NJ Cool

Program Update Webinar

October 14, 2026

Presentation will begin shortly

NJ EDA
ECONOMIC DEVELOPMENT AUTHORITY

Agenda

NJ Cool Pilot Program Review

Program Funding

Program Updates

Eligibility

Eligible Costs

Application Process

Post-Approval Process

FAQs

Audience Q&A

NJ Cool Phase 1 Summary

Projected environmental impact

- ✓ 53 approved projects to date
- ✓ 42,400 metric tons lifetime (15 years) CO2e avoided
- ✓ 7.5 million kWh annual grid electric savings
- ✓ 4,857 kW new solar energy capacity installed

NJ Cool Phase 1 Summary

Project Spotlight

Condo #2 at 153 Halsey Street, Newark
Grant Award: $1 million

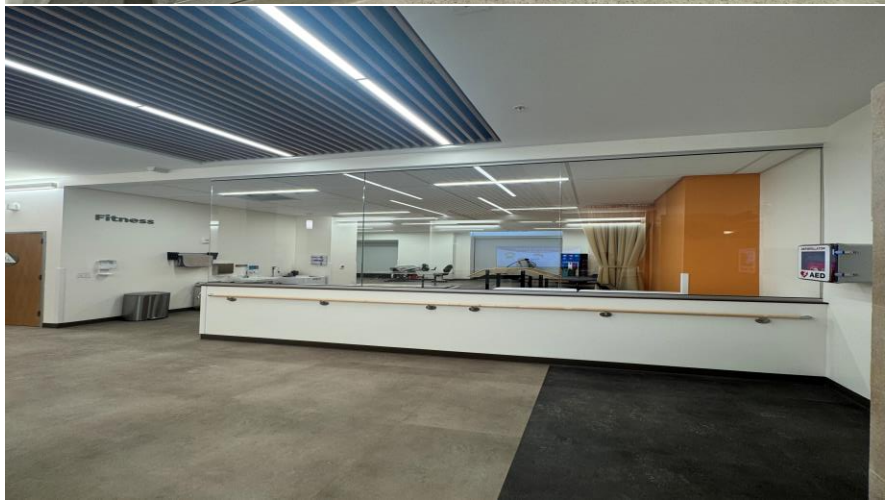
Overview

- Replaced natural gas boilers with electric Variable Refrigerant Flow (VRF) system
- Installed energy-efficient lighting

Projected Outcomes

- Reduced annual natural gas use by 526 therms
- Over 46,000 kWh reduction in projected electricity use
- 1,800 metric tons of lifetime (15 years) CO2e emissions avoided





