

# RETROFIT NJ

REDUCING EMISSIONS THROUGH RETROFITS, OPTIMIZATION,  
FUEL-SWITCHING, AND INNOVATIVE TECHNOLOGIES

January 8, 2026

# ABOUT NJEDA

The New Jersey Economic Development Authority (NJEDA) grows the state's economy and increases equitable access to opportunity by supporting high-quality job creation, catalyzing investment, and fostering vibrant, inclusive community development.



## OVERVIEW



Grant program for multi-pronged building retrofit projects that enable holistic energy improvements and significant emission reductions



\$75 million funding pool, with \$37.5 million set-aside for institutional entities and projects in, or adjacent to, Overburdened Communities for one year



Supports design, engineering, construction, equipment purchase and installation costs or enabling work for building systems that reduce emissions/energy use



Rolling applications – first come, first served  
*Applications will open on January 15, 2026*



## BUILDING ELIGIBILITY

Must be one of the following eligible property classes defined under NJAC 18:12-22:

- ✓ Class 4A: Commercial Property
- ✓ Class 4B: Industrial Property
- ✓ Class 4C: Apartments (5 units or more)
- ✓ Class 15A: Public School
- ✓ Class 15B: Other School Property
- ✓ Class 15C: Public Property
- ✓ Class 15D: Church and Charitable Property
- ✓ Class 15E: Cemeteries and Graveyards
- ✓ Class 15F: Other Tax-Exempt Property

In addition:

- ✓ Funds can be used to support one or more buildings within one application if the buildings are adjacent or in a campus style arrangement



## APPLICANT ELIGIBILITY

- ✓ Must be Commercial, Industrial, or Institutional building owner(s) OR equivalent tenant(s)
  - Tenants must demonstrate owner approval and a valid lease with an expiration at least one year past the proposed project's construction completion
  - Institutional buildings are those that serve a non-profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity
  - Multiple building owners/tenants can submit one application as a consortium
- ✓ Be in substantial good standing with the NJ Department of Labor and NJ Department of Environmental Protection
- ✓ Provide a current tax clearance certificate at the time of grant agreement execution



## PROJECT ELIGIBILITY

Projects must involve either Thermal Energy Networks (TENs) or **at least three** of the following scopes:

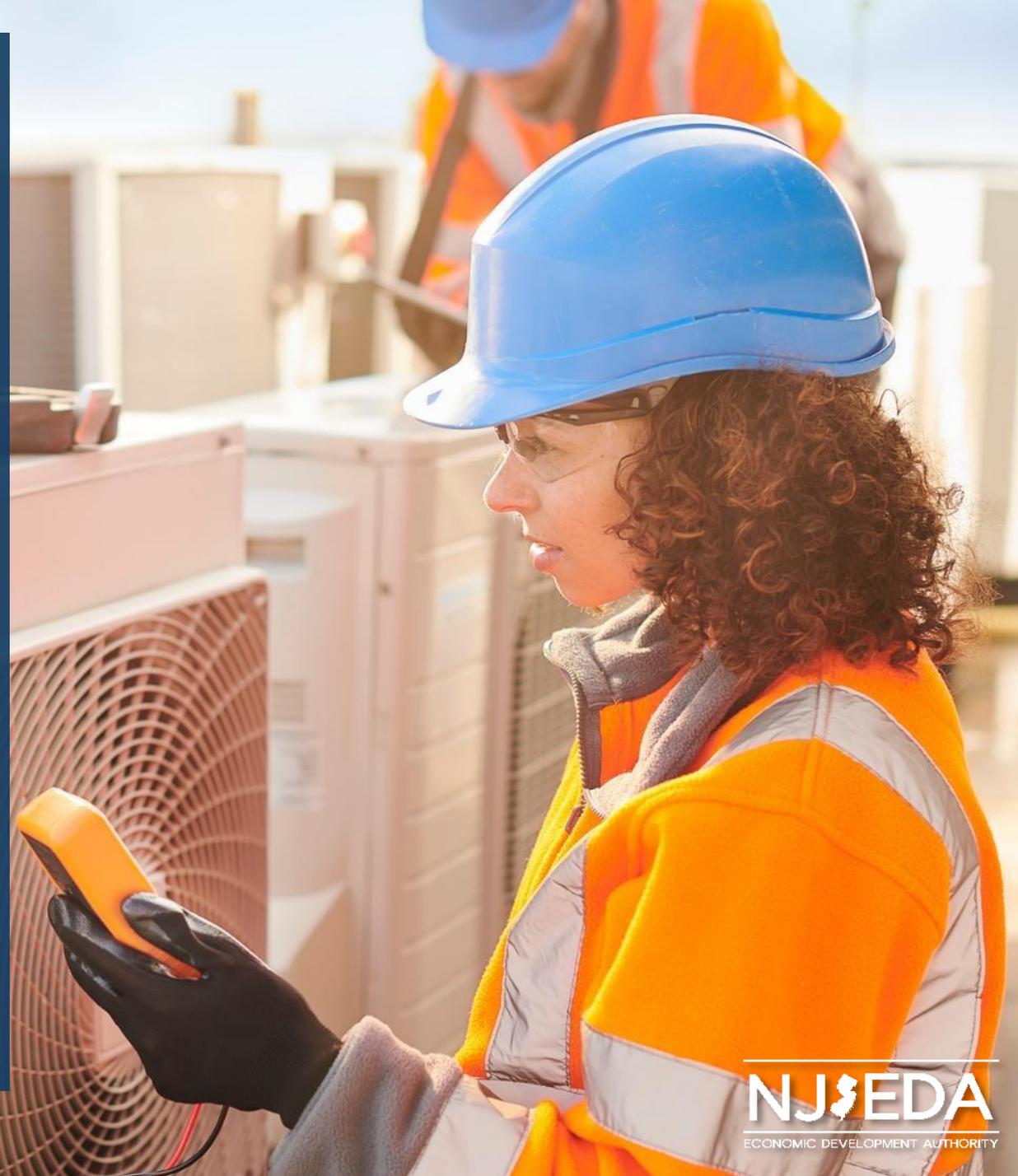
- ✔ On-site renewables
- ✔ On-site energy storage
- ✔ Heating electrification
- ✔ Refrigerant replacement
- ✔ Energy efficiency

