com/charger-incentive-statistics. The NJDEP is responsible for tracking details related to overall EV sales; information can be found at https://dep.nj.gov/drivegreen/.

Comment: Rate Counsel requested data on how many tourists visit New Jersey, whether they stay overnight, and how many more tourists would visit New Jersey due to the program. They stated that no data is provided on how the funding is split between community and tourist use.

Response: Staff thank Rate Counsel for their comment. Range anxiety is a well-documented obstacle to adoption, as well as a frequent concern noted on surveys of incentive recipients.

Furthermore, research shows that robust charging networks mitigate this concern, which is what the EV Tourism aims to accomplish. A more comprehensive charging network encourages people with an EV to road trip to and in New Jersey as opposed to other states where charging is less comprehensive or there is more congestion at chargers.

Staff note that all EV chargers installed under the EV Tourism program are required to be open to the public. The EV Tourism Corridor Program specifically aims to install public fast chargers along state and federal highways to encourage public charging in general, and funds Level 2 chargers for guests at hotels along such highways to meet the goals as established in the EV Act.

Comment: Rate Counsel believed that e-mobility will not decrease emissions and will instead replace traditional bikes and scooters. Also, they raised safety concerns associated with e-bikes and e-scooters. Rate Counsel commented that one of the stated goals of the e-mobility program is to reduce Vehicles Miles Traveled ("VMT"), which they stated is not covered under New Jersey's EV goals. They also question the need for a pilot.

Response: Staff thank Rate Counsel for their comment. E-mobility solutions help displace cars, especially in areas with vehicle traffic congestion, these programs are often most needed and impactful in LMI neighborhoods. Reducing VMT directly reduces emissions because each VMT traveled by a conventional vehicle emits GHG emissions. Any VMT diverted to e-mobility prevents the emissions from being released which dramatically reduces emissions. Staff note that e-mobility is a new and developing field which is why Staff continue to work on designing a program to address New Jersey ratepayer's needs. While funding has been removed in the FY26 NJCEP Budget, the Board is still considering the program. Staff will recommend budget

allocations as needed.

Comment: Rate Counsel expressed their support for electrifying school buses. However, they commented that no details on or historical results of the program are provided.

Response: Staff thank Rate Counsel for their support with electrifying school buses. Staff note that BPU is statutorily mandated to provide $15 million to the NJDEP for their Electric School Bus Program. The program provides incentives for school buses, both Level 2 and DC Fast Chargers, and Bi-Directional Charging and is expecting another round of solicitations in FY26. As such, all program details including potential historical results are managed by NJDEP. More information is available on their website: https://dep.nj.gov/drivegreen/mhdv-funding-and-incentives/.

Staff recognize the disproportionately high impact of the MHD sector on emissions and continue to carefully consider policies to address MHD electrification.

Comment: Rate Counsel asked BPU whether Vehicle to Grid ("V2G") pilots are included in the statutes governing the NJDEP School Bus Program.

Response: Staff thank Rate Counsel for their comment and note that P.L. 2022, c. 86 instructed the NJDEP to test technologies such as V2G. The text of the Statute is available on the State's website: https://pub.njleg.gov/Bills/2022/PL22/86_.HTM.

Comment: Rate Counsel stated that no details were provided on the MHD Depot program and what was accomplished since the program began.

Response: Staff thank Rate Counsel for their comment and note that the MHD Depot program has not opened and is still in development. As such there are no historical results.

Comment: ChargeScape noted the increasing importance of V2G technologies as the grid transitions to renewable energy. They stated that V2G pilots have several benefits including easing peak demand, assisting the technology reach scale, and lowering total cost of ownership. ChargeScape advocated for using the $1.5 million in proposed funding for EV Studies, Pilots, and Administrative Support to fund V2G pilots.

Response: Staff thank ChargeScape for their comment and acknowledges the importance of V2G. Each year Staff analyze each EV program, including the EV Studies, Pilots, and Administrative Support, and optimize the budget of each program based on available funding and with the State's goals in mind. BPU weighs a wide variety of program considerations to do so, including but not limited to equity, demand, total number of EVs adopted, impact on ratepayers, and benefits to New Jersey residents. Staff also note that aspects of the BPU and utility programs were designed to ensure infrastructure is prepared for future technologies, including V2X, by requiring all funded chargers and make ready be networked and share charging data. These requirements help ensure that funded chargers are ready for managed charging and potential V2X.

Comment: ChargEVC-NJ submitted comments, both written and orally at the Transportation Public Hearing, which expressed both appreciation and concern regarding the FY2026 Compliance Filing for the CUNJ program. ChargeEVC-NJ commended the proposed increase in the program's annual budget to $50 million, which better aligns with the state's EV adoption goals. However, they strongly opposed the proposed reduction in the base EV rebate from $2,000 to $1,500, emphasizing that continuous rebate cuts, paired with rising EV costs, potential removal

of federal tax incentives, and the removal of other state incentives like the sales tax exemption and the imposition of a new EV registration fee send conflicting signals about New Jersey's commitment to supporting EV market growth. ChargEVC-NJ also highlighted persistent concerns about the program's evolving design, particularly the introduction of income eligibility requirements and the lack of transparency and timely stakeholder engagement.

ChargEVC-NJ recommended reinstating a $4,000 base rebate to ensure the program meaningfully influences consumer behavior and addresses the growing affordability gap, especially amid potential losses to the federal $7,500 EV tax credit, rising interest rates, and new tariffs. They also expressed support for the Charge Up+ LMI incentive but stressed that it should be additive, not a replacement for a strong base rebate, especially given the lack of clarity around actual demand for the LMI segment.

ChargeEVC-NJ argued that important data such as transaction-level information and insights into income-qualified program participation are provided to stakeholders only days before public comment deadlines, which does not allow stakeholders sufficient time to analyze the data, provide meaningful feedback and program design recommendations.

Finally, ChargEVC-NJ urged the Board to improve transparency by sharing modeling assumptions and relevant data early in the program planning process. They called for stakeholder meetings in the first quarter of 2026 to collaboratively shape the next year's program and ensure the policy-making process reflects best practices.

Response: Staff thank ChargeEVC-NJ for their comments and suggestions, as well as their support for increased funding of the ChargeUp NJ program in FY26.

Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. Staff evaluate and weigh a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact on ratepayers, the impact of potential changes to Federal incentives and the State sales tax and registration fees. The proposed FY26 incentive structure will not only increase the total number of EVs registered in New Jersey, but it will simultaneously help LMI residents purchase a vehicle by maintaining the total income qualified incentive at $4,000.

Staff note that the proposed FY26 program structure raises the income qualified incentive so that LMI residents, who are the most price sensitive, are still eligible for a $4,000 total incentive. Individual tax filer residents with an AGI of less than $75,000 are eligible for the $4,000 incentive while married couples filing jointly with an AGI of less than $150,000 are eligible for the $4,000 incentive.

The proposed incentive structure allows the program to stay open longer, which is also an important factor, as program interruptions have historically led to significant drops in EV adoption that disproportionately impact LMI residents who often lack the flexibility to delay vehicle purchases until incentives resume. Data shows that EV sales trends in New Jersey typically show higher volumes during periods when the program has been open, with incentivized vehicles accounting for approximately one third of all EVs sold during months that the program was open.

Staff further note that information regarding the incentive program, including data on the income qualified segment of the program is available on the CUNJ program website and is updated regularly: https://chargeup.njcleanenergy.com/incentive-statistics. Staff also value transparency and note that information about regarding past program performance was shared during the

stakeholder meeting and can be found here.

Comment: Robert Erickson noted that the EV incentive was reduced from $4,000 in FY24 to $2,000 in FY25, and in FY26, the incentive will be further reduced to $1,500, except for income-eligible buyers. He emphasized that the reduction was not the intention of previous comments, which aimed to increase funding so the $4,000 incentive could last the entire year without running out early. Instead, the intent was to increase the EV incentive funding so it lasts the entire funding year while retaining at least the $4K per EV purchase incentive.

Erickson argues that the EV incentive needs to be increased back to the $4K level with adequate funding provided to last the entire year, saying it is okay to add an additional incentive for income eligible, but not to cut the primary incentive to fund it. He suggests the eligible MSRP should be a maximum of $45K for all EVs as there is no reason for NJ to provide an incentive for those that can afford more expensive EVs.

Response: Staff thank Robert Erickson for their comments. Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. Staff weigh a wide variety of program considerations when developing their final recommendations to the Board, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact to ratepayers, potential changes to Federal incentives and the State sales tax and registration fees.

The proposed FY26 incentive structure will not only increase the total number of EVs registered in New Jersey but will simultaneously help LMI income residents purchase a vehicle by maintaining the total income qualified incentive at $4,000. BPU's projections have shown that this incentive structure results in the most vehicles on the road. Staff note that the proposed FY26 program structure raises the income qualified incentive so that these residents, who are the most price sensitive, are still eligible for a $4,000 total incentive.

Staff note that the $55,0000 MSRP cap was established by the EV Act.

Comment: Robert Erickson suggested that the 2025 EMP and FY26 NJCEP should address the new $290 annual EV road tax, as it disproportionately affects LMI and low-mileage drivers, and hinders the used EV market in New Jersey. Additionally, the 2025 GOP House reconciliation bill imposes a $250 annual fee on EV owners. Combined, these fees total $540 annually for EV owners in New Jersey, regardless of mileage, car age, or financial status, compared to less than $100 for gas car registration. This is regressive, as drivers of large diesel or gas vehicles pay less despite higher mileage, even when fuel taxes are considered. Furthermore, New Jersey already collects an electric sales tax from utilities, making part of this EV road tax a form of double taxation.

Response: Staff thank Robert Erickson for their comments and notes that the BPU reviews the program incentive levels continually, weighing a wide variety of program considerations, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact on ratepayers, changes to Federal incentives and the State sales tax and EV registration fee. Staff note that the proposed FY26 program structure raises the income qualified incentive so that LMI residents, who are the most price sensitive, are still eligible for a $4,000 total incentive.

