

NJ Cool

A pilot program to reduce on-site operating greenhouse gas emissions from New Jersey's commercial building sector

Program Webinar: April 16, 2024 – 1:00 p.m.

About NJEDA

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth.

The NJEDA is committed to making New Jersey a national model for **inclusive and sustainable economic development** by focusing on key strategies to help build **strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy**. Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to **enhance the economic vitality and quality of life** in the State and **strengthen New Jersey's long-term economic competitiveness**.



HELPING TO BUILD A
STRONGER AND FAIRER
NEW JERSEY ECONOMY

AGENDA

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2 | Program Eligibility

3 | Application and Disbursement Process

4 | FAQs and Contact Information



NJ Cool Program at a Glance

Visit www.njeda.gov/njcool for more information

Reimburse applicants at 50% rate for eligible hard construction costs (labor, equipment, & materials) for retrofit projects in existing commercial buildings that reduce operating greenhouse gas emissions

Project Grants

Up to

\$1,000,000

Key Facts

- **\$15M** grant program funded by RGGI
- Limited geography pilot, only existing buildings in Newark, Edison, and Atlantic City (\$5M 1 year set-aside per community)
- Support projects that reduce emissions through fuel switching, high GWP refrigerant replacement, energy efficiency improvements, and on-site renewables
- Grant awards of \$50,000 to \$1 million to building owners/tenants for eligible construction costs
- State Prevailing Wage & Affirmative Action compliance required for all construction work

Program Benefits

- Reduce costs of capital improvement projects for commercial building owners/tenants
- Reduce building operating greenhouse gas emissions
- Improve air quality
- Reduce building energy costs
- Accelerate the adoption of building decarbonization systems, technologies, and construction practices within NJ
- Stackable with most State Utility/BPU incentives

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Eligible Project Scope

What does my project need to include to qualify for NJ Cool?

A. Fuel Switching: Switching 75% of building space heating load from existing fossil fuel-based combustion heating systems to non-combustion based alternatives with low to zero direct operating emissions (e.g.: air source heat pumps, geothermal).
Combined heating systems are allowed for back-up and/or peak heating loads.

and/or

B. Refrigerant Replacement: Replacing min. 75% of existing building high global warming potential (GWP) refrigerants (2000+ GWP) with lower GWP alternatives (lower than existing).

Eligible Project Scope

C. Additional Emissions Reducing/Energy Efficiency Work, Optional – In support of A and/or B, not eligible independently or required for grant. Includes but is not limited to:

- Installing on-site renewable energy generation and/or energy storage systems
- Replacing natural gas powered appliances (e.g.: hot water heaters, clothes dryers, kitchen equipment) with electric powered alternatives
- Installing building management systems (BMS) or energy load controls
- Conducting weatherization or building envelope (e.g.: façade, doors, windows, insulation) upgrades
- Installing heat recovery equipment
- Replacing lighting with more efficient equipment and/or controls

Eligible Applicants

- ▶ Building owner (or tenant with owner approval) applies to program
- ▶ Only retrofits of existing commercial buildings, not new construction or enlargements/additions
- ▶ Building must be located within a pilot municipality (Newark, Edison, Atlantic City)
- ▶ Construction work must be completed by Publics Work contractor(s) registered with NJDOL complying with State prevailing wage and affirmative action requirements
- ▶ Commercial building use is defined by select NJ Building Code Occupancy Classes:
 - ▶ For mixed-use buildings with multiple occupancy classes, project improvements must at least affect space inside the building that meets at least one of the eligible classes

Eligible Occupancy Classes + Building Code Examples

Mercantile Group M

- Retail or wholesale stores
- Department Stores
- Drug Stores
- Markets
- Gas Stations
- Sales rooms

Assembly Group A-2

- Restaurants and dining facilities
- Bars and nightclubs
- Banquet halls
- Casinos (gaming areas)

Business Group B

- Animal hospitals, kennels, and pounds
- Ambulatory care facilities
- Banks
- Barber and beauty shops
- Car wash
- Clinics (outpatient)
- Dry cleaning and laundries
- Food processing/commercial kitchens < 2,500 sq ft
- Motor vehicle showrooms
- Print shops
- Professional services (office buildings)
- Radio and television stations
- Training and skill development (e.g.: martial arts studios, non-academic)
- Laboratories: testing and research
- **Excluding: Airport traffic control towers, civic administration, educational occupancies above the 12th grade, post offices**

Eligible Project Costs

- ▶ Materials, labor, and/or equipment provided by Publics Work contractor that are directly related to emissions reductions/energy efficiency improvements or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational (e.g.: upgrading electric panels, structural improvements for rooftop solar or HVAC systems)
- ▶ Equipment and/or materials procured directly by the Applicant that are directly related to emissions reductions/energy efficiency or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational

Ineligible Project Costs

- ▶ Soft costs: energy audits, design professional services, 3rd party construction management costs, permitting fees, commissioning costs, inspection fees
- ▶ Interior finish improvements not related to energy/emissions reductions (e.g.: flooring, artwork)
- ▶ Other building system upgrades not related to energy efficiency (e.g.: fire sprinklers, security cameras)
- ▶ Furniture: non-permanent items (e.g.: desks, chairs, cabinets)
- ▶ Prior energy efficiency improvements completed before application approval

