PROPOSED 7/6/2022 Legislative Review E:\websites\climate\BE\proposed-legislation\2022-7-6R-status.docx

The 50 x 30 Team has drafted 2 pieces of legislation to launch Building Electrification (BE) and are currently reviewing with other experts before reviewing the final text with the Sierra Club Legislative Committee. Then we will approach legislators.

We are looking for the Sierra Club Legislative Committee to provide strategic guidance: both bills will have opposition. Is it better to join the two bills, or to keep them separate? Timing will be of major concern: on July 5, EmpowerNJ proposed a special NJ session to push passage of several environmental laws, including A1440. If this occurs, we want both A1440 and The Building Electrification Act to be considered during this special NJ session.

1) We drafted an amendment to the A1440 Zero Energy Construction Act. (In the June review, we began review of the text.) We want to suspend legislative review for a month or two. The Amendment requires new construction to meet Zero Energy Building standards in 2025, rehab construction to meet such standards in 2026, and allows municipalities to adopt more stringent energy stretch codes. It is desirable to use the new “Zero Energy” principles, terms, and definitions expected, in part, to be included in the Sept, 2022 publication of the 2022 NJ Uniform Construction Code (UCC). The UCC is likely to adopt some of the principles in the “Zero Energy Roadmap” (NEEP consultant report, managed by Rutgers Center for Green Building) which is currently in NJ internal review by the BPU, DCA, and the Governor’s “Office of Climate and the Green Economy”.

2) The Building Electrification Act proposes the BPU be legislatively required to establish a BE Roadmap, hold public hearings and issue report no more than 6 months after enactment; it also proposes amendments to existing law on public utilities to reduce use of electricity, and natural gas in each territory, and creates a new “Class III thermal energy program” with incentives to be funded by gas suppliers, to equalize the economics of Building Electrification across all utility territories in NJ..

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| **BILL** | **STATUS** | **AREA OF LAW** | **RESPONSIBLE NJ AGENCY** |
| 1.AMENDMENT TO A1440 | This Amendment to A1440 has significantly tightened A1440 by removing loopholes. The Amendment removed “Zero Energy Ready” building classification, and created the requirement to be “Zero Energy Building”. This amended bill may benefit from features of a “Zero Energy Roadmap” being developed since 2021, and currently under NJ state (internal) review. This work was a BPU contract with Rutgers Center for Green Building, using NEEP (a consultant), and is likely to produce new terms, definitions, and effective dates, within the early Sept 2022 release of the NJ Uniform Construction Code (UCC).  | NJ Administrative Code Uniform Construction Code, Chapter 23 of Title 5 P.L. 1975,c.217 andP.L. 2009, c.106 | To be implemented by NJ Dept of Community Affairs (DCA): Division of Codes and Standards This amendment requires building codes and enforcement of zero energy new construction in Oct 2025 and zero energy rehabs in Oct 2026. |
| 2. Building Electrification Act (new) | Awaiting informal review with NJ BPU. This proposed bill establishes a “Class III thermal energy program” with methodology similar to the NJ SREC program, and consistent with the competitive retail market established by the ”Energy Discount and Energy Competition Act” Awaiting technical expert Mike Winka to recover from surgery. | P.L.2018, c.17 (C.48:3-87.8 et al.) Supported by:NJSA 48:3-87.14eP.L. 1991, c.164 (C.52:14-19.1)P.L.1968,C.410 (C.52:14B-1)P.L.2007, c.340 (C.48:3-98.1) (section 13) P.L.1999, c.23 (C.48:3-49 et al.) ”Energy Discount and Energy Competition Act”. (Section 38 is the law which apportions costs of SRECs and other renewable energy certificates) | NJ Board of Public Utilities (BPU) is requested to create a BE Roadmap, establish 2030 targets for building Electrification, and proposes amendments to Public utility laws to reduce use of electricity and natural gas in each territory; a new Class III clean thermal energy program, efficiency portfolio standard, and associated issuance of certificates |