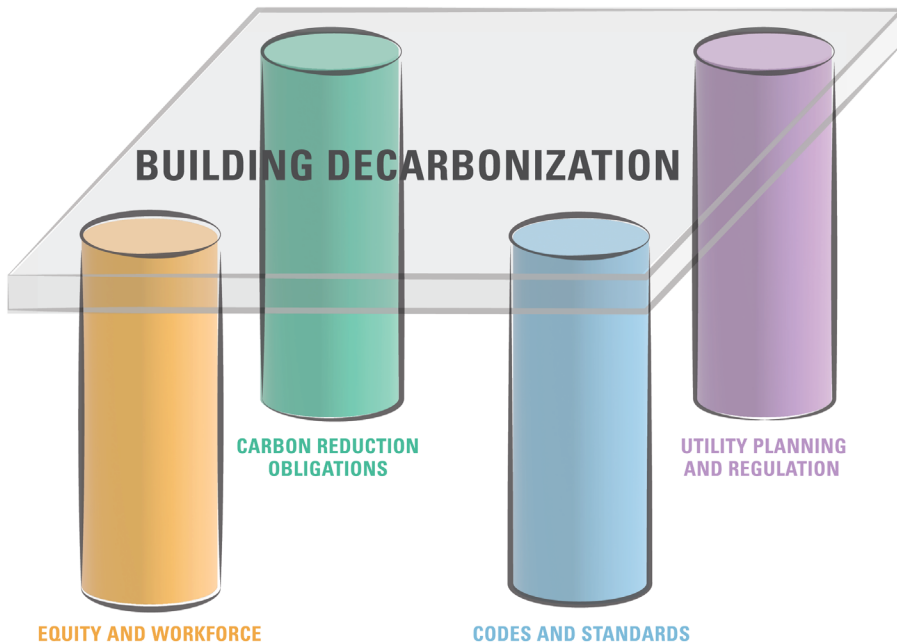


**NEEP’s 2024 Regional Roundup provides a snapshot of New Jersey’s current policies and progress towards greater energy efficiency and building decarbonization.**

Policies and performance are organized across the four categories from NEEP’s 2024 report, *Decarbonizing Buildings: How States can Set the Table for Success*. The categories, or “legs of the table,” include Utility Planning and Regulation, Codes and Standards, Carbon Reduction Obligations, and Equity and Workforce.



- New Jersey runs energy efficiency plans in three-year cycles, as enacted by An Act Concerning Clean Energy (2018), with robust annual savings targets, performance-based utility incentives, and strengthened stakeholder engagement processes.
- Executive Order 316 (2023) established residential and commercial electrification goals, and equity-focused pre-electrification goals for low- and moderate-income homes.
- An Act Concerning Clean Energy (2018) also mandated benchmarking for all buildings over 25,000 sq ft.
- New Jersey piloted a Whole House Pilot Program, delivering energy efficiency benefits to homes that required remediation of pre-weatherization and pre-electrification barriers such as structural problems and mold.
- Triennium 2, the next three-year cycle for energy efficiency programs, includes building decarbonization programs including electrification incentives, pre-electrification building measures, and opportunities for district geothermal systems.

## UTILITY PLANNING AND REGULATION



### UTILITY PLANNING AND REGULATION

Utility Planning and Regulation identifies mandates and frameworks to ensure that utility investment, rates, and programs align with building decarbonization goals. This section includes a *Climate-Forward Energy Efficiency By-the-Numbers* table, which shows performance data for 2021 and current program goals for the state, an overview of policies the state has adopted to implement climate-forward energy efficiency programs, and any planning and regulation the state is pursuing to decarbonize the grid.

Climate-Forward Energy Efficiency by the Numbers		
	New Jersey	Regional Average
Savings as a Percent of Retail Sales in 2021*	Electric: 1.05% Gas: 0.58%	Electric: 1.13% Natural Gas: .43%
Low Income Spending Per Qualified Resident in 2021*	\$12.87	\$36.00
Current Portfolio Goals	2025 Electricity Savings Goal†: 1.66% 2025 Gas Savings Goal†: 0.68%	

\* Data from 2022 ACEEE State Scorecard.

† Goal reported as a percentage of retail sales. Sales data from EIA. Goal from the NJ Triennium 2 Energy Efficiency Plans.