NJ Cool Phase 1 Summary

Project Spotlight

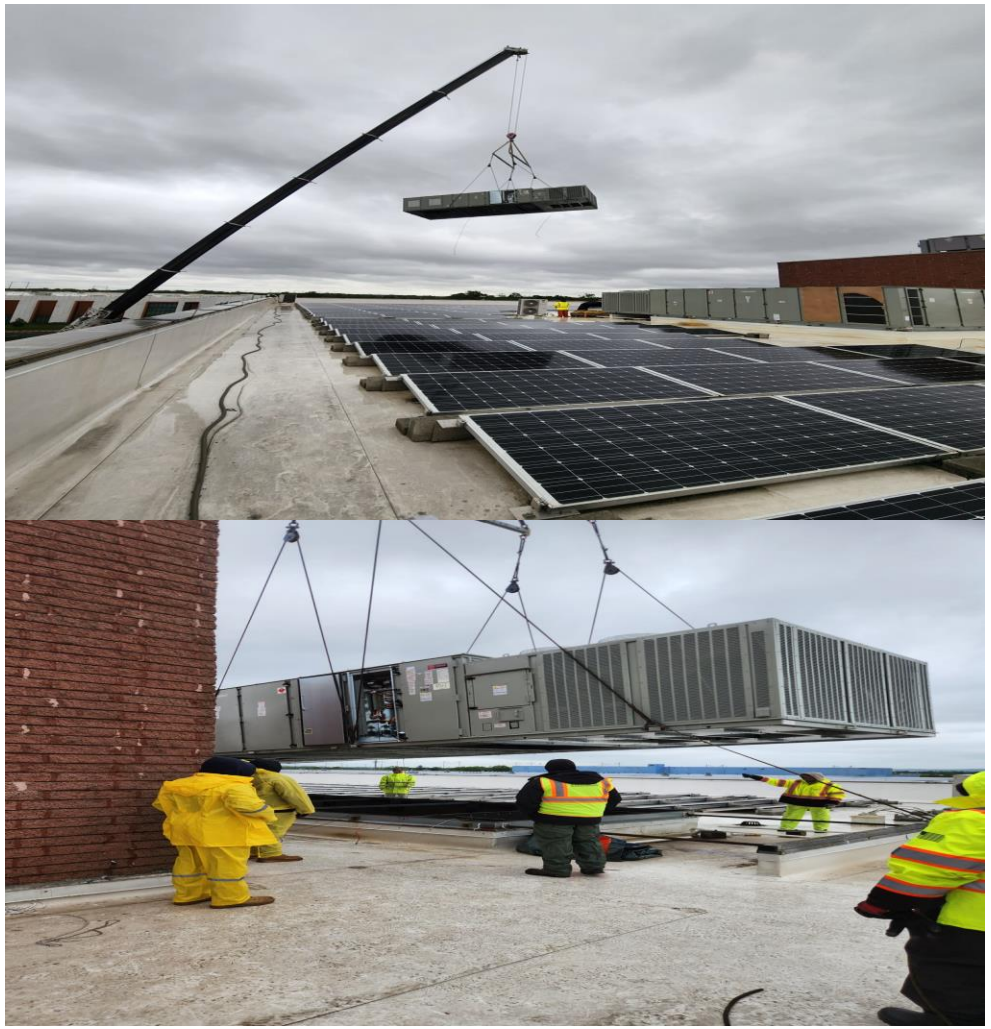
2147 Route 27, Edison
Grant Award: $1 million

Overview

- Replaced natural gas-fired rooftop unit with new electric unit
- Replace 5 existing electric rooftop HVAC units with more efficient electric models
- Upgrade HVAC system controls

Projected Outcomes

- Reduced annual natural gas use by 47,600 therms
- 3,852 metric tons of lifetime (15 years) CO2e emissions avoided



Program Funding

$25 million initial funding + $25 million in reserve funding

First-completed application, first-served (rolling applications)

Grant awards range from $50,000 to $1M per project, max $3M per applicant (EIN)

Grant amount is a percentage of total eligible project costs as follows:

- 50% base amount
- 10% bonus for full building electrification projects

Disbursement Schedule:

- Reimbursement for actual expenses incurred, as follows:
- Up to 50% progress payment
- Remaining balance after project completion

Program Updates

Category	Program Changes
Application Fee	$500 non-refundable (reduced from $1,000)
Max Reimbursement %	50% base, additional 10% bonus for full building electrification (60% max)
Required Scope	Clean Heating or Cooling + Renewable Energy Generation or Energy Storage
Geographic Eligibility	OBC and Adjacent Communities for one year after application launch Program eligibility may be expanded statewide one year after launch to include all existing New Jersey buildings within qualifying property classes
Grant Awards	No more than $3 million per Employer Identification Number (EIN)
Eligible Costs	Third-party construction management and commissioning costs
Applicant Eligibility	Commercial/Industrial applicants restricted to small business entities (less than $5M gross annual revenue)

Program Updates: Required Project Scope

Eligible projects must include one (1) scope selection from each of the following two (2) categories:

1. Clean Heating and Cooling
   A. Electrification/Fuel Switching of Space Heating Systems (min. 75%)
   B. Refrigeration Modernization of Space Cooling Systems (min. 75%)

AND

2. Renewable Energy Generation or Energy Storage
   A. On-site renewable energy generation (solar, geothermal, etc.)
   B. On-site energy storage (battery, thermal, etc.)