Labor Requirements

- ▶ All contractors working on NJ Cool funded projects must be registered as a New Jersey Department of Labor and Workforce Development (DOL) Public Works Contractor
 - ▶ There are 5,500+ PW Registered Contractors in the state
- ▶ Contractors must agree to pay prevailing wage, which is set by county and by trade
- ▶ Contractors with 4 or more total employees must abide by affirmative action requirements
- ▶ Don't have a contractor in mind for your project? There is a list of PW contractors interested in working on projects participating in the NJ Cool program on our website

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Application Process

- Applications open on **Monday, April 22nd, 2024 at 10:00 AM (Earth Day!)**
- Application is completed and submitted online through the NJEDA website
- Application submission requires a non-refundable **\$1,000 application fee** via credit card
- Visit **www.njeda.gov/njcool** for the application link
- Review required application materials and FAQs before starting application
- Application progress can be saved and completed later after starting
- Any questions? Email **njcool@njeda.gov**

Application Process

1 Step 1

Application

Applicant applies with details for building, project, projected emissions reductions (3rd party prepared), cost estimates, and requested grant amount.

2 Step 2

Proof of Funding

Upon application approval, applicant has two (2) months to provide **proof of funding for project costs plus an additional 15%** of overall project cost as contingency for potential cost overruns.

3 Step 3

Grant Agreement

Upon review and approval of funding documentation, applicant and NJEDA execute formal grant agreement.

Disbursement Process

4

Step 4

Construction Commences

Project construction must commence with (6) months of grant agreement execution.

5

Step 5

Interim Disbursement

Up to one half of grant award will be disbursed when 50% of estimated eligible project costs are borne by applicant. Applicant submits proof of actual project expenses for reimbursement.

6

Step 6

Project Completion

Balance of the grant award available for disbursement at 100% project completion. Project construction must be completed with (2) years of construction commencement, with the possibility for extension(s) at the discretion of the Authority.

Application Process: Required Documents

At Time of Application Submission

- Proof of Applicant Organization Formation (certificate of formation, incorporation, etc.)
- Proof of Property Ownership (if applying as building owner)
- Proof of lease document (if applying as building tenant)
- Proof of completed landlord certificate form (if applying as building tenant)
- Proof of building occupancy class (existing certificate of occupancy, building permit, etc.)
- Photos of existing building (equipment to be replaced and/or space to be improved)
- Completed NJ Cool Emissions & Energy Summary form with supporting documentation
- Quotes or cost estimates from Public Works registered contractors
- Quotes or cost estimates for Applicant procured equipment/material (if applicable)

At Time of Application Approval

- Valid Tax Clearance Certificate (https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp)

Emissions & Energy Calculations

- ▶ Applicant must submit as part their application projected operating emissions savings and expected electricity/fuel consumption changes resulting from the project. These calculations must be calculated by a qualified professional and include supporting documentation. Program guidance is available on the NJ Cool website for how to calculate these impacts.
- ▶ Qualified professionals include but are not limited to:
 - ▶ Licensed engineer (NJ State PE or other state's equivalent)
 - ▶ Licensed architect (NJ State RA or other state's equivalent)
 - ▶ Certified Energy Auditor (CEA)
 - ▶ Certified Energy Manager (CEM)
 - ▶ Energy Management Professional (EMP)
 - ▶ Building Energy Assessment Professional (BEAP)

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FAQs

1. How is the program funded?

1. NJ Regional Greenhouse Gas Initiative (RGGI) Funds, in accordance with the 2023-2025 Funding Plan.

2. Can applicants stack grants with other incentives?

2. Yes, NJ Cool Grants can be stacked with most other NJ BPU/Utility incentives. Expected incentive payments will be subtracted from NJ Cool grant awards. Large Energy Users and New Construction (Gut Rehab) Clean Energy Program participants are excluded.

3. When are applications opening?

3. **Monday, April 22nd at 10:00 am.** Applications will be open for three years or until all funding is exhausted.

4. How long will the program be active for?

4. This is a \$15M pilot with an optional \$15M expansion depending on application demand. Additional eligible geographies or building types may be added to the program in the future.

FAQs

5. Is there a deadline to apply to the program?

5. There is no deadline, but applications are accepted on a rolling basis, so we encourage you to apply as soon as you are prepared.

6. I am building a new energy efficient building, am I eligible to apply?

6. No, only projects that are retrofitting, upgrading, or improving **existing** buildings are eligible to apply for the NJ Cool grant during this initial pilot phase.

7. My project is not in Newark, Edison, or Atlantic City. Can I still apply?

7. No, but we welcome you to send a brief description of your project and its location to njcool@njeda.gov to both help inform the future of the pilot and help us see if other NJEDA Clean Energy programs can provide any assistance.

Contact Us

For questions, inquiries, or feedback please contact:

njcool@njeda.gov

Stay up to date with the NJEDA at

www.njeda.gov and [@NewJerseyEDA](https://twitter.com/NewJerseyEDA)

