



**New Jersey Economic Development Authority
Reducing Emissions through Retrofits, Optimization, Fuel-Switching, and Innovative
Technologies Grant (Phase II)- RETROFIT NJ
NOTICE OF FUNDING AVAILABILITY**

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting applications for the second phase of the Reducing Emissions through Retrofits, Optimization, Fuel-Switching, and Innovative Technologies Grant Program (“RETROFIT NJ” or “Program”) on August 31, 2026 at 10:00 AM. Applications will be accepted on a rolling basis until funds are exhausted.

This Notice of Funding Availability reflects Program modifications approved by the NJEDA Board on July 22 and August 20, 2026, which are applicable to all applications submitted on or after that date and do not retroactively affect previously approved applications.

The Program will make available up to \$75 million in grant funding available through a rolling application process for eligible applicants to support large, complex building decarbonization projects that are not well served by existing state programs.

Application fees for this program will be \$1,000 per project application. The application can be accessed at www.njeda.gov/retrofit.

Purpose and Overview

RETROFIT NJ was established to address the significant energy consumption and carbon emissions associated with the building sector, which accounts for approximately 62% of New Jersey's total end-use energy consumption. This Program aims to establish New Jersey as a national leader in advancing innovative and large-scale building decarbonization and in meeting the State’s 2050 carbon reduction goals.

By providing both financial and technical support, RETROFIT NJ aims to fill a critical gap in the decarbonization ecosystem by helping certain residential, commercial and institutional building owners undertake high-impact retrofits that involve complex infrastructure, longer timelines, and higher costs than traditional energy efficiency projects.

Funding

The total funding for the second phase of the program is \$75 million allocated from the 2023–2025 Regional Greenhouse Gas Initiative (“RGGI”) Funding Plan.

The Program will set aside \$37.5 million of the funding pool exclusively for applications submitted for projects in Overburdened Communities (“OBC”) and/or for Institutional applicants (defined below) for one calendar year from the date the application is available to the public. After that period, any remaining funds from this set-aside will be made available to all eligible applicants on a first-completed application, first-served basis.

Note: The total funding and potential award amount are based upon current information about funding availability. NJEDA reserves the right to increase that award amount and number of awards should additional funds become available. Specifically, the Authority may increase total grant funding pool by up to an additional \$68,472,768 if demand exceeds the current funding allocation for the Program. Should the Program funding be increased, the additional funding would be subject to the 50%, one-year set aside for projects in OBCs and/or Institutional applicants.

Program Details

RETROFIT NJ supports multi-pronged, large-scale retrofit projects that enable holistic energy improvements at buildings, campuses, and multi-building facilities. The Program aims to catalyze high-impact, high-visibility projects that significantly reduce carbon emissions, serve as replicable models, accelerate New Jersey’s clean energy transition, and stimulate economic growth in the clean energy industry, which is one of the State’s targeted industries.

Eligible Applicants

Eligible applicants for the Program are determined based on the scope of the proposed project.

For projects involving Thermal Energy Networks (“TENs”):

- Applicants must be commercial, industrial, or institutional building owners, or equivalent tenants, seeking to complete retrofit construction projects in existing eligible building spaces.

For all other eligible project scopes, applicants must be one of the following:

- “Institutional” building owners or tenants that serve a non-profit or public purpose (as defined at N.J.A.C. 7:27D-1.2). State and bi-state agencies are excluded under this category, except for State entities whose primary purpose is education or healthcare (e.g., State colleges and universities, State-operated schools, State-managed hospital systems, and other State educational or healthcare institutions). For the purposes of this Program, privately-owned 100% affordable housing that is deed-restricted for a minimum of 30 years and/or compliant with New Jersey Uniform Housing Affordability Controls (UHAC) qualifies as an Institutional entity.

Private manufacturing building owners or tenants whose primary use of the building is manufacturing or industrial operations that meet the definition of Property Class 4B in N.J.A.C. 18:12-2.2(f).

Additional Requirements

Tenants must provide with their application (1) a “Landlord/Owner Certificate Form” to demonstrate building owner’s approval of the proposed building improvements and (2) a valid lease for one year beyond the length of the proposed project’s construction timeline.