Comment: Robert Erickson recommended that the income eligible EV CUNJ Incentive process should use NJ income documentation directly from the NJ tax department, eliminating the need for users to obtain and upload federal tax transcripts, which are difficult to access. Currently, the

process requires these transcripts, making it bureaucratic and misleading, contrary to the program's goal of facilitating EV purchases. The website's claim that the process is "Easy" is misleading, as the requirement for a federal tax transcript, rather than the expected NJ tax filing or 1040 form, creates confusion and potential delays for applicants.

Response: Staff thank Robert Erickson for their comments and suggestions for consideration on improving the pre-qualification application process. Staff also note that the ChargeUp+ program offers many additional options for valid documentation that residents can submit to verify their income in order to pre-qualify for the income qualified incentive, the full list of can be found on the program website: https://chargeup.njcleanenergy.com/how-to-apply. Accepting such a wide variety of documentation for proof of income allows residents to submit the most convenient option for them, simplifying the process.

Since the launch of the income qualified adder in September, 3,300 residents have successfully prequalified for the incentive and so far 2,500 have redeemed their prequalification ID at a participating dealership.

Staff further note that pre-qualification for the income verified incentive is necessary to ensure program compliance, and that approvals are valid for 120 days to provide sufficient time for applicants to purchase their EV.

Comment: Robert Erickson commented that at a 2024 NJCEP hearing, he raised concerns about the lack of DC fast chargers for EVs in New Jersey which could deter EV purchases. In 2024, only a few fast chargers were identified in the Cape May area, and none in Atlantic City or nearby communities. However, by 2025, there was a significant increase, with over 30 chargers identified near Cape May and at least 20 in Atlantic City. This improvement is promising, but further expansion is needed. He recommended the 2024 EMP and NJCEP outline a detailed plan, funding, and schedule to deploy more DC fast chargers statewide, including in LMI communities, to support the EV program's growth.

Response: Staff thank Robert Erickson for their comments. Staff continue to evaluate the progress and impact of our EV and EV charger programs to ensure the most effective and efficient build-out of EV charging infrastructure in New Jersey, helping to meet our state's transportation electrification goals. Staff note that the EV Tourism Corridor Charging program, which recently opened at the end of April 2025 and is accepting application on a rolling basis, was designed to specifically increase the build-out of charging infrastructure at travel-centric locations along major corridors in New Jersey. This program aims to reduce range anxiety for EV travelers by providing incentives for DC Fast chargers to businesses, hotels, government entities, and non-profits within 1 mile of eligible corridors, and for both DC Fast Chargers and Level 2 chargers for hotels within 3 miles of an eligible corridor. Staff further note that bonus incentives are provided to sites located in OBMs. More information on the program can be found on the program website: https://chargeup.njcleanenergy.com/ev-tourism-corridor. Also, the Clean Fleet program provides funding for chargers, including DCFC fast chargers open to the public.

Comment: Robert Erickson provided a list of factors impeding EV adoption including state taxes on EVs, potential federal EV taxes, the elimination of the exemption for the state sales tax, the cuts in the CUNJ base incentive, the possible repeal of the Clean Vehicles Tax Credit from the federal government, and delays with obtaining the CUNJ+ incentive. Erickson states that these factors make gas/hybrid models more attractive financially and that customers may not realize that there are substantial savings per mile using electricity instead of gas which may partly or fully offset the higher upfront costs. He also noted dissatisfaction with the state's EV charging network

and model selection for lower MSRP EVs, etc.

Response: Staff thank Robert Erickson for their comments and understand that there are various barriers to EV adoption that continue to evolve and that which are also affected by changes in both State and Federal policies. Staff review the incentive levels continually, considering both the impact within New Jersey and the design of other state programs. Staff weigh a wide variety of program considerations when developing their final recommendations to the Board, including but not limited to equity, program cost, total number of EVs adopted, program longevity, impact to ratepayers, as well as changes to Federal incentives and the State sales tax and registration fees.

The proposed FY26 incentive structure will not only increase the total number of EVs registered in New Jersey but will simultaneously help LMI residents purchase a vehicle by maintaining the total income qualified incentive at $4,000. BPU's projections have shown that this incentive structure results in the most vehicles on the road. The proposed FY26 program structure raises the income qualified incentive so that these residents, who are the most price sensitive, are still eligible for a $4,000 total incentive.

Staff do not select models for the CUNJ incentive. Manufacturers submit a request to Staff to include a model in the Program. Staff approve all requests that comply with the program terms and conditions, which are available on our website: https://chargeup.njcleanenergy.com/. All manufacturers that are authorized to sell vehicles in the state of New Jersey are encouraged to apply.

Comment: Robert Erickson suggested the 2024 EMP and NJCEP should prioritize a rapid increase in electric school and other buses through aggressive scheduling and funding. He noted that in 2024, only 21 electric school buses were operational out of 21,700 in New Jersey, though up to 200 more were reportedly ordered. This would still represent only about 1% of the total, indicating significant progress is needed to meet GHG reduction goals and improve health outcomes for school children and communities near buses. Additionally, he stated that New Jersey Transit and other bus operators should also transition to electric vehicles. The NJCEP should enhance public tracking and reporting of electric school buses by school district to provide transparent updates on orders, deliveries, and operational status, rather than relying on scattered media reports, to ensure the success of this crucial initiative.

Response: Staff thank Robert Erickson for their comments and note that $15 million is included in the FY26 EV Programs budgets, which is statutorily mandated to be provided to the NJDEP for their Electric School Bus Program. As such, any program tracking or public disclosures are handled by the NJDEP. The program provides incentives for school buses, Level 2 and DC Fast Chargers, and Bi-Directional Charging and is expecting another round of solicitations in FY26. You can find more information of the program on their website: https://dep.nj.gov/drivegreen/mhdv-funding-and-incentives/. Staff recognize the disproportionately high impact of the MHD sector on emissions, and continue to carefully consider policies to address MHD electrification.

Workforce Development

Comment: Isles raised concerns that clean job training programs are no longer a line item in the proposed FY26 budget, a major shift from the previous budget which allocated $22 million. They emphasized that job training programs and opportunities in the clean energy space are a major driving force behind support for clean energy in the state, and at a time like this when energy

costs are rising and our energy grid grows more and more strained from increased demand, it is critical to support workforce development and job training efforts in the renewable energy sector. They stated that investing in our workforce is key to meeting New Jersey's clean energy goals, meeting increasing demand and securing a clean, healthy future.

Response: Staff recognize the importance of workforce development and job training efforts in the renewable energy sector. Recent industry challenges have led to adjustments in funding to the NJ Wind budget, which supported job training programs. Staff will continue to assess future funding opportunities to invest in workforce development efforts as the industry progresses.

STAFF RECOMMENDATIONS

The CRA Straw Proposal sets out, in detail, the rationale utilized by Staff in developing the Proposed FY26 Funding Level. Having reviewed and considered the comments regarding this Funding Level, Staff recommend that the Board set, adopt, and approve the Proposed FY26 Funding Level and Proposed FY26 Utility Payments.

DISCUSSION AND FINDINGS

The CRA Straw Proposal recognizes the value of RE and EE as a foundational energy resource that, when delivered cost-effectively, reduces the cost of energy for all ratepayers while providing additional benefits. These benefits include the health and safety improvements associated with improved air quality, lower environmental compliance costs, increased grid reliability, and increased economic development opportunities in the form of jobs in the clean energy economy and the opportunity for New Jersey businesses to compete more effectively with out-of-state businesses. In addition, the programs and initiatives in the CRA Straw Proposal will help New Jersey to continue to establish itself as a national leader in clean energy programs.

Staff distributed the CRA Straw Proposal, including the FY26 Funding Level, to the BPU listserv and posted it on the NJCEP website. Staff accepted oral comments at a public hearing and solicited written comments from stakeholders and the public, which have been summarized and responded to in this Order. Accordingly, the Board **HEREBY FINDS** that the process utilized in developing the Proposed FY26 Funding Level was appropriate and provided stakeholders and interested members of the public with notice and opportunity to comment.

The Board has reviewed the CRA Straw Proposal, including, without limit, the Proposed FY26 Funding Level set forth therein, the oral and written comments submitted by stakeholders, and Staff's recommendations regarding the same. The Board agrees with the rationale supporting the Proposed FY26 Funding Level in the CRA Straw Proposal and agrees with and accepts Staff's recommendations. The Board **HEREBY FINDS** that the Proposed FY26 Funding Level will benefit customers by reducing energy usage and associated emissions, will provide environmental benefits, and is otherwise appropriate. Therefore, the Board **HEREBY APPROVES** the CRA Straw Proposal's Proposed FY26 Funding Level.

The Board has reviewed Staff's recommendation for allocating the funding to the State's electric and natural gas public utilities. The Board **HEREBY FINDS** that the recommended allocation of the FY26 funding to the electric and natural gas public utilities is reasonable and consistent with the methodology approved by the Board in its Order dated September 9, 2008 in Docket

EO07030203.[20] Based on the above, the Board **HEREBY APPROVES** the Proposed FY26 Utility Payments (as approved, "FY26 Utility Payments").

The FY26 Utility Payments shall be made consistent with the Board's existing policies and procedures including, but not limited to, the utilities' deduction of monthly Comfort Partners Program costs from the stated FY26 Utility Payments amounts. In addition, the Board **HEREBY AUTHORIZES** the utilities to continue utilizing deferred accounting, through the SBC, for the NJCEP revenues and expenses, as set out in previous Orders of the Board. The Board will consider ratemaking issues, as appropriate, in the context of specific utility rate filings with the Board.

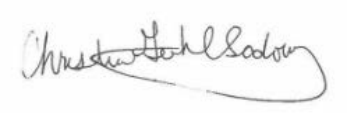
The Board notes that Staff circulated its proposed FY26 programs and budget on May 22, 2025, and those programs and budget are addressed in a separate Order.