Optional Project Scope

Once scope 1 and 2 are included, **grant funding can also be used for additional work** that further reduces operating emissions or improves energy efficiency of the building, including but not limited to:

- Building controls and building management systems
- Weatherization and building envelope improvements (windows, doors, insulation)
- Heat recovery equipment
- Energy efficient lighting upgrades
- Replacing gas powered appliances with electric alternatives

Eligible Applicants

- Building owner (or tenant with owner approval) applies to program
- Only retrofits of existing buildings, not new construction or enlargements/additions
- Building must be located within a NJDEP Overburdened or Adjacent Community
- Construction work must be completed by Publics Work contractor(s) registered with NJDOL complying with State prevailing wage and affirmative action requirements
- Commercial, industrial, or institutional building defined by NJAC 18:12-22.
  - Commercial/industrial applicants restricted to small business entities (less than $5M gross annual revenue)
  - Property class info available on:
    - **NJDEP NJ-GeoWeb**
    - Property tax records
    - Building permits

Eligible Property Classes

Class 4A: Commercial Property

- Shopping centers
- Malls
- Office buildings
- Restaurants
- Theaters
- Nursing homes

Class 4B: Industrial Property

- Factories
- Laundry Facility
- Manufacturing Plant
- Dry Cleaners
- Storage warehouses

Class 15A: Public School Property

- Property owned by Federal, State, county, or local governments, or their agencies used for public education

Class 15B: Other School Property

- Property owned by non-governmental, non-profit corporation used for educational purposes

Class 15C: Public Property

- Property owned by Federal, State, county, or local governments, or their agencies devoted to public use

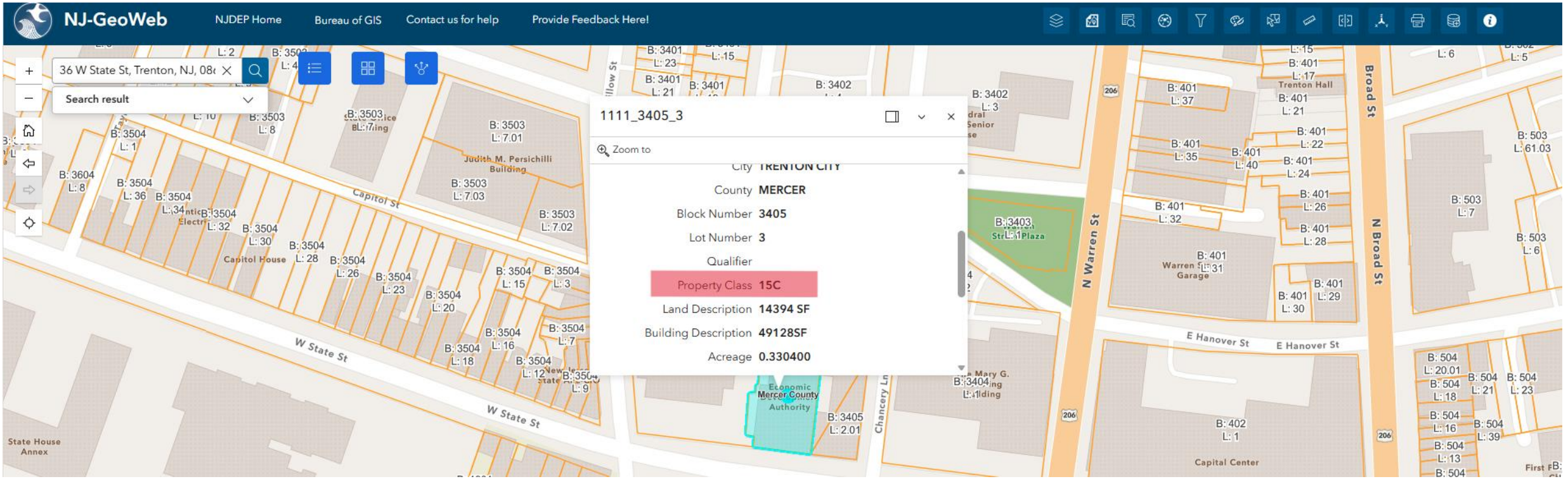
Class 15D: Church and Charitable Property

- Property owned by religious and charitable organizations used in the work of the organizations
- **Religious affiliated entities subject to additional review**