Applicants must be in substantial good standing with the New Jersey Department of Labor and Workforce Development and the NJ Department of Environmental Protection. Additionally, applicants must provide a valid tax clearance certificate **at the time of grant agreement execution** to demonstrate they are properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

Eligible Properties

Only the following property classes, as defined by NJAC 18:12-22, are eligible for the Program: Class 4A - Commercial Property; Class 4B - Industrial Property; Class 4C - Apartments; Class 15A - Public School Property; Class 15B - Other School Property; Class 15C - Public Property; Class 15D - Church and Charitable Property; Class 15E - Cemeteries and Graveyards; and Class 15F - Other Tax Exempt Property.

Eligible Projects

Projects must either be involving Thermal Energy Networks (“TENs”) **OR** include work from **at least three (3)** of the following scope categories:

- on-site renewable energy generation,
- on-site energy storage,
- electrification/fuel switching of heating systems,
- refrigerant replacement for cooling systems, and
- energy efficiency improvements.

Additional requirement: If the project does not involve a Thermal Energy Network, at least one of the three selected eligible scopes must be on-site renewable energy generation (solar, etc.) or on-site energy storage (battery, thermal, etc.).

Projects must demonstrate total eligible costs of at least \$5,000,000 and provide a verified projection from a qualified third-party professional¹ for reducing/avoiding at least one metric ton

¹ Qualified third-party professionals include but are not limited to: Licensed engineer (NJ state professional engineer or other state’s equivalent); Licensed architect (NJ state registered architect or other state’s equivalent); Certified Energy Auditor (CEA certification from the Association of Energy Engineers); Certified Energy Manager (CEM certification from the Association of Energy Engineers); Energy Management

of carbon dioxide equivalent (CO₂e) for every \$250 in requested NJEDA grant award amount over the project's useful life. Projects must be geographically located in New Jersey.

The applicant and any collaborators performing capital work will be subject to labor compliance, including New Jersey affirmative action, prevailing wage requirements, and the requirement to complete New Jersey Contractor Registration.

Eligible Uses of Grant Funding

The Program outlines specific eligible uses for the funds provided which include costs associated with construction labor and equipment that are directly related to emissions reductions or energy efficiency improvements. For example, work necessary for proposed emissions-reducing or energy-efficient building systems to be operational, such as upgrading electric panels or making structural improvements for rooftop solar or HVAC systems. Equipment and materials costs procured directly by the applicant for these purposes are also eligible.

Soft costs, such as construction management, commissioning, engineering, building certification, and design costs, including such costs incurred 18 months prior to application submission, are allowable but must not exceed 20% of the total project costs.

Additionally, electric vehicle charging infrastructure can optionally be included in project scopes but electric vehicle charging infrastructure projects on their own would not be eligible.

Funds can also support multiple building projects within one application if the buildings are adjacent or arranged in a campus-style. In such cases, a lead entity must submit the grant application on behalf of the consortium, or the consortium can utilize an existing or newly formed business or institutional entity with its own Employer Identification Number ("EIN") to represent the consortium's interests for the proposed grant project.

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Ineligible Uses of Grant Funding

Ineligible project costs include permitting and inspection fees, taxes, fines, property acquisition costs, furniture, construction work that was started and/or completed prior to application approval, demolitions, combustion-based systems, and interior finish improvements or other building system upgrades not related to operating energy/emissions reductions (e.g. flooring, artwork, fire sprinklers, security cameras, etc.).

Projects involving new construction and substantial rehabilitation/redevelopment are also excluded from Program funding. *However*, if the new construction or substantial rehabilitation/redevelopment project is a portion of a larger retrofit project that includes a connected building(s) otherwise qualified for the Program, then expenses associated with the

Professional (EMP certification from the Energy Management Association); Building Energy Assessment Professional (BEAP certification from the American Society of Heating, Refrigeration, and Air-Conditioning Engineers).

energy system for the new construction or substantial rehabilitation/redevelopment project are eligible.

Grant Amounts

- The **minimum** grant award amount for all projects is \$2.5 million.
- For projects involving TENs, the maximum grant award size is \$12.5 million per project/EIN.
- For all other projects, the maximum grant award size is \$10 million per project/EIN.