### Climate-Forward Energy Efficiency

<b>Energy Efficiency Program Administrator</b>	In New Jersey, the natural gas and electric utilities and the <a href="#">New Jersey Clean Energy Program (CEP)</a> offer the same suite of energy efficiency programs across the state. The CEP administers new construction programs, and the utilities offer all other programs. The portfolio has a three-year cycle. Triennium 2 (2025-2027) <a href="#">has been approved by the Board of Public Utilities</a> , for implementation from January 1, 2025.
<b>Program Goals</b>	Energy Efficiency Performance Goals, as percentages of retail sales for <a href="#">2025</a> : <ul style="list-style-type: none"> <li>• Annual Electric Goal: 1.66%</li> <li>• Annual Gas Goal: 0.68%</li> </ul>
<b>Benefit Cost Analysis</b>	<i>Base Test:</i> <a href="#">New Jersey Cost Test</a> Non-energy impacts include avoided cost of carbon, a 5% adder for non-energy impacts, and a 10% adder for additional benefits for low-income participants and communities.
<b>Utility Performance Incentives</b>	<ul style="list-style-type: none"> <li>• Utilities can earn up to an additional 0.5 percent return on investment on expenditures for the energy efficiency portfolio based on Quantitative Performance Indicators (QPIs) achieved, between 120 and 150 percent achievement. Failure to achieve performance targets results in penalties.</li> <li>• <a href="#">Triennium 2</a> sets six QPIs: annual energy savings in MMBtu; annual demand savings in peak MW or peak-day therms; lifetime energy savings in MMBtu; low- and moderate-income and over-burdened communities' lifetime energy savings in MMBtu; small business lifetime energy savings in MMBtu; and cost to achieve in total EE portfolio \$ / lifetime MMBtu. These are weighted for a total QPI.</li> </ul>

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### Climate-Forward Energy Efficiency

<b>Fuel Switching Policies</b>	<a href="#">Triennium 2</a> institutes building decarbonization programs. These programs prioritize incentives for electric space and water heating in the residential, multifamily, and commercial sectors; focusing on switching from delivered fuels to heat pumps; making buildings electrification-ready; and identifying opportunities for district geothermal systems for commercial customers.
<b>Statewide Qualified Contractor Network</b>	No current policies in place.
<b>Centering Equity in Climate-Forward Efficiency Programs</b>	The New Jersey Board of Public Utilities (NJ BPU)'s <a href="#">Comfort Partners Program</a> is run by the NJ BPU and electric and gas utilities across the state. It is a no-cost program that helps income-eligible customers with installation of health and safety improvements, weatherization, and education on energy-saving actions. The Comfort Partners Program is unique because it enables electric and gas utility customers with more than one utility to receive whole house weatherization services in a seamless approach.  For the next cycle of programs, <a href="#">utilities plan to</a> report actual performance and equity metrics of low- and moderate-income customers.

## UTILITY PLANNING AND REGULATION



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### Long-Term Planning

<b>Clean Heat and Building Decarbonization Programs</b>	No current policies in place.
<b>Long-Term Utility Planning</b>	No current policies in place.

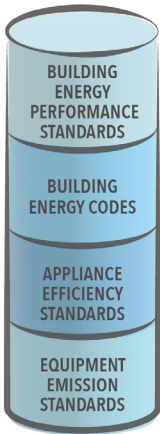
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## CODES AND STANDARDS



**CODES  
AND STANDARDS**

Codes and standards establish a clear timetable for improving the energy performance of new and existing buildings, appliances, and equipment, spurring changes in technologies and building practices.

The Regional Roundup provides additional information on policies in this area that operate at the city level to highlight how communities are taking the lead. Programs such as benchmarking and home energy labeling programs are also included, even when just voluntary, as they can be a precursor for BPS or mandatory home energy score programs.

<b>Building Energy Codes</b>	New Jersey adopted the 2021 IECC. The Uniform Construction Code is effective as of March 6, 2023, and can be accessed <a href="#">here</a> . New Jersey is <a href="#">in the process of adopting</a> the 2024 IECC.
<b>Stretch Energy Codes</b>	No current policies in place.
<b>Building Performance Standards</b>	<a href="#">Executive Order 316</a> directed the Division of Codes and Standards, within the Department of Community Affairs, to develop voluntary enhanced building standards. The Executive Order also directed the BPU and other agencies to offer incentives for utilization of these voluntary standards.
<b>Benchmarking</b>	In 2018, New Jersey passed the <a href="#">Clean Energy Act</a> , which requires all buildings over 25,000 sq ft to benchmark their energy and water consumption annually. The Board of Public Utilities approved the <a href="#">benchmarking program</a> in 2022 with the first reporting year being 2023.
<b>Home Energy Labeling</b>	No current policies in place.
<b>Appliance Efficiency Standards</b>	<a href="#">S3500 (2022)</a> establishes minimum energy and water efficiency standards for certain appliances. For more information on which appliances are covered, see <a href="#">NEEP’s Federal and State Appliance Standards Tracker</a> .
<b>Equipment Emission Standards</b>	No current policies in place.

## CARBON REDUCTION OBLIGATIONS



**CARBON REDUCTION OBLIGATIONS**

Carbon reduction obligations set performance requirements for obligated parties, such as energy providers, to reduce carbon emissions or install clean heating systems. This section also includes any policies that articulate statewide climate goals and involvement in a regional cap and invest program because both programs are aligned with the policies under carbon reduction obligations and can be a part of a future clean heat standard or statewide cap and invest.