Class 15F: Other Exempt

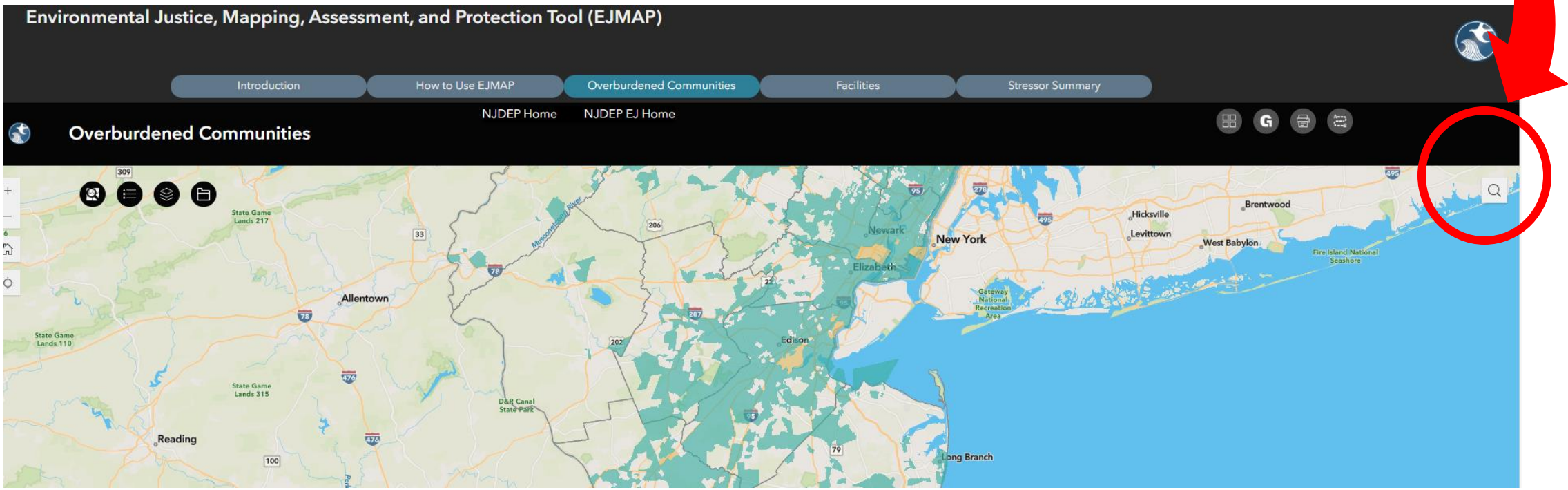
- Property exempt from taxation but not described in any of the foregoing classes

Building Eligibility



Overburdened and Adjacent Community Mapping Tool

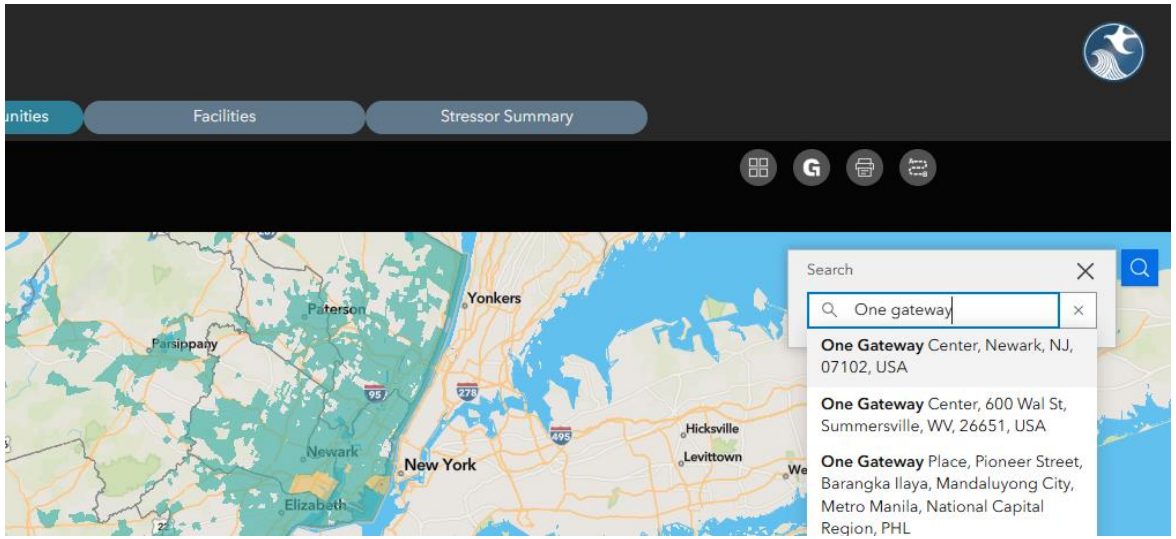
- The New Jersey Department of Environmental Protection (NJDEP) has an online map to easily check if your building falls within an OBC or adjacent community
- Use search icon at top right of map to look-up your building's address
- If your building is in a shaded blue or yellow area, then it is within an OBC or Adjacent community