Application Submission and Review Process

Applications for the program will be accepted on a rolling basis until funds have been exhausted through the NJEDA's **online application portal** at www.njeda.gov/retrofit.

To apply, an applicant must register, or log into the online application portal, complete all required application questions fully, and upload all required documents, including building address, proof of ownership or lease, project description, project financial viability, design drawings, and cost estimates, among other required documents. A full list can be found in the Program Specifications (see [Appendix A of Board Memo](#) dated August 20, 2026).

NJEDA staff will review all applications for completeness and eligibility. If the submitted application is incomplete, NJEDA staff will send written notice providing applicants fifteen (15) business days to cure the application by providing the missing documents and/or clarify the submitted information. If at the end of this 15-business day period, the applicant is non-responsive, the application will be deemed incomplete and administratively withdrawn by NJEDA staff. Applicants will be notified whether they are awarded funds as soon as practicable upon completion of approvals and declinations and the completion of all possible appeals.

Grant Funding Disbursements

NJEDA will provide a maximum disbursement of 50% of total eligible project costs for for-profit commercial projects, and a maximum disbursement of 60% of total eligible project costs for Institutional and non-profit projects, up to the maximum allowable grant award amount of \$12,500,000 for TENs and \$10,000,000 for all other projects. The maximum disbursement amount will be increased by an additional 5% if the applicant's proposed project/building is located within an OBC or adjacent census block, in accordance with RGGI requirements to prioritize OBCs.

Maximum eligible grant award size will be determined at time of application approval. NJEDA will disburse funds on a pro-rata basis based on construction progress, or other milestones, via payments to the grant recipient in tranches as will be provided in the grant agreement.

Final payment may be adjusted for any work not completed/project scope changes, and/or underspending. NJEDA shall recapture any grant funds used for (1) an ineligible purpose or (2)

any purpose outside of the Program's approved scope of work.

Post Compliance and Reporting

Following the execution of the Grant agreement an applicant that submitted only a soft commitment for matching funding will have twelve (12) months to submit firm proof of funding for the balance of project costs in addition to a 10% contingency for any potential project cost overruns, with the possibility for additional six-month extension(s) at the discretion of the NJEDA. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs.

Additionally, Project construction activity must commence onsite within twelve (12) months of grant agreement execution, or the applicant must demonstrate that permit applications (if required) are pending with relevant building authorities, with the possibility for six-month extension(s) at the discretion of the NJEDA.

Applicants will have three (3) years from project construction commencement to achieve project completion, with the possibility for one-year extension(s) at the discretion of the NJEDA.

The NJEDA reserves the right to conduct site visits at any time before, during, and after construction following execution of the grant agreement, in addition to site visits scheduled by the grant recipient for the purpose of disbursements related to the construction progress of the project.

Fees

A \$1,000 non-refundable fee is required at the time of application submission.

Additional Requirements and Information

Information about the RETROFIT NJ Program is available at www.njeda.gov/retrofit. Questions concerning this Program's Notice of Funding Availability should be submitted to retrofit@njeda.gov.

State and Federal Requirements

Funding for this grant is subject to State and Federal statutes including, but not limited to, the following, which may impact affiliates: N.J.S.A. 52:32-60.1, et seq., which prevents the New Jersey government entities from certain dealings with businesses engaged in prohibited activities in Belarus or Russia; Compliance with the list of "Specially Designated Nationals and Blocked Persons" promulgated by the Office of Foreign Assets Control (OFAC), <https://sanctionssearch.ofac.treas.gov>; N.J.S.A. 24:6I-49 which provides that the following are not eligible for most State or local economic incentives (a) a person or entity issued a license to operate as a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or that employs a certified personal use cannabis handler to perform work for or on

behalf of a cannabis establishment, distributor, or delivery service; and (b) a property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and N.J.S.A. 52:13D-12, et seq., which prohibits a member of the Legislature or a State officer or employee or their partners or a corporation in which they owns or controls more than 1% of the stock to undertake or execute any contract, agreement, sale, or purchase of \$25.00 or more, made, entered into, awarded or granted by any State agency, with certain limited exceptions including grant awards by the New Jersey Commission on Science, Innovation and Technology.