

48:3-106.1 to 48:3-106.6
LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2021 **CHAPTER:** 200

NJSA: 48:3-106.1 to 48:3-106.6 (Establishes School and Small Business Energy Efficiency Stimulus Program Fund in BPU.)

BILL NO: S3995 (Substituted for A5944)

SPONSOR(S) Sweeney, Stephen M. and others

DATE INTRODUCED: 6/21/2021

COMMITTEE: **ASSEMBLY:** ---

SENATE: Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 6/24/2021

SENATE: 6/24/2021

DATE OF APPROVAL: 8/24/2021

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted) Yes

S3995

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A5944

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

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FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

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P.L. 2021, CHAPTER 200, *approved August 24, 2021*
Senate, No. 3995

1 AN ACT establishing the School and Small Business Energy
2 Efficiency Stimulus Program Fund in the Board of Public
3 Utilities and supplementing Title 48 of the Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “ANSI” means American National Standards Institute.

11 “ASHRAE” means the American Society of Heating,
12 Refrigerating and Air-Conditioning Engineers.

13 “Board” means the Board of Public Utilities or any successor
14 agency.

15 "Board of education" means and includes the board of education
16 of any local school district, consolidated school district, regional
17 school district, county vocational school and any other board of
18 education or other similar body other than the State Board of
19 Education, the Commission on Higher Education or the Presidents'
20 Council, established and operating under the provisions of Title
21 18A of the New Jersey Statutes and having authority to make
22 purchases and to enter into contracts for the provision or
23 performance of goods or services. "Board of education" shall
24 include the board of trustees of a charter school established under
25 P.L.1995, c.426 (C.18A:36A-1 et seq.).

26 “Certified energy auditor” means a commercial entity determined
27 to be qualified by the board to conduct and develop an energy audit
28 meeting the standards of ASHRAE Level II and III, including those
29 qualified by the Division of Property Management and Construction
30 in the Department of the Treasury.

31 “Certified TAB technician” means a technician certified to perform
32 testing, adjusting, and balancing of HVAC systems by the
33 Associated Air Balance Council (AABC), the National
34 Environmental Balancing Bureau (NEBB), or the Testing,
35 Adjusting and Balancing Bureau (TABB).

36 “Coronavirus 2019” means the coronavirus disease 2019, as
37 announced by the World Health Organization on February 11, 2020,
38 and first identified in Wuhan, China.

39 “HVAC” means heating, ventilation, and air conditioning.

40 “MERV” means minimum efficiency reporting value.

41 “Noncompliant appliance” means all of the following:

42 a. a commercial dishwasher that was manufactured prior to
43 January 1, 2010, that does not meet the efficiency requirement of

1 the Energy Star Product Specification for Commercial Dishwashers,
2 Version 1.1;

3 b. an automatic commercial ice maker that was manufactured
4 prior to January 1, 2010, that does not meet the efficiency
5 requirement of the Energy Star Product Specification for Automatic
6 Commercial Ice Makers, Version 1; or

7 c. a commercial clothes washer that was manufactured prior to 1
8 January 1, 2010, that does not meet the efficiency requirement of
9 the Energy Star Product Specification for Clothes Washers, Version
10 5.0.

11 “Noncompliant plumbing fixture” means:

12 a. a toilet manufactured to use more than 1.6 gallons of water
13 per flush;

14 b. a urinal manufactured to use more than one gallon of water
15 per flush;

16 c. a showerhead manufactured to have a flow capacity of more
17 than 2.5 gallons of water per minute; or

18 d. an interior faucet that emits more than 2.2 gallons of water
19 per minute.

20 “PPM” means parts per million.

21 “Program fund ” means the School and Small Business Energy
22 Efficiency Stimulus Program Fund established pursuant to section 2
23 of P.L. , c. (C.) (pending before the Legislature as this bill).

24 “Qualified adjusting personnel” or “qualified testing personnel”
25 means either of the following:

26 a. a certified TAB technician; or

27 b. a skilled and trained workforce under the supervision of a
28 certified TAB technician.