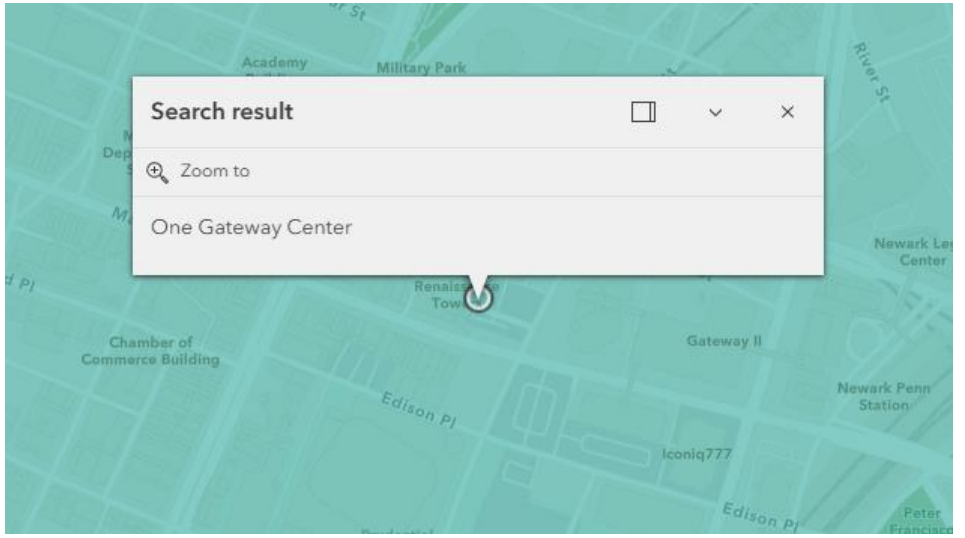


NJEDA

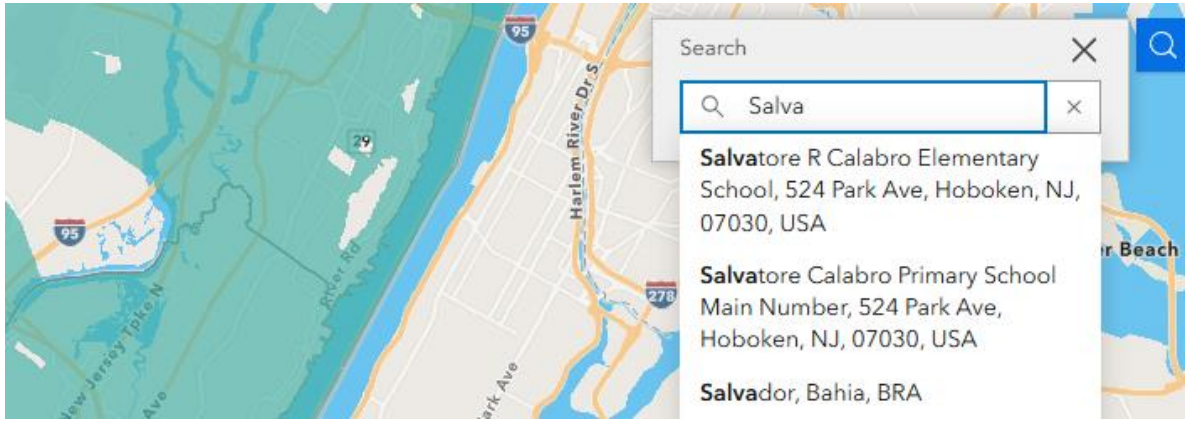
Examples of OBCs on the Mapping Tool

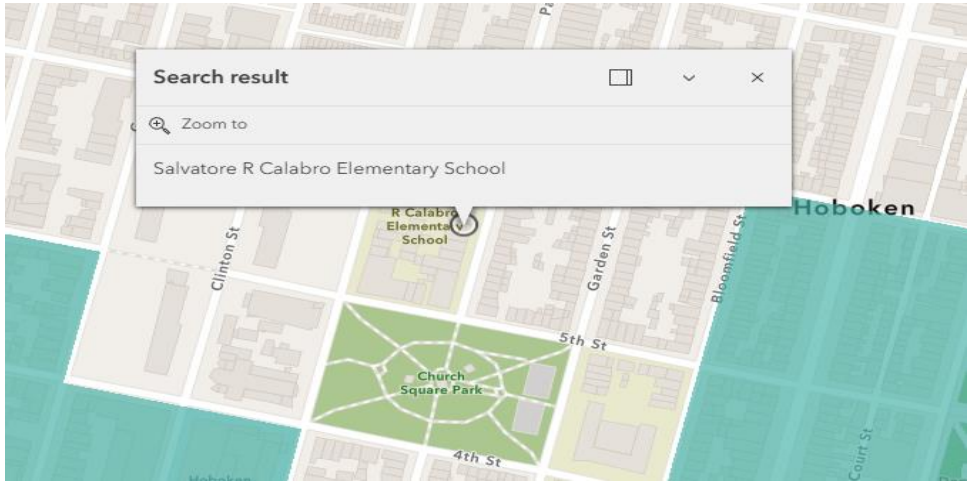
