

New Construction Program: Frequently Asked Questions

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New Construction Program (NCP)

What is happening to the current programs being offered by NJCEP?

NCP will replace SmartStart, Pay for Performance, and the Residential New Construction Programs. All other programs offered through *New Jersey's Clean Energy Program™* (NJCEP) will be unaffected by this change.

Is there a transition period after the New Construction Program is launched?

Yes. There is a six-month transition period from the program's launch date, during which the applicant can use the previous programs or NCP.

What will happen to projects already using the current programs?

The current Residential New Construction, SmartStart, and Pay for Performance new construction programs will remain funded and open to new applications until six-months after NCP launches. Any projects that have committed funds will continue to have the funds available until the project is fully complete.

Which Pathway should I use for my project?

Non-residential projects can choose from the three pathways: Bundled, Streamlined, or High Performance.

Projects under the High Performance Pathway must develop a whole-building ASHRAE energy model demonstrating minimum program requirements are being met or certify the project following one of the following proxy certifications listed below:

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- LEED V4.1 (Non-residential)
- PHIUS Core, Zero, or Core REVIVE 2021
- PHI V10 Classic, Plus, or Premium

Residential projects can only use the High Performance Pathway and must meet the standards of one of the following proxy certifications:

- ENERGY STAR®
- DOE Zero Energy Ready Home (“ZERH”) Program
- PHIUS Core, Zero, or Core REVIVE 2021
- PHI V10 Classic, Plus, or Premium

Will the New Construction Program incentivize specific technologies?

The Bundled Pathway assigns different point values to efficiency measures. To qualify, a project must reach a minimum point total.

The Streamlined and High Performance Pathways do not depend on specific technologies. Instead, these pathways focus on the overall performance of the building rather than on the individual measures being used.

Will there be a lookback period in the New Construction Program?

No. Projects that are completed are not eligible for retroactive incentives.

At what stage in construction is a project too far along to use the New Construction Program?

Applications for a project can be submitted at any time up to and during the design development phase.

Applicants are encouraged to apply early in the design stage, as this provides a valuable opportunity for the NCP Partner to collaborate with the applicant to achieve greater savings.

Projects in the construction document phase or that have already begun construction may still apply to the program, provided the recommended design components or equipment have not been installed before the application is submitted.

Will there be any changes to the utility programs?

NCP is a program offered through NJCEP. The utilities will continue to administer their programs for existing buildings, and any changes to those programs will be made at their discretion.

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Partner Network

What is the Partner Network?

In support of the New Construction Program, the Partner Network provides high-quality building performance services to customers. Partners are pre-approved energy efficiency professionals who provide advice and support to NCP participants through application, inspections, and approvals, all the way to incentive payment.

Partners must be reviewed and approved by the Program Manager to be part of the Network and work within the program. They may be approved to work under individual or multiple pathways.

How are Partners different from the Trade Allies in the legacy Clean Energy Programs?

NCP relies more heavily on building science and achieving recognized building performance levels (like LEED, ENERGY STAR, etc.).

Partners, also known as NCP Partners, must demonstrate their ability to advise customers on achieving the necessary standards. They are required to submit documentation to NJCEP, receive application approval, and complete program onboarding training.

Legacy NJCEP Trade Allies are encouraged to apply to become a Partner. Visit www.NJCleanEnergy.com/residential/NCP/partner-network-resources for more details.

Does the Bundled Pathway require a Partner?

Yes. All Pathways require a Partner to support the application, inspections, approvals, and incentive payments process.

What are the requirements to become a Partner?

Partners must demonstrate their ability to advise customers on achieving the necessary standards. They are required to submit documentation to NJCEP, receive application approval, and complete program onboarding training.

Legacy NJCEP Trade Allies are encouraged to apply to become a Partner. Visit www.NJCleanEnergy.com/residential/NCP/partner-network-resources for more details.

Do Partners need to have a Rater on staff?

No. However, all residential projects will still require the work of a Rater. If a Partner does not have someone capable of fulfilling that role on their staff, they

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will need to engage with a third party to ensure all requirements are met. Bundled and Streamlined Pathway projects will not require the services of a Rater.

How do I select a Partner to work with?

Visit www.NJCleanEnergy.com/residential/NCP/partner-network-resources for a list of Partners.

We encourage customers to seek at least three proposals for their project and select the Partner that best suits their needs and budget.

Program Incentives

What qualifies for the Greenhouse Gas (GHG) reduction bonus, and how will it be calculated?

The GHG reduction bonus will follow the incentive table on page 38 of the [FY25 Compliance Filing](#), as found in the TRI-2 Compliance filing. The calculation will be done with a tool required for use and available to Partners. Projects must meet a minimum GHG reduction to become eligible.

