ASSEMBLY TELECOMMUNICATIONS AND UTILITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4819

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 24, 2021

The Assembly Telecommunications and Utilities Committee reports favorably and with committee amendments Assembly Bill No. 4819.

As amended and reported, this bill establishes the School and Small Business Energy Efficiency Stimulus Program (program) in the Board of Public Utilities (BPU). "Small business" is defined in the bill as concerning women and minority-owned small businesses. The purpose of the program is to ensure that school and small business heating, ventilation, and air conditioning (HVAC) systems are upgraded to safely prepare schools and small businesses for operating during the coronavirus 2019 pandemic, to improve the general health and safety of the school and small business environment, and to create jobs across the State. The program will also fund the upgrading of old, inefficient plumbing fixtures that waste water and energy.

The bill provides that the program is to consist of two sub-programs:

1) the School and Small Business Ventilation and Energy Efficiency Verification and Repair (SSBVEEVR) Program; and

2) the School and Small Business Noncompliant Plumbing Fixture and Appliance (SSBNPFA) Program.

The bill provides that not less than 25 percent of projects funded by the SSBVEEVR Program or SSBNPFA Program are to be in schools and small businesses located in underserved communities, as defined in the bill. The SSBVEEVR Program and SSBNPFA Program are to prioritize underserved communities by ensuring that all schools and small businesses that are in an underserved community are offered the opportunity to apply for and receive grants before those schools and small businesses that are not in an underserved community.

The bill provides that the BPU is to begin to solicit applications from boards of education and small businesses for grants on or before April 1, 2021 and begin to approve applications for grant no later than May 1, 2021, subject to the availability of funds. The bill provides that the program is to be funded by monies collected from the societal benefits charge, pursuant to law, and that 75 percent of those funds are

to be used for the SSBVEEVR Program while the remaining 25 percent of funds are to be used for the SSBNPFA Program.

The bill requires the BPU to establish and administer the SSBVEEVR Program to award grants to boards of education and small businesses to ensure schools and small businesses are to have functional HVAC systems that are tested, adjusted, and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance. A board of education and small business may apply for a grant by submitting an application to the BPU, in a form and manner determined by the BPU, for reasonable costs of the HVAC system assessment, assessment report, general maintenance, adjustment of ventilation rates, filter replacement, and carbon dioxide monitor installation. The bill also establishes standards for qualified testing and adjusting personnel under the SSBVEEVR Program.

The BPU is to award a grant if the amount requested in the application is verified by a licensed mechanical engineer's estimate and the board of education and small business meet other requirements determined by the BPU to be appropriate to achieve the purposes of the bill. A grant is to be awarded in the amount requested plus an additional 20 percent of the requested amount for repairs, upgrades, or replacements necessary to make the system functional or more energy efficient. If a licensed mechanical engineer identifies cost-effective energy efficiency upgrades or repairs that would exceed the additional 20 percent awarded, a board of education and small business may apply for additional funding for the cost-effective energy efficiency upgrades or repairs.

The bill allows for the BPU to award a grant for reimbursement of work already performed where the work was contracted and performed after August 1, 2020, and meets the requirements of the bill, and the board of education and small business meet other requirements determined by the BPU to be appropriate to achieve the purposes the bill. The bill further provides that as a condition for receiving a grant, a board of education and small business are to comply with the requirements of the bill for all air-handling units, rooftop units, and unitary and single zone equipment in the schools' or small business' HVAC system or systems. The HVAC systems installed pursuant to the bill are to meet ANSI/ASHRAE Standard 62.1-2010, Ventilation for Acceptable Indoor Air Quality and shall have a licensed mechanical engineer perform certain tasks enumerated in the bill. The HVAC requirements for filtration levels, ventilation rates, and ventilation schedules may be amended by the BPU based on the latest coronavirus 2019, or other applicable, guidance.

To ensure proper ventilation is maintained in school buildings throughout the school year, the bill provides that all classrooms are to be equipped with a carbon dioxide monitor that meets requirements determined by the BPU. If a classroom carbon dioxide concentration exceeds 1,100 parts per million more than once a week as observed by

the teacher or the facilities staff, the classroom ventilation rates are to be adjusted by a licensed mechanical engineer to ensure peak carbon dioxide concentrations in the classroom remain below the maximum allowable carbon dioxide parts per million setpoint.

The bill provides that a licensed mechanical engineer is to determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements determine whether any further cost-effective energy efficiency upgrades or replacements are warranted or recommended, and provide an estimated cost for this work. If the cost of recommended repairs, upgrades, or replacements are greater than the contingency amount provided in the grant, then the licensed mechanical engineer and the board of education or small business are to submit an application for additional funding.

The bill requires that, upon completion of all work funded by a grant made pursuant to the bill, the board of education and small business are to prepare an HVAC verification report. The HVAC verification report is to include information enumerated in the bill and a copy of the report is to be maintained by the board of education and made available to any member of the public or the BPU upon request.

The bill requires the BPU to establish and administer the SSBNPFA Program to provide grants to boards of education and small businesses to replace noncompliant plumbing fixtures and appliances that fail to meet water efficiency standards and waste potable water and the energy used to convey that water, with water-conserving plumbing fixtures and appliances, as those terms are defined in the bill. The BPU is to award a grant if a board of education or small business submits documents showing the existence of noncompliant plumbing fixtures or appliances in the schools or small business for which the grant funding will be used and a cost estimate that is verified by a contractor for the replacement of the noncompliant plumbing fixtures and appliances with water-conserving plumbing fixtures and water-conserving appliances, and the board of education and small business meet other requirements determined by the BPU to be appropriate to achieve the purposes of the bill.

The bill includes additional defined terms, establishes standards for qualified testing and adjusting personnel to follow under the SSBVEEVR Program, and confirms that certain costs associated with compliance under the SSBVEEVR Program are to automatically be covered by the grant award.

As amended and reported, Assembly Bill No. 4819 is identical to Senate Bill No. 3033 (1R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to include additional defined terms, establish standards for qualified testing and adjusting personnel

to follow under the SSBVEEVR program, and to confirm that certain costs associated with compliance under the SSBVEEVR program are to automatically be covered by the grant award.