[20] In re Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 – 2012 Clean Energy Program, BPU Docket No. EO07030203, Order dated September 30, 2008.

This Order shall be effective on June 30, 2025.

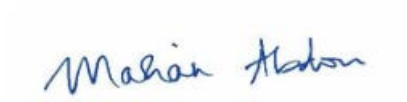
DATED: June 30, 2025

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT

DR. ZENON CHRISTODOULOU
COMMISSIONER



MARIAN ABDOU
COMMISSIONER

Michael Bange

MICHAEL BANGE
COMMISSIONER

ATTEST:

SHERRI L. GOLDEN
SECRETARY

IN THE MATTER OF THE COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS FOR FISCAL YEAR 2026 CLEAN ENERGY PROGRAM

DOCKET NO. QO25040205

SERVICE LIST

New Jersey Division of Rate Counsel

Brian O. Lipman, Esq., Director
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
blipman@rpa.nj.gov

New Jersey Division of Law

Department of Law & Public Safety
Division of Law
25 Market Street
P.O. Box 112
Trenton, NJ 08625-0112

David Apy, Assistant Attorney General
david.apy@law.njoag.gov

Daren Eppley, Section Chief, DAG
daren.eppley@law.njoag.gov

Pamela Owen, Assistant Section Chief, DAG
pamela.owen@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Atlantic City Electric Company

500 N. Wakefield Drive
Newark, DE 19714

Neil Hlawatsch, Esq.
neil.hlawatsch@pepcoholdings.com

Heather Hall
heather.hall@pepcoholdings.com

Kenneth L. Wan, Esq.
Kenneth.wan@exeloncorp.com

Marisa Slaten, Esq.
Director, Regulatory Initiatives
Pepco Holdings
5 Collins Drive
Carneys Point, NJ 08069
marisa.slaten@exeloncorp.com

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

Robert Brabston, Esq., Executive Director
robert.brabston@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Taryn Boland, Chief of Staff
taryn.boland@bpu.nj.gov

Curtis Elvin, Chief Fiscal Officer
curtis.elvin@bpu.nj.gov

Division of Clean Energy

Veronique Oomen, Director
Veronique.oomen@bpu.nj.gov

Stacy Ho Richardson, Deputy Director
stacy.richardson@bpu.nj.gov

Matthew Rossi, Bureau Chief, Emerging Technologies & Budget
matthew.rossi@bpu.nj.gov

Counsel's Office

Ava Marie Madeam, General Counsel
avamarie.madeam@bpu.nj.gov

Elspeth Hans, Deputy General Counsel
elspeth.hans@bpu.nj.gov

Alex Cary, Legal Specialist
alexander.cary@bpu.nj.gov

TRC Energy Solutions

317 George Street, Suite 520
New Brunswick, NJ 08901

Michael Ambrosio
mambrosio@trccompanies.com

Thomas A. Kowalczyk
tkowalczyk@trccompanies.com

Elizabethtown Gas Company

520 Green Lane
Union, NJ 07083

Thomas Kaufmann
tkaufmann@sjindustries.com

Susan Potanovich
spotanovich@sjindustries.com

Gina O'Donnell
godonnell@sjindustries.com

Sheree Kelly, Esq
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
skelly@sjindustries.com

South Jersey Gas Company

1 South Jersey Place
Atlantic City, NJ 08401

Steven R. Cocchi, Esq.
socchi@sjindustries.com

Karen J. Crispin, Senior Rate Analyst
kcrispin@sjindustries.com

Carolyn A. Jacobs, Regulatory Compliance Specialist
cjacobs@sjindustries.com

Rockland Electric Company

4 Irving Place Room 1815-S
New York, New York 10003

Margaret Comes, Esq., Associate Counsel
comesm@coned.com

John Carley, Esq.
Associate General Counsel
carleyj@coned.com

Orange & Rockland Utilities, Inc.
390 West Route 59
Spring Valley, NY 10977

Charmaine Cigiliano, Section Manager Customer Energy Services
ciglianoc@oru.com

Donald Kennedy
Director Customer Energy Services
kennedyd@oru.com

Jersey Central Power & Light Company

Tori Giesler, Esq.
FirstEnergy Service Company
2800 Pottsville Pike
Reading, PA 19612-6001
tgiesler@firstenergycorp.com

300 Madison Avenue
Morristown, NJ 07962

Mark Mader
Director, Rates & Regulatory Affairs – NJ
mamader@firstenergycorp.com

Viktor Lackman
vlackman@firstenergycorp.com

Tom Donadio
tdonadio@firstenergycorp.com

James O'Toole
jotoole@firstenergycorp.com

Kurt Turosky
76 South Main St
Akron, OH 44308
kturosky@firstenergycorp.com

Kent Hatt
khatt@firstenergycorp.com

Lori Brightbill
llbrightbill@firstenergycorp.com

Lauren Lepkoski, Esq.
First Energy Corp.
2800 Pottsville Pike
Post Office 16001
Reading, PA 19612-6001
llepkoski@firstenergycorp.com

New Jersey Natural Gas Company

1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Andrew Dembia, Esq. Regulatory Affairs Counsel
adembia@njng.com

Anne-Marie Peracchio, Director,
Conservation and Clean Energy Policy
aperacchio@njng.com

Public Service Electric and Gas Company
80 Park Plaza, T-5
PO Box 570
Newark, NJ 07102

Matthew M. Weissman, Esq.
General State Regulatory Counsel
matthew.weissman@pseg.com

Bernard Smalls
Bernard.smalls@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Stacey Mickles, Esq.
stacey.mickles@pseg.com

Michele Falcao
Regulatory Filings Supervisor
michele.falcao@pseg.com

New Jersey's Clean Energy Program™

DIVISION OF CLEAN ENERGY

Comprehensive Energy Efficiency & Renewable Energy Resource Analysis

Funding Levels – Fiscal Year 2026

June 30, 2025

Contents

LIST OF ACRONYMS

- ACE: Atlantic City Electric
- ADI: Administratively Determined Incentive
- AEG: Applied Energy Group
- Board or BPU: New Jersey Board of Public Utilities
- C&I: Commercial & Industrial
- CEA: Clean Energy Act of 2018
- CSI: Competitive Solar Incentive
- CUNJ: Charge Up New Jersey Program
- CRA: Comprehensive Energy Efficiency & Renewable Energy Resource Analysis
- DCE: Division of Clean Energy
- DP: Phase II Design Phase
- DPMC: Division of Property Management and Construction
- ECC: Energy Capital Committee
- EDA: Economic Development Authority
- EDECA: Electric Discount and Energy Competition Act
- EE: Energy Efficiency
- EM&V: Evaluation, Measurement, and Verification
- EMP: Energy Master Plan
- EO: Executive Order
- EPA: Environmental Protection Agency
- ES: Energy Storage
- ETG: Elizabethtown Gas
- EV: Electric Vehicle
- EV Law: Electric Vehicle Act
- FC: Fuel Cell
- FS: Phase I Feasibility Studies
- FY: Fiscal Year
- GRIP: Grid Resilience and Innovation Partnerships
- GSESP: Garden State Energy Storage Program
- LMI: Low and Moderate Income
- MHD: Medium and Heavy Duty
- MOU: Memoranda of Understanding
- MUDs: Multi-Unit Dwellings
- MW: Megawatts
- MWh: Megawatt-hour
- NJ: New Jersey
- NJCEP: New Jersey's Clean Energy Program

- NJIT: New Jersey Institute of Technology
- NJNG: New Jersey Natural Gas
- OMB: Office of Management and Budget
- OSW: Offshore Wind
- OSWSP: Offshore Wind Strategic Plan
- OSWSP 2: Second Offshore Wind Strategic Plan
- OWEDA: Offshore Wind Economic Development Act
- PBI: Prebuild Infrastructure
- Pilot Program: Community Solar Pilot Program
- PJM: Pennsylvania Jersey Maryland
- PSE&G: Public Service Electric and Gas
- RAP: Rutgers Agrivoltaics Program
- RCGB: Rutgers University's Center for Green Buildings
- RE: Renewable Energy
- RFP: Request for Proposal
- RFQ: Request for Quotation
- RGGI: Regional Greenhouse Gas Initiative
- RMI: Research and Monitoring Initiative
- RU: Rutgers University
- SAA: State Agreement Approach
- SAA 2.0: State Agreement Approach 2.0
- SBC: Societal Benefits Charge
- SEO: State Energy Office
- SES: Division of State Energy Services
- SFI: State Facilities Initiative
- SJG: South Jersey Gas
- SREC: Solar Renewable Energy Certificate
- SREC-II: Solar Renewable Energy Certificate II
- SuSI: Successor Solar Incentive Program
- TCDER: Town Center Distributed Energy Resources
- TI: Transition Incentive
- TRC: TRC Energy Solutions
- USDOE: United States Department of Energy
- USF: Universal Service Fund

HISTORY/BACKGROUND

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. ("EDECA"), was signed into law. Among other things, EDECA created the societal benefits charge to fund programs for the advancement of energy efficiency and Class I renewable energy technologies and markets in New Jersey. EDECA also charged the New Jersey Board of Public Utilities with initiating proceedings and undertaking a comprehensive energy efficiency and renewable energy resource analysis ("Comprehensive Resource Analysis" or "CRA") in New Jersey. The Comprehensive Resource Analysis would be used to determine the level of funding for Energy Efficiency ("EE") and Class I Renewable Energy ("RE") programs statewide. Collectively, these programs form New Jersey's Clean Energy Program™. Over the past 20 years, the programs have significantly reduced energy usage, reduced greenhouse gas emissions, delivered clean, local sources of renewable energy, and resulted in billions of dollars of energy cost savings to New Jersey ratepayers.