- One Gateway Center, Newark, NJ 07102 is in an OBC





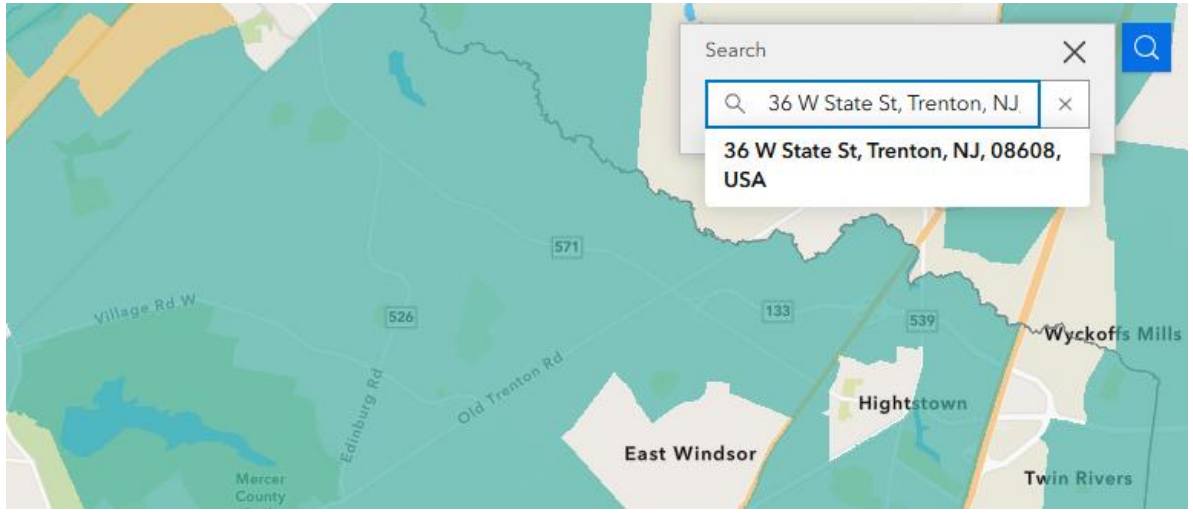
- 524 Park Ave, Hoboken, NJ 07030 is NOT in an OBC