29 “Registered apprenticeship program” means a plan containing all
30 the terms and conditions for the qualification, recruitment,
31 selection, employment, and training of apprentices, as required
32 under Part 29 and Part 30 of Title 49 of the Code of Federal
33 Regulations, including meeting all requirements set forth under
34 section 2 of P.L.2019, c.518 (C.34:11-56.71).

35 “Skilled and trained workforce” means a workforce where at
36 least 60 percent of the construction workers are graduates of a
37 registered apprenticeship program for the applicable occupation.

38 "Small business" means a sole proprietorship, partnership or
39 corporation that has its principal place of business in the State, is of
40 a size and type determined by the board, and is a women’s business
41 or minority business, as those terms are defined in section 2 of
42 P.L.1987, c.55 (C.52:27H-21.8).

43 “SSBNPFA Program” means the School and Small Business
44 Noncompliant Plumbing Fixture and Appliance Program established
45 pursuant to section 5 of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

47 “SSBVEEVR Program” means the School and Small Business
48 Ventilation and Energy Efficiency Verification and Repair Program

1 established pursuant to section 4 of P.L. , c. (C.) (pending
2 before the Legislature as this bill).

3 “TAB” means testing, adjusting, and balancing.

4 “Underserved community” means a school district in which at
5 least 75 percent of public school students are eligible to receive free
6 or reduced-price meals under the National School Lunch Program
7 established pursuant to the "Richard B. Russell National School
8 Lunch Act," Pub.L.79-396 (42 U.S.C. s.1751 et seq.).

9 “Water-conserving appliance” means any of the following:

10 a. a commercial dishwasher that meets the criteria of the Energy
11 Star Product Specification for Commercial Dishwashers, Version
12 2.0, or any revision to those criteria published by the United States
13 Environmental Protection Agency that is adopted by the board for
14 the program;

15 b. an automatic commercial ice maker that meets the criteria of
16 the Energy Star Product Specification for Automatic Commercial
17 Ice Makers, Version 3.0, or any revision to those criteria published
18 by the United States Environmental Protection Agency that is
19 adopted by the board for the program; or

20 c. a commercial clothes washer that meets the criteria of the
21 Energy Star Product Specification for Clothes Washers, Version
22 8.0, or any revision to those criteria published by the United States
23 Environmental Protection Agency that is adopted by the board for
24 the program.

25

26 2. a. The Board of Public Utilities shall establish and administer
27 a fund to be known as the School and Small Business Energy
28 Efficiency Stimulus Program Fund for the purpose of providing
29 grants to boards of education and small businesses for the
30 installation of certain HVAC systems and energy efficient and
31 water-conserving appliances to improve air quality and energy
32 efficiency in school districts under the jurisdiction of a board of
33 education and small businesses, including school districts and small
34 businesses in underserved communities. The monies deposited into
35 the program fund shall only be used to support the following
36 programs:

37 (1) The School and Small Business Ventilation and Energy
38 Efficiency Verification and Repair Program; and

39 (2) The School and Small Business Noncompliant Plumbing
40 Fixture and Appliance Program.

41 b. Seventy-five percent of projects funded by the SSBVEEVR
42 Program or SSBNPFA Program shall be allocated for school
43 districts and small businesses located in underserved communities.

44 c. The board shall begin to solicit applications from boards of
45 education and small businesses for grants made pursuant to this
46 section on or before October 1, 2021 and begin to approve
47 applications for a grant no later than December 1, 2021, subject to
48 the availability of funds.

1 d. The program fund shall be funded by monies provided to the
2 State from the federal government under the “American Rescue
3 Plan Act of 2021,” Pub. L. 117-2, as determined by the board, and
4 shall be allocated as follows:

- 5 (1) 75 percent of funds for the SSBVEEVR Program; and
- 6 (2) 25 percent of funds for the SSBNPFA Program.

7 e. Seventy-five percent of grant funds issued pursuant to this
8 section shall be awarded to school districts and the remaining 25
9 percent shall be awarded to small businesses.