From 2001 through 2011 ("FY12"), the Board established four-year funding levels as envisioned in the Act. Since 2012, the CRA has provided a single year funding level in order to advance the goals of the New Jersey Clean Energy Program ("NJCEP").[1]

On January 31, 2018, Governor Phil Murphy signed Executive Order No. 8 ("EO8")[2], which directed the New Jersey Board of Public Utilities ("BPU") and all agencies with responsibility under the Offshore Wind Economic Development Act ("OWEDA") to "take all necessary action" to fully implement OWEDA and begin the process of moving New Jersey towards a goal of 3,500 megawatts of offshore wind energy generation by the year 2030. On November 19, 2019, Governor Murphy signed Executive Order No. 92 ("EO92"), which increased the goals for offshore wind energy generation to 7,500 megawatts by 2035. In September 2022, Executive Order 307 further increased the Offshore Wind ("OSW") goal to 11,000 megawatts ("MW") by 2040. In November 2022, a revised solicitation schedule was announced laying out how New Jersey expects to meet the new goal.

On May 23, 2018, Governor Murphy signed the Clean Energy Act, L. 2018, c. 17 ("CEA"), which takes several critical steps to improve and expand New Jersey's renewable energy programs and establishes ambitious energy reduction targets. The CEA requires 21% of the electricity sold in the State to be from Class I renewable energy sources by 2020, 35% by 2025, and 50% by 2030. Additionally, the CEA provides a platform to reform the State's solar program by making near-term structural changes to ensure that the program is sustainable over the long term and establishes a community solar energy program to allow low-income New Jersey residents to benefit from solar energy. Importantly, the CEA also established new energy savings targets of at least 2% annually for electric distribution companies and at least 0.75% for gas distribution companies, to be achieved in the prior three years within five years of implementation of their programs.

[1] In the early years, the budgets and programs were based on calendar years, but in 2012, the Board approved the budgets and programs on fiscal years to align with the overall State budget cycle.
[2] Executive Order No. 8.

The Board initiated its first CRA proceeding in 1999 and issued the first CRA Order in 2001. The 2001 Order set funding levels, the programs to be funded, and the budgets for each of those programs for the years 2001 through 2003. Since then, the Board has issued numerous orders setting the funding levels, related programs, and program budgets for the years 2004 – Fiscal Year 2022.

From 2001 to 2006, the State's electric and natural gas utilities managed the programs. In 2004, the Board determined that it would manage NJCEP going forward, and in 2005-2006, the Board issued a request for proposal ("RFP") to contract the necessary administrative services to assist in oversight. In 2006, the Board engaged Honeywell, Inc. to manage the RE and residential EE programs and TRC Energy Solutions ("TRC") to manage the Commercial & Industrial ("C&I") EE programs. In 2007, the Board engaged Applied Energy Group ("AEG") as the NJCEP Program Coordinator. Following multiple extensions, these contracts terminated on March 31, 2016.

In April 2015, the Board, through the Department of the Treasury, Division of Purchase and Property ("Treasury"), issued RFP 16-X-23938 seeking proposals for a single Program Administrator to provide the services then being provided by Honeywell, TRC, and AEG ("2015 RFP"). On December 1, 2015, Treasury awarded the Program Administrator contract to AEG. Subsequently, on January 13, 2017, TRC Environmental Corporation acquired AEG's New Jersey operation, including the NJCEP Program Administrator contract, and assumed AEG's rights and obligations thereunder. TRC subcontracted portions of the work under its contract to CLEAResult Consulting, Inc. and Energy Futures Group, Inc. TRC has managed the programs since March 1, 2016, which marked the conclusion of the transition period set out in the RFP. Since October 2021, TRC has managed the programs without subcontractors.

ENERGY MASTER PLAN

On May 23, 2018, Governor Murphy signed Executive Order No. 28 ("EO28"), directing the BPU to spearhead the committee to develop and deliver the new Energy Master Plan ("EMP"). The committee was comprised of senior staff designees from the following state agencies: Board of Public Utilities, Department of Community Affairs, Economic Development Authority, Department of Environmental Protection ("DEP"), Department of Health, Department of Human Services, Department of Transportation, Department of Labor and Workforce Development, and Department of the Treasury. The committee was tasked with developing a blueprint for the conversion of the State's energy production profile to 100% clean energy by January 1, 2050, with specific proposals to be implemented over the next 10 years.

On January 27, 2020, following months of research, review, and stakeholder input, the 2019 EMP was unveiled. The EMP outlines seven key strategies to achieve 100% clean energy by 2050: reduce energy consumption and emissions from the transportation sector; accelerate deployment of renewable energy and distributed energy resources; maximize energy efficiency and conservation and reduce peak demand; reduce energy consumption and emissions from the building sector; decarbonize and modernize New Jersey's energy system; support community energy planning and action in underserved communities; and expand

the clean energy innovation economy.

On January 20, 2023, Governor Murphy announced that the State would begin planning for the development of a new EMP for release in 2024 that will update and expand on the pathway to achieving a 100% clean energy economy by 2050 set forth in the 2019 EMP.

On February 14, 2023, through EO315, Governor Murphy declared that the policy of the State is to advance clean energy market mechanisms and other programs in order to provide for 100% of the electricity sold in the state to be derived from clean sources of electricity by January 1, 2035.

The BPU, with guidance from other State agencies and assistance from a consultant, will coordinate the State's efforts to develop a 2024 EMP that makes updates to the State's roadmap to 100% clean energy by 2035 and that provides specific proposals to be implemented both in the short-term and longer-term to achieve this goal. This process will include public hearings and allow for ample opportunities for stakeholders to provide feedback. In December 2023, Energy and Environmental Economics, Inc. was selected as the consultant to prepare the 2024 EMP. A series of public hearings and small-group workshops were held in the Spring and Summer of 2024 to solicit input from stakeholders to help inform Staff's drafting of the 2024 EMP. Staff anticipate finalizing the 2024 EMP later this year.

FUNDING LEVELS

The funding recommendations for FY26 considered NJCEP's historic results and forecasts for the year. BPU Staff ("Staff") is recommending that the Board maintain the Societal Benefits Charge ("SBC") funding level of $344,665,000 for FY26. The following table summarizes the appropriate funding levels for NJCEP's FY26 budget.

Proposed FY26 Funding Levels*		
CEP Budget Category	FY26 New SBC Funding ($)	Total FY26 Funding ($)
Total NJCEP + State Initiatives	344,665,000	869,030,671
State Energy Initiatives	97,200,000	216,189,000
Total NJCEP	247,465,000	652,841,671
Energy Efficiency Programs	61,790,034	191,406,296
C&I EE Programs	28,399,755	67,463,790
New Construction Programs	33,390,279	69,204,679
State Facilities Initiative	0	54,675,202
Acoustical Testing Pilot	0	62,626
Distributed Energy Resources	10,205,741	25,923,043
CHP - FC	10,205,741	19,323,828
Microgrids	0	731,738

Energy Storage	0	5,867,478
RE Programs	3,025,441	7,372,116
Resource Adequacy	0	4,346,675
Solar Registration	3,025,441	3,025,441
Planning and Administration	18,749,429	70,407,798
BPU Program Administration	0	10,400,000
Marketing	4,867,352	7,000,000
CEP Website	0	1,423,000
Program Evaluation/Analysis	7,816,552	44,661,932
Outreach and Education	5,994,383	6,779,961
Memberships	71,141	142,906
BPU Initiatives	153,694,355	357,732,416
Clean Energy Affordability	54,766,461	133,802,216
Grid Modernization Efforts	0	15,000,000
Electric Vehicle Programs	98,927,894	207,930,200
Workforce Development	0	1,000,000

*Numbers presented in the above table may not add up precisely to totals provided due to rounding to the nearest dollar.

ENERGY EFFICIENCY

The CEA directs both the Board and the State's investor-owned electric and gas utilities to take action regarding EE. The CEA requires the Board to adopt an electric and gas EE program in order to ensure investment in cost-effective EE measures, ensure universal access to EE measures, and serve the needs of low-income communities. The CEA requires each electric public utility to achieve annual reductions in the use of electricity of at least 2% and each natural gas public utility to achieve annual reductions in the use of natural gas of at least 0.75% of the average annual usage in the prior three years within five years of implementation of its EE program.

On June 10, 2020, the Board approved an expansive EE program which highlighted an enhanced role for utilities and addressed issues such as utility-specific energy usage and peak demand reduction targets, program structure, cost recovery, utility filing requirements, program timeframes, evaluation, and reporting requirements. Staff worked with New Jersey's investor-owned utilities, Rate Counsel, and other stakeholders to ensure that the new framework was put into place fully, properly, and with minimal ratepayer impact. The utilities started the programs on July 1, 2021. In December 2023, the utilities proposed programs for the second three-year cycle of utility programs, for implementation beginning on January 1, 2025.

Additionally, Executive Order 316 ("EO 316") directed that "[i]t is the policy of the State to

advance the electrification of commercial and residential buildings with the goal that, by December 31, 2030, 400,000 additional dwelling units and 20,000 additional commercial spaces and/or public facilities statewide will be electrified, and an additional 10 percent of residential units serving households earning less than 80 percent of area median income will be made ready for electrification through the completion of necessary electrical system repairs and upgrades."[3] EO 316 defined electrification as "the retrofitting or construction of a building with electric space heating and cooling and electric water heating systems."[4]

The FY26 NJCEP proposal provides continuation of EE funding for new construction programs for residential, governmental, and commercial and industrial markets, as well as the Local Government Energy Audits Program; Energy Savings Improvement Program; Large Energy Users Program; and Combined Heat and Power – Fuel Cells Program. Whenever possible, NJCEP EE programs include a particular focus on outreach and education to ensure equity in access to EE and development of a diverse EE workforce.

RENEWABLE ENERGY

Solar Transition

Pursuant to the CEA, the Board has transitioned from its legacy solar incentive program (SREC registration program or SRP) to a new Successor Solar Incentive ("SuSI") Program. The Board initiated a proceeding in 2018 to gather stakeholder input on the transition and conducted a public rulemaking process for SREC registration program closure upon a determination that 5.1% of the kilowatt hours sold in the state comes from solar electric power generators connected to the state's electric distribution system (5.1% milestone).