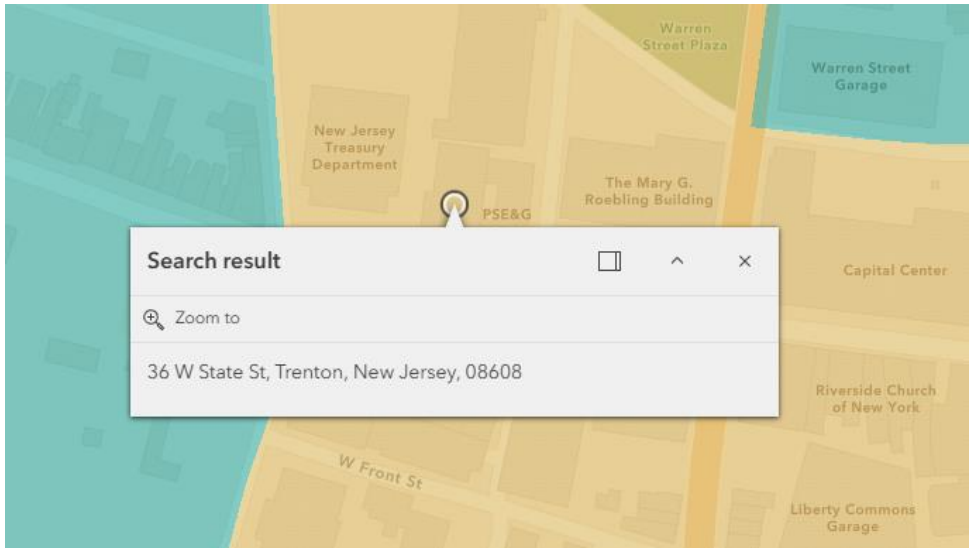




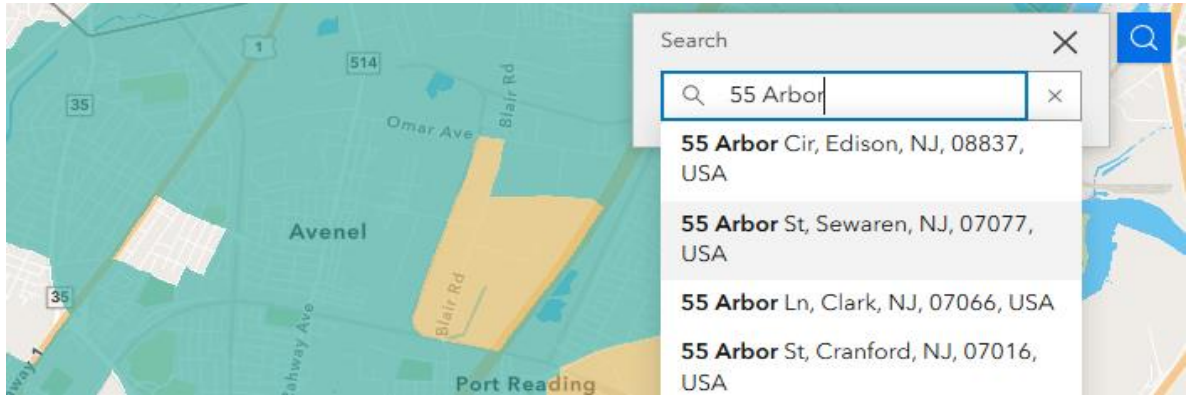
Examples of Adjacent Community

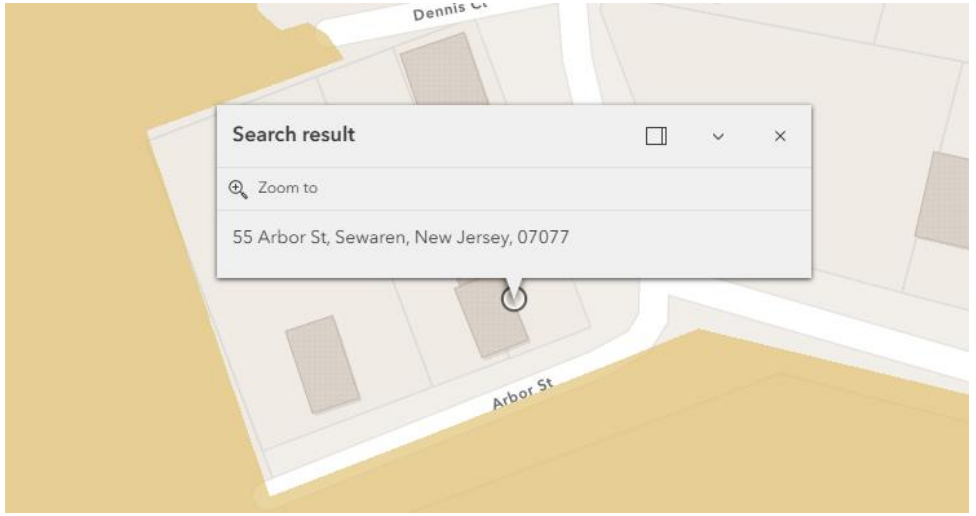
- 36 W State St, Trenton, NJ 08608 is in an Adjacent Community





- 55 Arbor St, Sewaren, NJ, 07077 is NOT in an Adjacent Community





Eligible Project Costs

- Materials, labor, and/or equipment directly related to:
  - required project scope, emissions reductions/energy efficiency improvements or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational
  - (e.g., electrical upgrades, structural improvements for rooftop solar or HVAC systems)

- Third Party construction management costs, or commissioning costs.

See NJ-Cool-Phase-2-Board-Memo-1.pdf for complete list of eligible costs.

Ineligible Project Costs

- Soft costs including but not limited to energy audits, professional design services, permitting fees, inspection fees.
- Equipment and labor costs to install new combustion-based heating systems (e.g., boilers, furnaces)
- Interior finish improvements and upgrades not related to operating energy/emissions reductions
- Prior energy efficiency/emissions reduction improvement begun prior to application approval

See NJ-Cool-Phase-2-Board-Memo-1.pdf for complete list of ineligible costs.

Application Process

Submit online application and required documents with $500 application fee:

- Proof of Applicant Organization Formation
- Proof of Property Ownership
- Proof of Lease (if applicant is tenant)
- Proof of small business status (if commercial/industrial entity)
- Completed Landlord Certificate Form (if applicant is tenant)
- Proof of Eligible Property Class
- Existing Building Photos
- Cost estimate budget spreadsheet using NJEDA template
- Quotes/cost estimates from Public Works Registered Contractor(s)
- Quotes/cost estimates for any equipment or material procured directly by the Applicant (if applicable)
- Energy Emissions Summary Form (prepared by qualified professional)