10 f. Program grants made pursuant to this section shall provide no
11 more than 75 percent of the cost of projects approved by the board,
12 with the remaining 25 percent covered by non-SSBVEEVR or non-
13 SSBNPFA funding sources, as applicable.

14

15 3. a. Notwithstanding the provisions of any other law to the
16 contrary, for the purpose of expediting the board’s procurement of
17 technical services to administer the SSBVEEVR and the SSBNPFA
18 Programs, the following provisions shall apply as modifications to
19 law or regulation that may interfere with the expedited award of the
20 above services:

21 (1) the procurement may be done by the board itself consistent
22 with the requirements of sections 2, 3, 4, and 5 of P.L.1954, c.48
23 (C.52:34-7, C.52:34-8, C.52:34-9, and C.52:34-10), with the board
24 authorizing a waiver of advertising under subsection (a) of section 4
25 of P.L.1954, c.48 (C.52:34-9) and approving the final contract by
26 resolutions of the board;

27 (2) the timeframes for challenging the award of the contract may
28 be modified as determined by the board;

29 (3) the board may amend any existing contract with a vendor
30 administering another board energy efficiency program to assist
31 with the administering of the SSBVEEVR and the SSBNPFA
32 Programs until the contract to be awarded pursuant to this section is
33 executed; and

34 (4) the period of time that the State Comptroller has to review
35 the request for proposals for these professional services
36 procurements for compliance with applicable public contracting
37 laws, rules and regulations, pursuant to section 10 of P.L.2007, c.52
38 (C.52:15C-10), shall be 10 business days or less if practicable, as
39 determined by the State Comptroller.

40 b. The board may, to the extent necessary, waive or modify any
41 other regulation, or for any bidder, any applicable requirement in
42 chapters 25, 32, 34 of Title 52 of the Revised Statutes, that may
43 interfere with the expeditious procurement of these services.

44

45 4. a. The board shall establish and administer the SSBVEEVR
46 Program to award grants to boards of education and small
47 businesses to ensure schools under board of education jurisdiction
48 and small businesses shall have functional HVAC systems that are

1 tested, adjusted, and, if necessary or cost effective, repaired,
2 upgraded, or replaced to increase efficiency and performance.

3 b. (1) A board of education or small business may apply for a
4 grant pursuant to section 2 of P.L. , c. (C.) (pending before
5 the Legislature as this bill) by submitting an application to the
6 board, in a form and manner determined by the board, for
7 reasonable costs of the HVAC assessment, assessment report,
8 deferred general maintenance, adjustment of ventilation rates, filter
9 replacement, system replacement, and carbon dioxide monitor
10 installation.

11 (2) The board shall adjust energy efficiency savings targets, as
12 necessary, to ensure that energy savings created through the
13 expenditures made pursuant to P.L. , c. (C.) (pending before
14 the Legislature as this bill) are not double counted in any public
15 utility energy efficiency program.

16 c. (1) The board shall award a grant if the amount requested in
17 the application is verified by the estimate of a certified energy
18 auditor and the board of education and small business meet other
19 requirements determined by the board to be appropriate to achieve
20 the purposes of P.L. , c. (C.) (pending before the Legislature
21 as this bill). A grant that meets the board's criteria shall be awarded
22 in the amount requested. The board may allow for supplementary
23 requests for contingency funding, an additional amount, up to 20
24 percent of the requested amount for repairs, upgrades, or
25 replacements necessary, as identified by the certified energy
26 auditor, to make the system functional or more energy efficient.

27 (2) If a certified energy auditor identifies cost-effective energy
28 efficiency upgrades or repairs that would exceed the additional 20
29 percent awarded, a board of education or small business may apply
30 for additional funding for the cost-effective energy efficiency
31 upgrades or repairs through the board's existing energy efficiency
32 programs, which shall receive priority treatment.

33 (3) The board shall have the authority to establish the timing of
34 grant funding, including the ability to provide some or all funding
35 in advance of the performance of work where requirements to
36 ensure performance are established.