In December 2019, the Board approved a Transition Incentive ("TI") Program designed to provide a bridge between the legacy SREC program and a successor incentive program. The adopted rules for the TI Program were published in the New Jersey Register on October 5, 2020.

At the April 6, 2020 agenda meeting, the Board announced that the attainment of the 5.1% milestone was imminent and directed Staff to close the SREC market to new entrants on April 30, 2020.

On May 1, 2020, the TI Program opened to new projects and projects with a valid SRP registration that did not energize prior to the 5.1% milestone (with some exceptions for projects that were granted a waiver due to COVID-19). The TI Program remained open to new registrants until the launch of the SuSI Program.

On January 7, 2021, the Board fulfilled the CEA mandate to study "how to modify or replace the SREC program to encourage the continued efficient and orderly development of solar

[3] Executive Order No. 316 (Feb. 15, 2023).
[4] Ibid.

renewable energy generating sources throughout the State." The Board delivered to the Governor and Legislature the New Jersey Solar Transition Final Capstone Report, which summarized the findings of an extensive stakeholder process and provided recommendations based on these findings and solar market modeling specific to New Jersey. On April 7, 2021, drawing from the Capstone Report findings, Staff issued a straw proposal which presented specific recommendations for the design of the SuSI Program. The initial straw proposal recommended that the Board employ two programs to provide incentives to solar electric generation facilities: an administratively determined incentive for behind-the-meter projects sized 5 MW or less as well as all community solar projects, and a competitive solicitation program for grid supply projects and non-residential net metered projects over 5 MW. Details concerning the closure of the TI Program were also addressed in Staff's straw proposal and the subject of public input.

On July 28, 2021, the Board approved the framework for the SuSI Program, which included eligibility details and incentive levels for the Administratively Determined Incentive ("ADI") Program and an outline for the Competitive Solar Incentive ("CSI") Program. The Board also approved the closure of the TI Program to new registrations effective on August 27, 2021.

The ADI Program opened to new registrations on August 28, 2021. The Board set incentive levels and megawatt allocations in the ADI Program by market segment designed to result in at least 450 MW per year of net metered solar, remote net metered solar, and community solar. Updated incentive levels became effective for all net metered market segments on March 13, 2023, following a one-year review. A review of the incentives in the ADI Program is required every three years; in FY26, the Board will determine updated incentive levels that are anticipated to be adopted early2026 following stakeholder input and a public comment period.

The Board subsequently procured the services of a competitive solicitation program administrator and initiated additional stakeholder outreach to finalize the CSI Program design.

On December 7, 2022, the Board announced the new CSI Program, which offers incentives to qualifying grid supply solar facilities and net metered facilities greater than 5 MW (dc) in size. All CSI-eligible facilities, regardless of whether a project chooses to pursue an incentive or not, are subject to solar siting restrictions. On the same date, the Board approved for publication in the New Jersey Register a rule proposal that amended the SuSI Rules to establish the CSI Program and a proposal for siting rules for grid supply and large net metered solar facilities. On September 18, 2023, the proposed Siting Rules for Grid Supply and Large Net Metered Solar Facilities were adopted and published, with non-substantial changes, in the New Jersey Register at 55 N.J.R. 2015(a). On December 18, 2023, proposed rules establishing the CSI Program were adopted and published in the New Jersey Register at 55 N.J.R. 2555(a). Substantial changes proposed upon adoption were also published in the New Jersey Register at 55 N.J.R. 2461(a) for a 60-day public comment period. The resulting Notice of Adoption of Proposed Substantial Changes was not filed before the eighteen (18)-month expiration date and the proposal expired on August 6, 2024. On September 4, 2024,

the Board approved two re-proposed amendments to the SuSI Program rules for publication in the New Jersey Register on October 6, 2024, for a sixty (60)-day comment period. On December 18, 2024, the Board adopted the rule amendments for publication in the New Jersey Register at 57 N.J.R. 200(b).

The CSI Program awards Solar Renewable Energy Certificate II ("SREC-IIs") through a competitive solicitation, with separate solicitations for five market tranches: Tranche 1, basic grid supply projects; Tranche 2, grid supply projects sited on the built environment; Tranche 3, grid supply projects sited on contaminated sites and landfills; Tranche 4, net metered non-residential projects greater than 5 MW; and Tranche 5, energy storage in combination with a grid supply solar project from Tranche 1, 2 or 3. Following a pre-qualification review of eligibility criteria, projects submit a bid for an SREC-II award in their tranche, specified in dollars per Megawatt-hour ("MWh") of solar electricity production; pre-qualified projects compete on bid price only. The annual solicitation target is 300 MW of new solar generation, and 160 MWh of energy storage paired with solar generation.

The first solicitation of the CSI Program took place in the first quarter of 2023. The Board declined to make any awards in the first solicitation, as all bid prices were above confidential price caps set by the Board to protect ratepayers against excessive bids. Following an in-depth analysis of the specific financial assumptions and external factors that inform setting the price caps for a given solicitation, the Board directed that the second solicitation in the CSI Program open in Quarter 4 of 2023 on an expedited timeline.

The second solicitation of the CSI Program opened November 27, 2023, and closed on February 29, 2024. The total procurement target for the second solicitation remained at 300 MW of solar generation and 160 MWh of paired energy storage. By Order on April 17, 2024, the Board awarded 310.21 MW of solar generation and 80 MWh of storage paired with solar generation, across 8 projects in Tranche 1: Basic Grid Supply and Tranche 3: Grid Supply on Contaminated Sites or Landfills. Projects were selected by lowest SREC-II bid price. Unbid capacity in Tranches 2 and 4 was reallocated to Tranche 1 in order to award additional competitively priced projects, as was un-awarded capacity in Tranche 3 after awards were made in that tranche. The Board determined that awarding competitively priced capacity over the 300 MW solicitation target was in the best interest of New Jersey ratepayers.

On April 23, 2025, the Board announced the third solicitation of the CSI Program, for which the prequalification window opens May 14, 2025, and closes to bids on July 23, 2025. The total solicitation capacity target remains at 300 MW of solar generation and 160 MWh of paired energy storage, with the following procurement targets per tranche:

Tranche	**Procurement Target (MW dc)**
1. Basic Grid Supply	150
2. Grid Supply on the Built Environment	80
3. Grid Supply on Contaminated Sites and Landfills	55
4. Net Metered Non-Residential Installations larger than 5 MW	15
TOTAL	300

5. Energy Storage paired with Grid Supply (Tranche 1, 2 or 3)	160 MWh

For the third CSI Program solicitation, the Board expanded the land uses that may participate in Tranche 2: grid supply on the built environment, to include land classified as industrial and commercial complexes and extractive mining sites. Floating solar sites are also eligible to compete in Tranche 2 on a cost basis. Additionally, the Board updated the documentation required for projects seeking to prequalify in the CSI Program to align with the revised PJM Interconnection process, and set solicitation price caps to protect New Jersey ratepayers from excessive bids.

The Siting Rules for Grid Supply and Large Net Metered Solar Facilities provide a mechanism to allow siting of CSI-eligible facilities on otherwise restricted land uses if the developer petitions for and receives a waiver of the siting prohibition upon demonstrating that a CSI-eligible project on a prohibited land use is in the public interest. The Board has established a process through which, in consultation with its sister agencies, it determines whether the project is in the public interest such that the Petitioner may be granted a waiver, before a project may participate in a CSI Program solicitation.

Community Solar

The New Jersey Community Solar Energy Pilot Program was launched on February 19, 2019, pursuant to the CEA (L. 2018, c. 17). The Pilot Program specifically aimed to increase access to solar energy by enabling electric utility customers to participate in a solar generating facility that could be remotely located from their own residence or place of business.

On December 20, 2019, the Board granted conditional approval to 45 projects representing almost 78 MW in the first solicitation in the Pilot Program, and, on October 28, 2021, the Board granted conditional approval to 105 projects representing 165 MW in the second solicitation. All 150 projects selected to participate in the Pilot Program have committed to allocating at least 51% of project capacity to low- and moderate-income subscribers. As of December 31, 2024, 112 community solar projects with 170 MW capacity have come online, and they serve more than 20,000 subscribers.

Following the end of the second solicitation, the Board announced that the Pilot Program would be transitioning to a permanent program. Staff issued a straw proposal on the permanent Community Solar Energy Program on March 30, 2023, and conducted a stakeholder meeting on April 24, 2023.

The Board established the permanent Community Solar Energy Program on August 16, 2023. The program uses a first-come, first-served registration process similar to the ADI Program, but with a tiebreaker based on subscriber savings should capacity fill quickly. A 225 MW capacity block opened on November 15, 2023. The tranche for Public Service Electric and Gas ("PSE&G") exceeded capacity during the initial registration period and projects were accepted based on the guaranteed bill credit discount for subscribers until the tranche was

full. As of April 11, 2024, the tranches for Jersey Central Power and Light Company, Atlantic City Electric Company ("ACE"), and Rockland Electric Company also closed to new registrations as capacity filled for each tranche. Pursuant to L. 2023, c. 200, signed by Governor Murphy on January 4, 2024, the Board opened an additional 275 MW of capacity during Energy Year 2024. As of January 15, 2025, 495 MW of capacity were subscribed. On April 23, 2025, the Board expanded the capacity under the CSEP to include an additional 250 MW allocated among the four electric distribution company territories. Registration for this capacity opened on April 30, 2025, with the initial registration period running through May 13, 2025. As in the first registration period detailed above, this registration period utilizes a first-come, first-served process with a tiebreaker based on subscriber savings. Following a one-year review of the CSEP, updated incentive levels became effective on April 30, 2025. During FY25, the Board also contracted for escrow services, as Community Solar projects are required to post escrow with the Board; the escrow amount will be reimbursed to the applicant when the registered Community Solar project commences commercial operation.

To further support cost savings for low-income ratepayers by making solar more accessible, the Board submitted a $250 million Solar for All grant application to the Environmental Protection Agency ("EPA") in 2023. In April 2024, New Jersey was awarded $156,120,000 that will be administered through the Board to accelerate the clean energy transition in underserved communities.