- Energy utility bill(s) or annual summary of energy use, and/or energy consumption data for prior 12 months of operation

Post-Approval Process

Applicants have 6 months from approval to provide:

Proof of funding for total project costs + 15% contingency (bank statements, financing agreements, etc.)

After documents are provided, grant agreement can be issued and signed

→ Six-month extensions are available at the Authority's discretion

Following grant agreement execution and virtual pre-construction meeting with NJEDA's labor compliance team, **construction can commence on-site**

Awardees provide proof of expenses and will be reimbursed based on disbursement schedule once grant agreement is executed

Applicants will have two (2) years from project construction commencement to achieve project completion

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FAQs

Q1. Are community solar projects eligible for the NJ Cool program?

A1. No, community solar projects are not eligible for an NJ Cool Grant.

Q2. Are Solar Power Purchase Agreements (PPA) allowed?

A2. No, projects using PPA's are not eligible for an NJ Cool Grant.

Q3. Does replacing an existing solar array qualify for the solar scope requirement?

A3. Yes, if it adds new energy generation capacity to the existing system. NJ Cool eligible projects must install net-new solar capacity.

FAQs

Q4. Are there any size requirements for the renewable energy and/or energy storage installations?

A4. There is no sizing threshold/requirement for renewable energy or energy storage installations.

Q5. Is the 10% electrification bonus subject to the $1 million grant cap, or can the total award exceed $1 million when the bonus is applied?

A5. No, the maximum grant award is $1M for all projects, even those eligible for the 10% bonus.

Audience Q&A

Please raise your hand or use the Q&A function

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Thank you!

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