37 d. (1) Qualified testing personnel or qualified adjusting
38 personnel shall do all of the following:

39 (a) for a board of education or small business receiving a grant
40 to install filtration with a MERV of 13 or better in the HVAC
41 system of a school and small business building, where feasible,
42 qualified testing personnel shall review system capacity and airflow
43 to determine the highest MERV filtration that can be installed
44 without adversely impacting equipment, shall replace or upgrade
45 filters where needed, and shall verify that those filters are installed
46 correctly. If a HVAC system uses ultraviolet germicidal irradiation
47 to disinfect the air, the ultraviolet germicidal irradiation lamp shall
48 be checked for proper operation, replacing bulbs as needed and
49 verifying that the ultraviolet light does not shine on filters.

1 Recommendations for additional maintenance, replacement, or
2 upgrades to allow for more protective filtration shall be recorded in
3 the assessment report;

4 (b) for HVAC systems with economizers, qualified testing
5 personnel shall test HVAC system economizer dampers.
6 Economizer dampers and controls that are not properly functioning
7 shall be repaired by a skilled and trained workforce.
8 Recommendations for additional maintenance, replacement, or
9 upgrades shall be recorded in the assessment report;

10 (c) concerning a school building, after completing the
11 requirements of subparagraph (b) of this paragraph, qualified
12 testing personnel shall verify the ventilation rates in the school and
13 small business building, and other occupied areas to assess whether
14 they meet the minimum ventilation rate requirements set forth in
15 ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable
16 Indoor Air. Assessment, which shall include all of the following:

17 (i) a calculation of the required minimum outside air ventilation
18 rates for each occupied area based on the anticipated occupancy and
19 the minimum required ventilation rate per occupant. Calculations
20 shall be based on maximum anticipated building or other occupied
21 area occupancy rates and determined by the performing technician.
22 Natural ventilation shall be designed in accordance with Section
23 402 of the 2018 International Mechanical Code and shall include
24 mechanical ventilation systems designed in accordance with Section
25 403 of the 2018 International Mechanical Code; and

26 (ii) the measurement of outside air and verification of whether
27 the HVAC system provides the minimum outside air ventilation
28 rates calculated under this subparagraph;

29 If the HVAC system does not meet the minimum ventilation rate
30 requirements, the certified energy auditor or qualified adjusting
31 personnel shall review the HVAC system airflow and capacity to
32 determine if additional ventilation can be provided without
33 adversely impacting equipment performance and building indoor
34 environmental quality. If additional ventilation can be provided,
35 qualified adjusting personnel shall adjust ventilation rates to meet
36 the minimum ventilation rate requirements set forth, pursuant to this
37 paragraph, to the extent feasible. After the adjustment, the
38 measurement of outside air and verification of whether the HVAC
39 system provides the minimum outside air ventilation rates
40 calculated under this subparagraph shall be repeated. If minimum
41 ventilation rate requirements cannot be met, this deficiency shall be
42 reported in the assessment report and the verification report and
43 shall be addressed by a certified energy auditor, as required;

44 (d) survey readings of inlets and outlets to verify that all
45 ventilation is reaching the served zone and that there is adequate
46 distribution. Qualified testing personnel or qualified adjusting
47 personnel shall verify if inlets and outlets are balanced within
48 tolerance of the system design. Qualified testing personnel or
49 qualified adjusting personnel shall document read values and