Projects must also:

- ✔ Have minimum eligible cost of \$5 million
- ✔ NOT have started construction
- ✔ Meet labor compliance criteria (prevailing wage, affirmative action, and contractor registration)
- ✔ Demonstrate reduction of at least one metric ton of greenhouse gas emissions for every \$250 in requested grant amount (affirmed by qualified third-party professional)

Projects can optionally:

- ✔ Include EV charging infrastructure





## ELIGIBLE FUNDING USES

- ✓ Construction labor and/or equipment provided by Public Works Registered Contractor(s) that is directly related to emissions reductions/energy efficiency improvements, or enabling work necessary for proposed building systems to be operational:
  - Examples of enabling work include upgrading electric panels, installing new rooftop for solar array, structural improvements for HVAC systems, etc.
- ✓ Equipment and/or materials procured directly by the applicant that are directly related to emissions reductions/energy efficiency, or enabling work
- ✓ Related soft costs including commissioning, engineering, and design costs incurred either during an 18-month pre-application lookback period and/or after application submission (capped at 20% of total eligible project costs)
- ✓ Electric vehicle charging infrastructure can optionally be included in project scopes



## INELIGIBLE USES

- ❌ Permitting and inspection fees
- ❌ Taxes
- ❌ Property or facility acquisition costs
- ❌ Non-permanent items (e.g. furniture) and interior finish improvements and upgrades not related to operating energy/emissions reductions (e.g. flooring, artwork)
- ❌ Other building system upgrades not related to operating energy/emissions reductions (e.g. fire sprinklers, security cameras), even if required for overall building code compliance
- ❌ Prior construction work related to energy efficiency/emissions reductions that began or completed before application to the program
- ❌ New construction and gut rehab/redevelopment projects including enlargements or additions to existing buildings that increase overall building square footage (however, if a new construction or major redevelopment is part of a larger retrofit project with a qualifying connected building energy system, expenses for that system are eligible)
- ❌ Demolitions
- ❌ Fines incurred for code or zoning violations during construction project associated with this grant
- ❌ Installation of new combustion-based systems (e.g., boilers, furnaces), regardless of efficiency
- ❌ Costs not included in the approved project scope.



## GRANT AWARDS

### Award Amounts

- ✓ **Minimum grant award:** \$2.5 million
- ✓ **Maximum grant award:** \$12.5 million for Thermal Energy Networks and \$10 million for all other projects (per project/Employer Identification Number)

### Percent of Project Cost Covered

- ✓ **For-profit commercial projects:** Up to 50%
- ✓ **Non-profit and Institutional projects:** Up to 60%
- ✓ Projects located in Overburdened Communities or Adjacent Census Blocks receive a 5% bonus

### Stacking

- ✓ Grants are stackable with other utility, state, and federal incentives and tax credits, except for NJEDA's NJ Cool program



## DISBURSEMENTS

Grant funds are disbursed **on a reimbursement basis for costs incurred** across four milestone-based payment tranches:

- ✓ **Milestone 1:** Up to 20% of grant award will be reimbursed for engineering and design costs incurred during either an 18-month pre-application lookback period and/or after application submission
- ✓ **Milestone 2:** One-third of remaining grant award reimbursed upon completion of at least one-third of construction for the project (determined based on construction cost and schedule data, including expenses incurred to-date vs. total project cost, and amount of work completed vs. remaining)
- ✓ **Milestone 3:** One-third of remaining grant award will be reimbursed upon completion of at least two-thirds of construction for the project.
- ✓ **Milestone 4:** One-third of remaining grant award will be reimbursed after the project has fully completed construction and all permits have been successfully closed and final inspections passed.