Dual-Use (Agrivoltaics)

In July 2021, Governor Murphy, pursuant to EMP Goal 2.1.8, signed the Dual-Use Solar Energy Act of 2021 (L. 2021, c. 170, "Dual-Use Act"), which directs the Board to adopt rules establishing a Dual-Use Solar Energy Pilot Program ("Pilot Program") for the development of dual-use solar projects on productive farmland (also known as "Agrivoltaics"). The Pilot Program is designed to encourage the development of dual-use solar facilities and the creation of a new segment of the solar industry in New Jersey that is compatible with the State's rich agricultural heritage. Specifically, the Pilot Program seeks to demonstrate and study the compatibility of active agricultural or horticultural production and solar photovoltaic infrastructure on the same land. Staff engaged the Rutgers Agrivoltaics Program ("RAP") at Rutgers University ("RU") for providing crucial input into the design of the Pilot Program; on May 1, 2023, the Board approved and executed a three-year grant agreement with RAP to facilitate the development and implementation of a Pilot Program.

Throughout 2023, and in close collaboration with the New Jersey Department of Agriculture, the DEP, and other interested stakeholders, the Board conducted robust public engagement to gather input on the implementation of this law.

On November 9, 2023, a Straw Proposal was issued for public comment, with a corrected version issued on November 21, 2023. Written comments were due on December 13, 2023.

On November 14, 2023, Staff, in conjunction with RAP, presented an overview of the Straw Proposal at the New Jersey Farm Bureau's annual conference, with approximately 80

attendees including stakeholders primarily from the agricultural community, academia, and federal, state, and local government.

On November 29, 2023, Staff held and led a stakeholder meeting, with approximately 129 attendees and 14 participants who provided public comment during the meeting. Staff received 16 written comments, representing 22 entities.

On June 10, 2024, preliminary draft rules for the Dual-Use Solar Energy Pilot Program were issued for public comment. Written comments were due on June 24, 2024; 18 written comments were received from 25 entities.

On October 23, 2024, the Board approved a notice of proposal to amend its existing solar energy rules to include the Pilot Program to be codified at N.J.A.C. 14:8-13 as a new subchapter with amendments to the SuSI Program rules set forth at N.J.A.C. 14:8-11. The Pilot Program is designed to provide incentives to agrivoltaics solar facilities as an adder, or an additional financial incentive, to incentives available under the SuSI Program. The approved Notice of Proposal for the Pilot Program was published December 2, 2024, to the New Jersey Register for a sixty (60)-day written comment period. Staff hosted a virtual information session on the Dual Use Pilot Program proposed rules on December 17, 2024. Staff anticipate that the Board will approve a notice of rule adoption in FY26.

By Board Order on October 23, 2024, and corrected on January 2, 2025, the Board established the Pilot Program. On January 6, 2025, the Board issued a Notice of Incentive Availability ("NOIA"), inviting all interested parties to submit Expressions of Interest ("EOIs") for pre-qualification in the Dual-Use Pilot Program; the deadline for submission of EOIs was February 14, 2025. Evaluation of the EOIs, in partnership with Rutgers University and State agencies including the New Jersey Department of Environmental Protection and New Jersey Department of Agriculture, and issuance of determination letters to invite full applications to the Dual-Use Pilot Program will be completed before the end of FY25. The full application period will open when the Board adopts program rules in FY26.

Offshore Wind

Governor Phil Murphy signed EO8 on January 31, 2018. The purpose of EO8 was to reinvigorate the implementation of the State's OWEDA. EO8 directed the BPU and all agencies with responsibility under OWEDA to "take all necessary action" to fully implement OWEDA and begin the process of moving New Jersey towards a goal of 3,500 MW of offshore wind energy generation by the year 2030. EO8 also required an initial solicitation of 1,100 MW as the first step towards achieving the goal and required the development of an Offshore Wind Strategic Plan ("OSWSP").

In 2018, the Interagency Agency Taskforce on Offshore Wind was developed to assist in the development of the OSWSP. A consultant for the OSWSP was retained and work began in 2018. In September 2018, the BPU issued a solicitation for 1,100 MW of offshore wind energy generation, and in June 2019, the BPU approved an application for a 1,100 MW offshore wind generation project submitted by Ocean Wind.

On November 19, 2019, Governor Murphy signed EO92, increasing the State's offshore wind energy generation goal to 7,500 MW by 2035. Governor Murphy found that, as a result of efforts by the State following EO8, "offshore wind development is a growing economic sector in the State with increases in supply chain presence, private investment in ports, workforce development efforts, and research and development for offshore wind industry and labor." Governor Murphy found that expanding the offshore wind goal will ensure that the State can "meet the State's goals of 50 percent renewable energy by 2030 and 100 percent clean energy by 2050, in addition to creating a significant number of good-paying jobs."

The OSWSP was released for public comment in July 2020 and was approved by the BPU in September 2020. Also in September 2020, a second solicitation was issued for 1,200 to 2,400 MW of OSW. Evaluation of applications received from two developers in December 2020 resulted in awards by the Board to two projects, Ocean Wind 2 at 1,148 MW and Atlantic Shores at 1,510 MW in June 2021.

In November 2020, the Board requested that Pennsylvania Jersey Maryland ("PJM") include the State's OSW goal into its regional transmission expansion planning under a PJM process known as the State Agreement Approach ("SAA"). The Board also issued a Request for Quotation ("RFQ") for a consultant to assist Staff with the SAA process, and a contract was awarded to a qualified consultant. A solicitation for OSW transmission solutions was issued by PJM on behalf of the Board in April 2021, with proposals received in September 2021. Evaluation of the proposals by Staff, PJM, and Staff's consultant resulted in the Board awarding, in October 2022, a suite of projects to support interconnection of 6,400 MW of OSW. These projects are expected to save New Jersey ("NJ") ratepayers hundreds of millions of dollars.

Beginning in FY22, Staff, working with DEP, has administered the Research and Monitoring Initiative ("RMI"). The RMI is funded by a fee charged to the awarded projects in OSW solicitations 2 and 3 and is designed to identify and fund projects to evaluate the potential impact of OSW on NJ's natural resources and wildlife.

In September 2022, Governor Murphy signed EO 307 further increasing the State's OSW goal to 11,000 MW by 2040.

In March 2023, the Board issued its third OSW solicitation for between 1,200 and 4,000 MW. Evaluation of applications received in August 2023 resulted in awards by the Board to two projects, Leading Light Wind at 2,400 MW and Attentive Energy Project 2 at 1,342 MW in January 2024.

In order to support the coordinated transmission of the additional 3,500 MW created by EO 307, in April 2023, the Board initiated the second use of the SAA 2.0 ("SAA 2.0"). In February 2024, the Board issued an RFQ to retain a consultant to support Board Staff with SAA 2.0. Efforts to evaluate a second SAA are currently paused while Staff awaits additional clarity on forthcoming changes to PJM's long-term regional planning process and cost allocation as part of compliance with FERC Order 1920.

In April 2023, the Board issued an RFQ for a consultant to assist Staff in the development of a second Offshore Wind Strategic Plan ("OSWSP 2"). In July 2023 a consultant for the second OSWSP was retained. Work on the OSWSP 2 is currently ongoing.

To maximize the benefits of the SAA awards, the Board is pursuing a transmission corridor called the Prebuild Infrastructure ("PBI"), for qualified offshore wind projects. In November 2023, the Board issued a solicitation for the PBI. Applications from that solicitation were received in April 2024 and evaluation by Staff and Staff's consultants is currently underway.

In January 2024, the Board retained a consultant to assist Board Staff with the fourth OSW solicitation. The Board issued its fourth Solicitation for between 1,200 and 4,000 MW in April 2024. In February 2025, the fourth Solicitation ended and no awards were made due to uncertainties with the remaining project bidder, and questions and concerns raised by federal actions with respect to permitting. Ongoing efforts are continuing to evaluate future OSW solicitation opportunities and needs.

In FY25, funding was requested for specific activities, including continued funding for the Rutgers University Center for Ocean Observing Leadership ("RUCOOL") work; continued funding for a consultant to assist Staff in the OSW Strategic Plan; continued funding for the National Offshore Wind Research and Development Consortium ("NOWRDC"); and the ongoing Wind Institute activities.

For FY26, funding will continue to support ongoing contractual obligations and specific activities, including work with RUCOOL and NOWRDC.

OTHER DISTRIBUTED ENERGY RESOURCES

Microgrids

In 2012, Superstorm Sandy gives NJ an energy resilience wake up call. In 2014, NJBPU funded the New Jersey Institute of Technology Town Center Distributed Energy Resources Potential Report. In 2015, the EMP 2015 Update called for increasing the use of microgrids. In 2016, NJBPU releases a Microgrid Report. Between 2017 and 2019, BPU established a Town Center Distributed Energy Resources Microgrid Incentive Program Phase I Feasibility Studies, and provided $2 million funding assistance for thirteen municipalities/county entities to prepare FS reports. In 2020, BPU Staff solicited DP incentive applications from FS participants, received 11 applications, and recommended funding 8 applications. In 2021, BPU entered into MOUs and granted awards totaling $3.75 million for 7 awardees. Between 2022 and 2024, engineering designs were prepared by awardees via their consultants. In 2024, the NJBPU approved DP MOU extensions. Staff is evaluating the next potential steps based on the findings of the design studies and determine recommendations on funding the construction phase of these projects.

Energy Storage

In 2018, Governor Murphy signed the CEA into law. The Act establishes two goals for energy storage: 600 MW by 2021 and 2,000 MW by 2030. The Act directed BPU to develop and implement a program to achieve these goals.

In FY19, the Board retained Rutgers University to conduct an analysis of energy storage ("ES") in NJ pursuant to the CEA. The Board accepted the final report at the June 12, 2019 Board meeting.