- 1 deficiencies. If the original HVAC system design values are not
2 available, qualified testing personnel or qualified adjusting
3 personnel shall document the available information and note the
4 unavailability of HVAC system design values in the assessment
5 report;
- 6 (e) verify building pressure relative to the outdoors to ensure
7 positive pressure differential and to ensure the building is not over
8 pressurized;
- 9 (f) verify coil velocities and coil and unit discharge air
10 temperatures as required to maintain desired indoor conditions and
11 to avoid moisture carry over from cooling coils;
- 12 (g) verify that separation between outdoor air intakes and
13 exhaust discharge outlets meet requirements of the 2018
14 International Mechanical Code;
- 15 (h) confirm that the air handling unit is bringing in outdoor air
16 and removing exhaust air as intended by the system design;
- 17 (i) measure all exhaust air volume for exhaust fans, including
18 restrooms and document any discrepancies from system design;
- 19 (j) if a demand control ventilation system is installed, qualified
20 testing personnel or qualified adjusting personnel shall test it and
21 adjust the ventilation to a carbon dioxide set point of 800 PPM or
22 less. If the demand control ventilation system does not maintain
23 average daily maximum carbon dioxide levels below 1,100 PPM, it
24 shall be disabled until such time as the board of education or small
25 business determines that the COVID-19 pandemic has ended, unless
26 disabling the control would adversely affect operation of the overall
27 system. When disabling a demand control ventilation system, the
28 system shall be configured to meet the minimum ventilation rate
29 requirements and tested and adjusted in accordance with
30 subparagraph (b) of this paragraph. Recommendations for
31 additional maintenance, replacement or upgrades shall be recorded
32 in the assessment report;
- 33 (k) a qualified testing personnel or a skilled and trained
34 workforce shall verify coil condition, condensate drainage, cooling
35 coil air temperature differentials, heat exchanger operation, and
36 drive assembly. If repairs, replacement, or upgrades are necessary,
37 these deficiencies shall be reported in the assessment report and the
38 verification report, and addressed by a certified energy auditor;
- 39 (l) review control sequences to verify the HVAC systems will
40 maintain intended ventilation, temperature and humidity conditions
41 during school and small business operation. Previously unoccupied
42 buildings shall perform the recommended practices of reopening a
43 building as covered in the ASHRAE Building Readiness document
44 – Restarting a Building;
- 45 (m) verify a daily flush is scheduled for two hours before and
46 after scheduled occupancy or demonstrate calculation of flush times
47 per ASHRAE Guidance for Reopening and Operating Schools and
48 Buildings or otherwise applicable local or State guidance; and

- 1 (n) verify that HVAC system operational times, exhaust fans
2 operation times, setpoints, and enabled features meet ASHRAE
3 Guidance for Reopening and Operating Schools and Buildings or
4 otherwise applicable local or State guidance.
- 5 (2) Requirements for filtration levels, ventilation rates, and
6 ventilation schedules may be amended by the board based on the
7 latest COVID-19 or other applicable guidance.
- 8 (3) If installed HVAC systems or system components are
9 broken, fail to meet minimum ventilation requirements, or are
10 unable to operate to the original design and intent, this information
11 shall be set forth in the assessment report prepared and be provided
12 to a certified energy auditor for determination of appropriate
13 corrective measures. Repairs, upgrades, or replacements shall be
14 performed by a skilled and trained workforce.
- 15 (4) (a) For a school building, to ensure
16 proper ventilation is maintained throughout the school year, all
17 classrooms shall be equipped with a carbon dioxide monitor that
18 meets all of the following requirements:
- 19 (i) the monitor shall be hard-wired or plugged-in and mounted to
20 the wall between three and six feet above the floor and at least five
21 feet away from the door and operable windows;
- 22 (ii) the monitor shall display the carbon dioxide readings to the
23 teacher or other building staff through a display on the device or
24 other means such as a web-based application or cellular phone
25 application;
- 26 (iii) the monitor shall provide a notification through a visual
27 indicator on the monitor, such as an indicator light, or other alert
28 system, such as an electronic mail, text, or cellular telephone
29 application, when the carbon dioxide levels in the classroom have
30 exceeded 1,100 PPM;
- 31 (iv) the monitor shall maintain a record of previous data that
32 includes at least the maximum carbon dioxide concentration
33 measured;
- 34 (v) the monitor shall have a carbon dioxide concentration range
35 of 400 PPM to 2000 PPM or greater; and
- 36 (vi) the monitor shall be certified by the manufacturer to be
37 accurate within 75 PPM at 1,000 PPM carbon dioxide concentration
38 and certified by the manufacturer to require calibration no more
39 frequently than once every five years.
- 40 (b) If a classroom carbon dioxide concentration exceeds 1,100
41 PPM more than once a week as observed by the teacher or other
42 building staff, the classroom ventilation rates shall be adjusted by
43 qualified personnel to ensure peak carbon dioxide concentrations in
44 the classroom remain below the maximum allowable carbon dioxide
45 PPM setpoint. Verification of the installation of carbon dioxide
46 monitors in all classrooms shall be included in the assessment
47 report.
- 48 (c) The requirements of subsubparagraphs (i) to (vi) of
49 subparagraph (a) of this paragraph, may be amended by the board as

1 necessary to reflect available technology and to achieve the intent
2 of this paragraph.