Does the affordable housing enhanced incentive apply to the whole building or the housing units?

It applies to the whole building.

Will the incentives be equivalent to the current programs?

It isn't easy to compare the programs because they use different calculation methods. Since incentives are calculated based on building square footage, similar standards can result in different incentive amounts in other buildings.

The NCP provides higher incentives for more comprehensive energy efficiency. Builders can qualify for more valuable incentives by meeting higher energy efficiency standards.

When will incentives be paid?

Incentives will be paid after construction and/or installation is complete, the Partner submits the As-Built documentation, and the Program Team has approved the final inspection and reviewed any applicable NJCEP quality controls that have been successfully completed.

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Bundled Pathway

What is the Bundled Pathway?

The Bundled Pathway offers a prescriptive approach requiring two or more eligible measures to participate and is **available only to non-residential buildings**. It uses a points system for each measure being installed, and incentives are awarded to projects that achieve the required minimum points.

The Bundled Pathway does not offer the GHG reduction bonus or enhanced incentives.

Visit www.NJCleanEnergy.com/NCP for more information about the three pathways.

What does a typical Bundled Pathway project look like?

The Bundled Pathway requires the implementation of a bundle of relatively typical above-code energy conservation measures (ECMs).

Eligible ECMs under this pathway consist primarily of electric efficiency equipment and efficient building envelope and insulation measures.

Streamlined Pathway

What is the Streamlined Pathway?

The Streamlined Pathway calculates savings using an online modeling tool called Sketchbox. To learn more about Sketchbox, visit <https://slipstreaminc.org/sketchbox>.

This pathway is **only available for select non-residential buildings** and provides the opportunity to earn an extra GHG reduction bonus and enhanced incentives.

Visit www.NJCleanEnergy.com/NCP for more information about the three pathways.

What does a typical Streamlined Pathway project look like?

The Streamlined Pathway encourages deeper energy savings than the Bundled Pathway but requires less time and expense than the High Performance Pathway.

While it requires some modeling of ECMs, it is performed in a web-based interface that requires minimal inputs and generates quick and accurate projected savings.

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Visit www.NJCleanEnergy.com/NCP for more information about the three pathways.

Table 1: Building Types Eligible for Streamlined Pathway

| | |
|--|--|
| <ul style="list-style-type: none"> • Automotive facility • Convenience store • Convention center • Dining: bar lounge/leisure • Dining: cafeteria/fast food • Dining: family • Exercise center • Gymnasium • Health-care clinic • Hospital • Hotel • Library | <ul style="list-style-type: none"> • Manufacturing facility • Motel • Museum • Office • Parking garage • Penitentiary • Performing arts theater • Religious building • Retail • School/university • Transportation • Warehouse |
|--|--|

High Performance Pathway

What is the High Performance Pathway?

The High Performance Pathway encourages the deepest energy savings and the most significant incentives.

Projects following this pathway must either:

1. Develop whole-building energy modeling to demonstrate above-code savings (“ASHRAE Modeling Approach”), **OR**
2. Certify the project following an approved national proxy certification listed below
 - LEED V4.1 (Non-residential)
 - PHIUS Core, Zero, or Core REVIVE 2021
 - PHI V10 Classic, Plus, or Premium

This pathway resembles the current/legacy Pay for Performance and Residential New Construction Programs. The High Performance Pathway will also offer an extra GHG reduction bonus and other enhanced Incentives.

This is the only pathway available to residential projects (single-family, townhomes, multi-family).

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Table 2: Pathway Eligibility by Building Category

| Base and GHG Incentives | | | |
|--|----------------|---|--------------------------------------|
| Pathway | Incentive Rate | GHG Reduction Bonus | |
| | | Tons CO ₂ e per kSF | \$/SqFt |
| Bundled | \$0.25 /SqFt | n/a | n/a |
| Streamlined | \$0.50 /SqFt | 0.7 - 0.99 tons 1.0 - 1.99 tons 2.0 - 2.99 tons 3.0+ tons | \$0.25 \$0.50 \$1.00 \$1.50 |
| High Performance <i>Non-Proxy</i> | \$1.00 /SqFt | | |
| High Performance <i>LEED V4.1</i> | \$1.00 /SqFt | | |
| High Performance <i>ENERGY STAR®</i> | \$1.00 /SqFt | | |
| High Performance <i>DOE Zero-Energy Ready Home</i> | \$1.75 /SqFt | | |
| High Performance (choose one): <i>PHIUS Core 2021</i> <i>PHIUS Zero 2021</i> <i>PHIUS CORE REVIVE 2021</i> <i>PHI Classic V10</i> <i>PHI Plus V10</i> <i>PHI Premium V10</i> | \$2.50 /SqFt | | |

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