BPU is addressing energy storage in two separate proceedings. As part of Phase One of the ES approach, a solar+storage program was included in the Solar Successor Program Straw Proposal released for public comment on April 7, 2021. The second CSI solicitation, announced awards in April 2024, including 80MWh of storage paired with solar generation.

Phase Two of the energy storage program was launched on September 29, 2022 with the issue of a straw proposal and stakeholder process for the Garden State Energy Storage Program ("GSESP"), formerly the New Jersey Storage Incentive Program ("NJSIP").

The GSESP Straw Proposal suggested the creation of two energy storage programs: (1) Incentives for stand-alone Front-of-Meter energy storage ("Transmission-scale") physically connected to a New Jersey electric distribution company ("EDC"); and (2) Incentives for stand-alone Behind-the-Meter energy storage ("Distributed or Customer Level") physically located on the premises of a customer receiving transmission and/or distribution service from a New Jersey EDC.

On August 8, 2023, BPU issued a Request for Information to solicit and receive further stakeholder commentary. Together, over 100 sets of comments were received about the program.

On November 7, 2024, Staff, with assistance from a consultant, released a revised Straw Proposal and associated Program Rules. Written comments were due on December 18, 2024.

On November 20, 2024, Staff held and led a public stakeholder meeting, with over 300 attendees, and about 30 stakeholders provided public comments during the meeting. Staff received 60 comments.

Staff note the successful launch of Phase 1 of the GSESP on June 18, 2025. Funding has been provided to support the anticipated Phase 2 of the GSESP, which will focus on incentivizing distributed storage.

Grid Modernization

To support the integration of distributed energy resources into the electric transmission and

distribution system on NJ, in FY22-FY23 the Board initiated a grid modernization proceeding with an initial focus on reforming New Jersey's interconnection process. A consultant was retained to conduct a study and to organize several stakeholder meetings. A final report was accepted by the Board in FY23 that contained nine recommendations for improving the state's interconnection rules and processes. Draft rule change language was issued for public comment to implement four of the recommendations. This was followed by further stakeholder engagement to come to a rule proposal, which was approved by the Board for posting in the NJ Register on April 30, 2024. The remaining five recommendations are being pursued through industry expert workgroups, one of which launched in Q3 2024 and the remaining of which will be launched between 2025-2026.

Additionally, Staff submitted a $27 million grant application to the United States Department of Energy ("USDOE") as part of the Grid Resilience and Innovation Partnerships ("GRIP") grant program on April 17, 2024. The BPU's GRIP application seeks to expand distributed energy resource hosting capacity in constrained circuits in ACE's service territory. ACE and Electric Power Research Institute are partners on the proposal. In FY26, BPU is allocating $15m to expand the forum with additional workgroups, if necessary, and innovation pilot programs to continue the development of the grid modernization proceedings; engage a Phase 2 Grid Modernization Forum program consultant; initiate several Grid Mod Innovation Pilots; and take the next steps towards introducing new and amended rules based on the workgroup reports' recommendations.

BPU INITIATIVES

Clean Energy Affordability

The BPU, through the OCEE and other relevant State agencies continue to expand energy assistance programs, such as Comfort Partners, Weatherization Assistance Program, and other EE programs, to provide education and community outreach in order to increase participation and reduce energy burden. The details of many of these programs, including much of the EE work overseen by the OCEE, is addressed under Strategy 3 of the 2019 EMP. In addition, the Comfort Partners Compliance Filing further outlines the work that is being performed through this program. Furthermore, the OCEE is designing new programs, including a program targeting Urban Heat Islands, meant to address and further improve the resilience and affordability of communities and residents throughout the state, while also being in alignment with the EMP. Since the onset of the public health emergency in 2020, the Board has taken a leading role in safeguarding the access to utility services for customers. This work is ongoing through the Residential Energy Assistance Payment (REAP), which provided arrearage relief to qualifying customers in Fall of 2024. In FY25, additional funds were identified in the true-up budget process to administer a second round of arrearage relief funding, which is expected to go out in FY26. Additionally, Staff are evaluating a potential permanent Whole House program. Final recommendations will be presented to the Board when available.

ELECTRIC VEHICLES

On January 17, 2020, the Governor signed into law L. 2019, c. 362 (N.J.S.A. 48:25-1 et seq.) ("the Electric Vehicle Act" or "EV Law"), which established the State's goals for the use of plug-in Electrical Vehicles ("EVs") and the development of supporting plug-in EV charging infrastructure.[5] In particular, the Act authorized the Board to adopt policies and programs to accomplish the State's goals and authorized the use of SBC funds to effectuate those policies and programs, which include:

1. At least 330,000 registered light-duty, plug-in EVs in NJ by December 31, 2025, and at least 2 million EVs registered in NJ by December 31, 2035.
2. At least 85% of all new light-duty vehicles sold or leased in NJ shall be plug- in EVs by December 31, 2040.
3. At least 25% of State-owned non-emergency light duty vehicles shall be plug-in EVs by December 31, 2025.
4. 100% of State-owned non-emergency light-duty vehicles shall be plug-in EVs by December 31, 2035 and thereafter.
5. At least 1,000 Level Two chargers shall be available for public use across the state by December 31, 2025.
6. Establishment of goals by the DEP, in consultation with the Board for vehicle electrification and infrastructure development for medium and heavy duty vehicles by December 31, 2020.

In FY21-FY25, NJCEP continued to advance those goals in a variety of different ways. The Board approved four Electric Distribution Companies petitions to launch light-duty EV public charging, and Staff are working with utility staff to ensure the successful implementation of those programs. Staff sought stakeholder input on the subject of Medium and Heavy Duty ("MHD") EV charging to provide multiple opportunities for input on MHD investment and on mechanisms for rate recovery and rate setting for MHD EV charging. The Board approved Minimum Filing Requirements for MHD Plans on October 23, 2024, with the Electric Distribution Companies required to file their MHD Plans within 120 days of Board Order approval for Staff review.

The Electric Vehicle Act also created the Charge Up New Jersey Program ("CUNJ") within the NJCEP to encourage the purchase or lease of new light-duty plug-in EVs in the State and assist NJ residents in making the switch to driving EVs. The CUNJ program offers a base incentive and an increased incentive for pre-qualified low-income applicants at the point-of-sale. The BPU intends to facilitate the achievement of the State's EV goals and continue to implement an incentive program which moves the State forward on transportation electrification, while decreasing greenhouse gas emissions. Staff launched the post-purchase incentive in May 2020 and the point-of-sale incentive began in July 2021. Since the launch of CUNJ over $167 million has incentivized over 58,000 EVs.

An incentive for residential chargers, was launched on July 25, 2022 and in its first year has provided over 2,000 chargers with over $594,000 in funding, in the second year of the

[5] N.J.S.A. 48:25-3 to -11.

program over 4,000 chargers received over $1 million in incentives, and in the third year of the program over 3,700 chargers have been incentivized for over $929,000 in funding.

The EV Law also established goals to encourage the State-owned non-emergency light-duty vehicle EV adoption. The EV Law calls for at least 25 percent of the fleet to be plug-in EVs by December 31, 2025, and 100 percent by December 31, 2035. In order to achieve those goals, after a successful pilot program utilizing the USDOE funds in FY22, Staff launched the Clean Fleet Program, to assist in funding the increased up-front costs associated with the adoption of light-duty EVs for the State and municipal fleets.

Additionally, the EV Law established goals for public chargers, as well as chargers located at Multi-Unit Dwellings ("MUDs") and hotels. In FY22, the Board utilized an appropriation from the State's General Fund to create programs to fund chargers at MUDs, tourism locations, and hotels. The Board's EV Tourism Program was designed to encourage the building of more corridor and community chargers throughout NJ, reducing range anxiety for our residents, and encouraging EV driving tourists to choose NJ as their tourism destination. During FY24 the Clean Fleet, MUD, and EV Tourism Corridor program, a non-competitive sub-program of EV Tourism, began to be administered by the same entity that administers the CUNJ program and have continued to provide significant funding to hundreds of additional EV chargers. Staff proposes to continue all the Clean Transportation programs from FY25, including funding for an MHD Depot charging program as envisioned by A4794 and funding for a Vehicle to Grid School Bus Pilot in consultation with DEP's School Bus Program, which is also funded in this budget.

STATE ENERGY SERVICES

The State Facilities Initiative ("SFI") allows the State to lead by example by identifying and implementing EE projects at governmental and quasi-governmental mandated agencies and facilities. The SFI is administered by the BPU's Division of State Energy Services (SES)/ State Energy Office (SEO). The goal is to implement energy reduction, energy savings, and EE projects with the objective of producing energy and cost savings. The Energy Capital Committee ("ECC"), chaired by BPU's Division of State Energy Services ("SES"), consists of members from the Department of Treasury, including the Office of Management and Budget ("OMB"), Division of Administration and the Division of Property Management and Construction ("DPMC"), along with the BPU's Administration, Fiscal and SES divisions. SES works with OMB to review energy-related capital requests. The SFI funds are allocated for and spent on projects identified by the SES and the DPMC.

The Board previously entered into two MOUs with DPMC, in 2017[6] and 2019[7] to implement projects. The 2019 MOU also established roles and responsibilities of the parties, as well as

[6] In re a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities, BPU Docket No. QO17010075, Order dated February 22, 2017.

[7] In re the Memorandum of Understanding Between the New Jersey Division of Property Management and Construction, Department of Treasury and the New Jersey Board of Public Utilities Regarding the State Facilities Initiatives Program, BPU Docket No. QO19101423, Order dated November 13, 2019.

governing SFI funding allocation and spending. The Board has the ability to further allocate funds and/or assign projects funded by the Board to the SFI. It further ordered that after the FY20 budget, SFI funds were to be segregated from other Clean Energy funds. In addition, the Board entered into a separate MOU with NJ Transit on February 17, 2021 to upgrade transit garages.[8]

SFI projects may focus on: (a) improvements, upgrades, and replacements of air handling and movement systems; (b) lighting and equipment upgrades and replacements; (c) boiler, chiller, and Heating, Ventilation and Air Conditioning replacements; (d) lighting and building controls; (e) RE and EE systems at State facilities; and (f) injection of funding for State facility projects outside of the ECC domain that have an EE or RE component but are stalled due to lack of funding. DPMC-led projects are given project numbers and bid through the State's procurement process. All DPMC issued RFPs are available through NJStart.