<b>Climate Goals</b>	New Jersey’s climate action plan, the <a href="#">2019 Energy Master Plan</a> , sets a GHG emissions reduction goal of 80% by 2050 from 1990 levels. The state is updating the Energy Master Plan for 2024. <a href="#">Gov. Phil Murphy’s Executive Order 274 (2021)</a> establishes an interim target of 50% by 2030 from 2006 levels.
<b>Clean Heat Standard</b>	No current policies in place.
<b>Regional Cap-and-Invest</b>	New Jersey participates in the <a href="#">Regional Greenhouse Gas Initiative</a> . Under the <a href="#">Global Warming Solutions Fund Act (2006)</a> , RGGI proceeds are allocated by percentage: 60% to the NJ Economic Development Authority, 20% to the NJ BPU, and 20% to the NJ Department of Environmental Protection. The state invests most of its proceeds in transportation; the remainder of the proceeds goes to the Green Bank and carbon sequestration.
<b>State Cap-and-Invest</b>	No current policies in place.
<b>Centering Equity in Carbon Reduction Obligations</b>	The Governor’s Office of Climate Action and the Green Economy oversees the <a href="#">Council on the Green Economy</a> , which serves to develop a blueprint for expanding the green economy and building a diverse workforce.

## EQUITY AND WORKFORCE



**EQUITY AND WORKFORCE**

Equity and workforce investments address housing and workforce inequities by empowering historically marginalized communities and ensuring that the energy transition is just and inclusive. This section includes policies that prioritize community empowerment through defining environmental justice communities and/or convening community members to have meaningful input on climate and energy policies in the state. It also highlights any statewide goals or metrics that mandate programs to deliver a certain level of benefits to communities. Finally, it provides a snapshot of the inclusive workforce programs and policies within each state.

### Statewide Equity Initiatives

<p><b>Community Empowerment</b></p>	<ul style="list-style-type: none"> <li>• The NJ BPU’s <a href="#">Office of Clean Energy Equity</a> (OCEE) leads equity working groups and other key energy efficiency initiatives, focusing on equitable access and participation in energy efficiency programs. The OCEE is also responsible for developing plans to expand diversity in workforce development and establishing equity targets and benchmarks.</li> <li>• The New Jersey Department of Environmental Protection (NJDEP)’s Office of Environmental Justice (OEJ) administers an <a href="#">EJ Advisory Council</a> (EJAC), an 18-member advisory body appointed by the NJDEP Commissioner that provides guidance to state departments and agencies on ways to incorporate environmental justice into programs, policies, and activities.</li> <li>• The <a href="#">Environmental Justice Interagency Council</a> (EJIC) was established by <a href="#">Executive Order 23</a> in 2018. The EJIC ensures regular and effective interagency communication to advance environmental justice.</li> <li>• The New Jersey Environmental Justice Law of 2020, <a href="#">N.J.S.A. 13:1D-157</a>, defines “overburdened communities” as census block groups where at least 35% of households are low-income, 40% have limited English proficiency, or 40% of residents are minorities.</li> </ul>
<p><b>Metrics and Goals</b></p>	<p>Part of <a href="#">Executive Order 316</a> requires that at least 10% of low- and moderate-income homes be made ready for electrification by 2030, with updates to electrical systems and other repairs.</p>
<p><b>Home Upgrade Hubs</b></p>	<p>No current policies in place..</p>

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### ***Inclusive Workforce Development***

#### **Inclusive Workforce Development**

The New Jersey Board of Public Utilities [established](#) a Workforce Development Working Group to inform energy efficiency program design and evaluation. The working group will recommend coordinated and collaborative statewide workforce development and job training pathways, with a focus on economic opportunities for underrepresented and socially or economically disadvantaged individuals.





## NEW JERSEY'S BUILDING DECARBONIZATION TABLE

### UTILITY PLANNING AND REGULATION




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**Energy Efficiency Programs**

### EQUITY AND WORKFORCE




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**Environmental Justice Office and Councils**  
**Statewide Electrification Ready Goals**

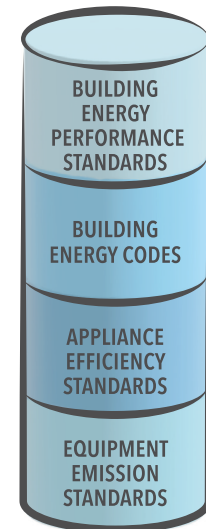
### CARBON REDUCTION OBLIGATIONS




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**RGGI**  
**Climate Goals**

### CODES AND STANDARDS




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**2021 IECC**  
**Appliance Standards**