## APPLICATION PROCESS

- ✔ **Step 1:** Applicant submits electronic application with all required documentation and \$1,000 non-refundable application fee using NJEDA's online application portal.
- ✔ **Step 2:** NJEDA reviews submitted application and conducts project financial feasibility assessment. Applicants will be notified if application is incomplete and will have 15 business days to provide missing documents/information. Non-responsive applicants will be administratively withdrawn.
- ✔ **Step 3:** If eligible and applicable, NJEDA will provide an approval letter to the applicant with the maximum potential grant award available for the project and enter into a grant agreement. Award amount will **NOT** be adjusted after approval for any additional/unexpected project costs.
- ✔ **Step 4:** If not submitted with application, applicant will have 12 months from date of grant agreement execution to provide firm proof of funding to cover balance of project costs not covered by the grant, in addition to a 10% project contingency (e.g. bank account statements, financing agreement, etc.). NJEDA will review and provide approval for proof of funding via its underwriting process.
- ✔ **Step 5:** Project construction must commence on-site within 12 months of grant agreement execution, OR applicant must demonstrate permit applications are pending with relevant building authorities. Project construction cannot commence if Step 4 is not completed.
- ✔ **Step 6:** Applicant will have 3 years from project construction commencement to achieve project completion.



## REQUIRED APPLICATION DOCUMENTS

- ✔ Proof of building ownership (deed, property tax statement, mortgage statement), and/or proof of building owner permission (lease agreement and signed acknowledgement from landlord)
- ✔ Building operating hours & occupancy levels for past 12 months
- ✔ Building energy usage data for past 12 months
- ✔ Proof of building occupancy class (e.g. existing building permit, certificate of occupancy, building authority documentation)
- ✔ Project design drawings (if available)
- ✔ Project schedule (using NJEDA template)
- ✔ Project budget (using NJEDA template)
- ✔ Photos of and information about existing building conditions/systems
- ✔ Calculations from qualified third-party professional demonstrating proposed project will reduce at least one metric ton of GHG emissions for every \$250 in requested grant amount
- ✔ Quotes/cost estimates for soft costs
- ✔ Quotes/cost estimates from Public Works Registered Contractor(s) for labor and materials
- ✔ Quotes/cost estimates for equipment to be procured by applicant
- ✔ Soft commitment for matching funding to cover balance of project costs and a 10% project contingency (e.g. promissory note, letter of commitment from financial institution) OR firm proof of funding already in place (e.g. bank account statements, financing agreement)





## REQUIRED DOCUMENTS (POST-APPLICATION)

### Required prior to grant agreement execution

- ✓ Tax clearance certificate (no older than 180 days)
- ✓ Notice Regarding Affirmative Action/Prevailing Wage, and Building Services Requirements Form

### Required prior to project initiation

- ✓ Firm proof of funding in place to cover balance of project costs and 10% project contingency (if not already submitted during application)
- ✓ Current certificates of insurance naming NJEDA in Certificate Holder box, including for: Commercial General Liability insurance, Umbrella/Excess Liability, Worker's Compensation (if applicable), and Commercial Property and/or Builder's Risk Insurance

### Required during project execution

- ✓ Annual progress reports
- ✓ Requests for reimbursement with proof of expenses (progress photos, receipts/invoices, proof of payments)
- ✓ Maintain current/unexpired tax clearance certificate and insurance policies

### Required after project completion

- ✓ Project completion report (inclusive of closed building permits, certifications, etc.)
- ✓ 12 months of utility bills, energy consumption, and building occupancy data

- ✔ Visit our website:  
[NJEDA.gov/retrofit](https://NJEDA.gov/retrofit)
- ✔ General questions:  
[retrofit@njeda.gov](mailto:retrofit@njeda.gov)
- ✔ Get in touch directly:  
[Andres.Garcia@njeda.gov](mailto:Andres.Garcia@njeda.gov)



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# NJEDA

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ECONOMIC DEVELOPMENT AUTHORITY

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# QUESTIONS