OUTREACH AND EDUCATION

In FY26, outreach and education will continue to play a key role in driving energy savings by educating all customer markets on the benefits and cost savings associated with energy reduction plans.

The DCE anticipates improving the visibility and exposure of NJCEP and advancing the State's clean energy goals through a variety of educational efforts, including outreach through its program administrator as well as strategic partnerships with academic and non-profit partners, such as the New Jersey Institute of Technology and Sustainable Jersey.

EVALUATION

Evaluation and related research provide crucial insights into and analysis of clean energy markets and programs. The BPU is the lead agency tasked with the development and implementation of the EMP and NJCEP. As such, the BPU is required to track and report on progress in meeting the EMP goals, as well as to evaluate current and proposed utility and NJCEP programs in terms of their achievement of energy savings, rate impact, and costs versus benefits of specific programs operated through ratepayer funds. The BPU is also required to establish baselines related to EE, RE generating sources, and emerging technologies and to evaluate the market potential for current and emerging clean energy technologies.

Per the CEA, the Board established an Evaluation, Measurement, and Verification ("EM&V") Working Group in FY22 to develop the evaluation, measurement, and verification process for EE and peak demand reduction programs. As required by the Board on June 10, 2020, Staff procured a Statewide Evaluator to manage the working group. Through the EM&V Working

[8] In re the Memorandum of Understanding Between the New Jersey Transit Corporation and the New Jersey Board of Public Utilities Regarding the Use of Funds Generated by SBC to Support the Development of Infrastructure Related to Battery Electric Buses, BPU Docket No. EO21020265, Order dated February 17, 2021.

Group, the Statewide Evaluator, Staff, Rate Counsel, and utility representatives prioritize and design evaluation studies to evaluate both utility and NJCEP EE programs.

The evaluation studies are managed by the Statewide Evaluator and conducted by three entities.

First, the Center for Urban Policy Research (formerly the Rutgers Center for Green Building) will continue to support the BPU's DCE by performing and managing several program evaluations and studies, as well as by performing cost-benefit analyses of NJCEP programs and other related research activities.

Second, the Evaluation Study Team, contracted in FY23 for three years, will conduct additional research and evaluation studies in FY26, including those with statewide applicability.

Third, independent program evaluators contracted by the utilities conduct annual impact and process studies to evaluate EE programs specific to each utility.

Funding in FY25 was requested to continue the grid modernization proceeding, conduct a study of the potential to use large scale geothermal energy, renewable natural gas and/or green hydrogen as a means to reduce greenhouse gas emissions, and for additional new clean energy technology initiatives that may arise.

In addition to the above-mentioned studies, Staff developed the Equity and Rates Study. The purpose of this project was to evaluate the effectiveness of current assistance programs and residential energy rates to examine the extent to which they protect low- and moderate-income ("LMI") customers from increasing energy burden due to impacts of the clean energy transition. Drawing upon experiences in other jurisdictions, literature studies, and current assistance programs and rates in NJ, a consultant working with Staff provided recommendations for policies and programs to provide a progressive and equitable approach to energy costs for LMI households. Based on these recommendations, Staff published for public comment a Straw Proposal recommending modifications to New Jersey's Universal Service Fund ("USF") program aimed at enhancing affordability and program accessibility for LMI residents in the State and expect to bring its final recommendations to the Board in the near future.

SBC COLLECTION SCHEDULE

For FY26, the allocation of the funding from utilities is based on the statewide USF proceeding that forecasts electric and natural gas operating jurisdictional revenues and normalized monthly sales, which are provided below.

Proposed Allocation to Electric and Natural Gas Ratepayers

	2023-24 Estimated Retail Revenues (000)*	% of Total Revenues
Electric	$7,912,387	66.12%
Natural Gas	$4,054,552	33.88%
Total	$11,966,939	100.00%

Year	Total Funding Level	Electric	Natural Gas
Allocation %		**66.12%**	**33.88%**
FY26	$344,665,000	$227,888,089	$116,776,911

*** Retail revenues from PSE&G USF filing Attachment A dated June 28, 2024**

Projected Sales Volumes
Estimates of Normalized Jurisdictional Sales
Units in (000s)

	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	2025 January	2025 February	2025 March	2025 April	2025 May	2025 June	Total	
Gas Therms*														
NJNG	20,391	19,809	19,595	36,029	73,159	113,330	136,966	116,523	95,579	52,659	29,334	20,288	733,662	16%
SJG	19,981	17,992	19,643	21,640	30,663	65,330	91,677	87,985	77,505	51,770	29,323	21,445	534,954	12%
PSE&G	73,249	67,261	70,821	100,466	221,401	377,237	461,326	473,799	394,515	261,427	153,399	94,737	2,749,637	60%
ETG	19,682	20,268	20,660	21,368	38,339	65,147	84,409	82,437	73,226	54,512	35,624	22,546	538,218	12%
Total	133,303	125,331	130,718	179,502	363,562	621,045	774,378	760,744	640,825	420,368	247,679	159,016	4,556,472	100%
Electric MWH														
PSE&G	3,976,027	4,001,641	3,726,010	2,950,151	2,946,063	3,361,984	3,418,571	3,213,530	3,135,224	2,829,532	2,833,229	3,230,430	39,622,392	57%
JCP&L	2,007,138	2,187,702	1,953,145	1,499,138	1,371,858	1,530,746	1,710,263	1,658,469	1,565,981	1,418,808	1,333,852	1,586,488	19,823,588	29%
ACE	875,900	950,802	894,055	610,067	586,906	616,351	731,241	683,462	618,397	577,912	525,541	670,787	8,341,421	12%
RECO	161,167	162,595	149,234	112,195	103,395	116,482	129,557	120,732	107,188	105,563	101,544	126,648	1,496,301	2%
Total	7,020,232	7,302,740	6,722,444	5,171,552	5,008,222	5,625,563	5,989,633	5,676,193	5,426,789	4,931,815	4,794,167	5,614,353	69,283,702	100%

*Gas sales exclude wholesale therms
source: 6/28/24 PSE&G USF filing Attachment A

Staff utilized the revenue and sales projection from the tables above to develop the proposed monthly utility payments. The table on the next page sets out the proposed monthly payments to the Clean Energy Trust Fund due from each utility. This fund accounts for revenues collected from the SBC on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

Monthly Utility Funding Levels

FY26	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
PS-Electric	$13,077,954.67	$13,162,205.60	$12,255,600.46	$9,703,644.06	$9,690,197.77	$11,058,244.62	$11,244,369.99	$10,569,947.86	$10,312,384.16	$9,306,901.16	$9,319,063.65	$10,625,536.40	$130,326,050.40
JCP&L	$6,601,881.55	$7,195,794.43	$6,424,286.75	$4,930,966.63	$4,512,316.56	$5,034,931.86	$5,625,400.74	$5,455,040.44	$5,150,827.76	$4,666,747.03	$4,387,309.13	$5,218,280.22	$65,203,783.11
ACE	$2,881,012.11	$3,127,380.70	$2,940,726.66	$2,006,633.92	$1,930,452.84	$2,027,301.78	$2,405,200.70	$2,248,043.23	$2,034,031.10	$1,900,870.74	$1,728,612.11	$2,206,353.30	$27,436,619.19
RECO	$530,111.04	$534,807.17	$490,861.59	$369,033.05	$340,087.83	$383,133.59	$426,139.84	$397,112.71	$352,563.36	$347,217.77	$333,999.07	$416,569.74	$4,921,636.76
NJN	$522,596.77	$507,688.68	$502,203.32	$923,367.51	$1,874,969.75	$2,904,524.84	$3,510,284.53	$2,986,338.46	$2,449,564.92	$1,349,584.49	$751,788.15	$519,963.12	$18,802,874.54
SJG	$512,081.35	$461,123.31	$503,413.88	$554,606.05	$785,858.71	$1,674,340.75	$2,349,578.51	$2,254,946.53	$1,986,360.17	$1,326,814.51	$751,501.93	$549,613.57	$13,710,239.27
PS-Gas	$1,877,279.41	$1,723,820.55	$1,815,047.78	$2,574,816.00	$5,674,248.68	$9,668,142.47	$11,823,223.22	$12,142,898.32	$10,110,954.22	$6,700,062.04	$3,931,428.09	$2,427,993.38	$70,469,914.15
ETG	$504,426.08	$519,444.56	$529,491.05	$547,636.24	$982,582.64	$1,669,639.57	$2,163,301.55	$2,112,761.55	$1,876,694.66	$1,397,077.26	$913,000.44	$577,826.97	$13,793,882.58
Total	$26,507,342.98	$27,232,264.99	$25,461,631.49	$21,610,703.46	$25,790,714.78	$34,420,259.48	$39,547,499.08	$38,167,089.10	$34,273,380.35	$26,995,274.99	$22,116,702.58	$22,542,136.71	$344,665,000.00

CONCLUSION

In February 2023, Governor Murphy's EO315[9] directed 100% of the electricity sold in the state to be derived from clean sources of electricity by January 1, 2035. Staff's FY26 CRA straw proposal is intended to advance the State toward that goal and to recognize the value of energy efficiency, renewable energy, and distributed energy resources as foundational energy resources that, when delivered cost-effectively, reduce the cost of energy for all ratepayers while providing additional benefits. These benefits include the health benefits associated with improved air quality, lower environmental compliance costs, increased grid reliability, as well as economic development opportunities in the form of jobs and a more competitive business environment. This proposal recommends that the State continue to make the investments necessary to keep NJ on the path toward achieving the Governor's clean energy goals.

[9] Executive Order No. 315.