EMAIL sent to SEN. ZWICKER and Petra Gaskins, Chief of Staff 7/15/2022

Subject: request new legislation to launch NJ Building Electrification

To 'Gaskins, Petra' <pgaskins@njleg.org>; 'Zwicker, Sen. D.O.' <SenZwicker@njleg.org>

Per our May 20 exchange of email, (appended, including links to two letters to Gov. Murphy), we seek your support of proposed legislation (attached) to launch Building Electrification in NJ.

This “Building Electrification Act” was drafted by the “NJ 50x30 Building Electrification Team” (an autonomous NJ-wide team of 68 members, representing HVAC service owners, engineering companies, present and retired members of NJ agencies, many NJ environmental organizations and unaffiliated NJ residents).

On July 6, the attached “Building Electrification Act” was unanimously approved for support by the Sierra Club NJ Chapter Legislative Committee after an oral review.

**SUMMARY OF PROPOSED LEGISLATION:**

This proposed NJ legislation will launch a NJ Building Electrification program by charging the NJ BPU (coordinating with other agencies and consulting with entities including Rutgers “Center for Green Building”) to meet the 2019 NJ Energy Master Plan by creating a building Electrification Roadmap and using existing and well-known BPU processes and associated supporting (existing + new) legislation.  The new legislation requires the NJ BPU to:

·       Create a long-awaited building electrification roadmap (in consultation with other NJ agencies) within 6 months, considering specific areas, and holding at least two stakeholder meetings, to enable NJ to meet a goal of 100,000 new or retrofit cold climate (or ground source) electric heat pump installs by 2025 and 800,000 installs by 2030.

·       Establish a Building Electrification Technology Center on residential and commercial building electrification technologies.  Participants would include Rutgers Center for Green Building, NJIT Clean Energy Learning Center, and Rowan University Clean Energy Program.  This Technology Center would provide outreach and education to potential consumers (the general public, building managers) and the HVAC industry.

·       Require electric and natural gas utilities to annually file an Integrated Distribution Plan that includes upgrades to achieve goals of the 2019 Energy Master Plan and make use of grid-interactive efficient buildings (GEB) that enable buildings to be flexible loads and sources.

·       Develop and implement a suitable financial assistance program for installation and operating cost of the heat pump systems, that results in a ten-year payback (average over the entire heat pump program).

·       Specify that excess RGGI auction funds, up to an annual $30,000,000 cap, be used to fund electrification of low income residential units.

·       Incentivize electric utilities by excluding electricity used by the new heat pump systems from the electric utilities’ requirement to meet an annual 2% electric efficiency reduction in electric usage.

·       Establish a new Class III Clean Thermal Energy Efficiency standard, associated certificate, and thermal energy trading program which applies to the replacement of natural gas (and other fuel) heating systems with electric heat pumps.

·       Ensure the Class III program cost to customers not to exceed xxx percent (set by the NJ BPU) of annual total paid for natural gas by all NJ customers

·       In calculating the Class III program cost to customers, the Board shall take into account energy and environmental program savings, to include (but not limited to) the social cost of carbon dioxide emissions at the 3% discount rate, most recently published by the US Government Interagency Working Group on Social Cost of Greenhouse Gases.

·       Establish a multi-year Class III schedule, for each natural gas utility as a percentage of natural gas sales.

**OVERALL:**   The title is new, but the program uses a methodology similar to existing laws, to rebate to NJ heat pump owners annual incentives over 10 years.  Incentives are paid by customers of the gas utilities by using a process similar to current BPU process of apportioning costs of SRECs and other renewable energy certificates pursuant to section 38 of P.L.1999, c.23 (C.48:3-87) and consistent with the competitive retail market established by the "Energy Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49 et al.)

**NEXT STEPS:**  Representatives of our team would like to meet (zoom preferred) to discuss with Senator Zwicker and others as desired.  We will be prepared to discuss rationale and supporting data for each element of this proposed Building Electrification Act. We seek advice on next steps to expedite the Act.   Let us know when you are available.

Signed on behalf of the NJ 50x30 Building Electrification Team

Steven G. Miller, co-leader  732-977-4370 (cell)  stevemiller@comcast.net

151 Borden Road, Middletown, NJ 07748

**From:** Gaskins, Petra
**Sent:** Friday, May 20, 2022 10:53 AM
**To:** stevemiller@comcast.net; Zwicker, Sen. D.O. <SenZwicker@njleg.org>
**Subject:** RE: request meeting on NJ Building Electrification

Hi Steve,

Does the legislation currently exist or is this an ask to consider introducing legislation?

Petra Gaskins

Chief of Staff

Senator Andrew Zwicker

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Cell: (856) 418-3742

**From:** Steve Miller <stevemiller@comcast.net>
**Sent:** Friday, May 20, 2022 8:39 AM
**To:** Zwicker, Sen. D.O. <SenZwicker@njleg.org>
**Cc:** Gaskins, Petra <pgaskins@njleg.org>
**Subject:** request meeting on NJ Building Electrification

Senator Zwicker:

* The “NJ 50 x 30 Building Electrification Team” would like to schedule a 45 minute Zoom call with you and your staff to discuss possible legislation to support the attached two letters and position paper we mailed to Governor Murphy.  [May 2, 2022 letter to Gov. Murphy, including position paper](https://climate.smiller.org/REF/2022-5-2MurphyBuildingElecLetterMerge.pdf) ; May 11, 2022 letter to Gov Murphy Affordable-Housing [PDF](https://climate.smiller.org/REF/2022-5-11-Letter-to-Governor-on-3300-new-low-income-homes.pdf)

The building sector is responsible for 26% of NJ Green House Gas (GHG) emissions.   Our goal is to hasten the NJ introduction of “Building Electrification” to help meet Gov. Murphy’s goal of 50% GHG reduction by 2030.

The Team of over 60 people is autonomous and represents many NJ environmental organizations.  Between 6 and 10 Team member would participate in this Zoom call.

Your input would be helpful in determining our next steps.

Steve Miller, co-leader of the NJ 50 x 30 Building Electrification Team

stevemiller@comcast.net; 732-977-4370 (cell)