3 (5) A qualified testing personnel or qualified adjusting
4 personnel shall prepare an assessment report for review by a
5 certified energy auditor. The certified energy auditor shall review
6 the assessment report and determine what, if any, additional
7 adjustments or repairs would be necessary to meet the minimum
8 ventilation and filtration requirements, determine whether any cost-
9 effective energy efficiency upgrades or replacements are warranted
10 or recommended, and provide an estimated cost for this work. If the
11 cost of recommended repairs, upgrades, or replacements are greater
12 than the contingency amount provided in the grant, then the
13 certified energy auditor and the board of education and small
14 business shall submit an application for additional funding pursuant
15 to this section. The provision of any additional funding for repairs,
16 upgrades, or replacements shall be conditioned on the applicant
17 ensuring that all construction work funded, in whole or in part, by
18 the additional funding is performed by a skilled and trained
19 workforce. The assessment report shall include all of the following
20 information:

21 (a) name and address of the school and small business building
22 and person or contractor preparing and certifying assessment report;

23 (b) documentation of HVAC equipment model number, serial
24 number, general condition of unit, and any additional information
25 that could be used to assess replacement and repair options given
26 potential for increased energy efficiency benefits;

27 (c) either verification that MERV 13 filters have been installed
28 or verification that the maximum MERV-rated filter that the HVAC
29 system is able to effectively handle has been installed and what that
30 MERV-rating is;

31 (d) for a school building, the verified ventilation rates for
32 facility classrooms, auditoriums, gymnasiums, nurses' offices,
33 restrooms, offices, and other occupied areas, and whether those
34 rates meet the requirements set forth in ANSI/ASHRAE Standard
35 62.1-2019. If ventilation rates do not meet applicable requirements,
36 then an explanation for why the current system is unable to meet
37 those rates shall be provided;

38 (e) for a school building, the verified exhaust rates for building
39 classrooms, auditoriums, gymnasiums, nurses' offices, restrooms,
40 and other occupied areas and whether those rates meet the
41 requirements set forth in the design intent; and

42 (f) documentation of system deficiencies and recommendations
43 for additional maintenance, replacement, or upgrades to improve
44 energy efficiency, safety, or performance.

45 (6) Upon completion of all work funded by a grant pursuant to
46 this section, the board of education shall have prepared an HVAC
47 verification report. The HVAC verification report shall include all
48 of the following information:

- 1 (a) the name and address of the school and small business
- 2 building and person or who prepared and certified the report;
- 3 (b) a description of the assessment, maintenance, adjustment,
- 4 repair, upgrade, and replacement activities and outcomes;
- 5 (c) a verification that the board of education has complied with
- 6 all requirements of this section;
- 7 (d) a verification that either MERV 13 filters have been installed
- 8 or a verification that the maximum MERV-rated filter that the
- 9 HVAC system is able to effectively handle has been installed and
- 10 the MERV-rating level;
- 11 (e) the verified ventilation rates for building classrooms,
- 12 auditoriums, gymnasiums, nurses' offices, restrooms, offices, and
- 13 other occupied areas and whether those rates meet the requirements
- 14 set forth in ANSI/ASHRAE Standard 62.1-2019. If ventilation rates
- 15 do not meet applicable guidance, then the report shall provide an
- 16 explanation for why the current system is unable to meet those rate;.
- 17 (f) the verified exhaust for building classrooms, auditoriums,
- 18 gymnasiums, nurses' offices, restrooms, and other occupied areas
- 19 and whether those rates meet the requirements set forth in the
- 20 design intent;
- 21 (g) documentation of HVAC system deficiencies and
- 22 recommendations for additional maintenance, replacement, or
- 23 upgrades to improve energy efficiency, safety, or performance;
- 24 (h) documentation of the initial operating verifications,
- 25 adjustments, and final operating verifications of the HVAC system,
- 26 and documentation of any adjustments or repairs performed on the
- 27 HVAC system;
- 28 (i) verification of the installation of carbon dioxide monitors,
- 29 including the make and model of the monitors; and
- 30 (j) verification that all work has been performed by qualified
- 31 personnel, including the provision of the contractor's name, TAB
- 32 technician name and certification number, and verification that all
- 33 construction work has been performed by a skilled and trained
- 34 workforce.
- 35 (7) Other than the workforce qualification requirements, the
- 36 technical and reporting requirements of the SSBVEEVR Program
- 37 may be amended by the board as necessary, to reflect the latest
- 38 COVID-19 or other applicable guidance, or otherwise to achieve the
- 39 intent of the SSBVEEVR Program and to ensure consistency with
- 40 the related requirements and codes.
- 41 (8) The board of education shall maintain a copy of the HVAC
- 42 verification report and make it available to any member of the
- 43 public or the board upon request.
- 44 e. As a condition for receiving a grant pursuant to section 2 of
- 45 P.L. , c. (C.) (pending before the Legislature as this bill), a
- 46 board of education and small business shall comply with the
- 47 requirements of this section for all air-handling units, rooftop units,
- 48 and unitary and single zone equipment in its schools' or small
- 49 business' HVAC system or systems. Any costs associated with

1 complying with this subsection shall be automatically included in
2 any grant amount awarded under the program.

3 (1) An HVAC system installed pursuant to this section shall
4 meet the ANSI/ASHRAE Standard 62.1-2019, Ventilation for
5 Acceptable Indoor Air Quality and shall have qualified testing
6 personnel or qualified adjusting personnel perform the following:

7 (a) review control sequences to verify HVAC systems will
8 maintain intended ventilation, temperature, and humidity conditions
9 during school and small business operation. Previously unoccupied
10 buildings shall perform the recommended practices of reopening a
11 building as covered in the ASHRAE Building Readiness document
12 –Restarting a Building;

13 (b) verify a daily flush is scheduled for two hours before and
14 after scheduled occupancy or demonstrate calculation of flush times
15 per ASHRAE Guidance for Reopening and Operating Schools or
16 Commercial Buildings, as applicable, or otherwise applicable local
17 or State guidance; and

18 (c) verify that HVAC system operational times, exhaust fans
19 operation times, setpoints, and enabled features meet ASHRAE
20 Guidance for Reopening and Operating Schools or Commercial
21 Buildings, as applicable, or otherwise applicable local or State
22 guidance.

23 (2) A requirement for filtration levels, ventilation rates, and
24 ventilation schedules may be amended by the board based on the
25 latest coronavirus 2019, or other applicable, guidance.

26 f. Concerning a school, to ensure proper ventilation is
27 maintained throughout the school year, all school district
28 classrooms shall be equipped with a carbon dioxide monitor that
29 meets requirements determined by the board. If a classroom carbon
30 dioxide concentration exceeds 1,100 parts per million more than
31 once a week as observed by the teacher or the facilities staff, the
32 classroom ventilation rates shall be adjusted by qualified testing
33 personnel or qualified adjusting personnel to ensure peak carbon
34 dioxide concentrations in the classroom remain below the maximum
35 allowable carbon dioxide parts per million setpoint.

36 g. A certified energy auditor shall determine what, if any,
37 additional adjustments or repairs would be necessary to meet the
38 minimum ventilation and filtration requirements, pursuant to this
39 section, determine whether any further cost-effective energy
40 efficiency upgrades or replacements are warranted or
41 recommended, and provide an estimated cost for this work. If the
42 cost of recommended repairs, upgrades, or replacements are greater
43 than the contingency amount provided in the grant, then the
44 certified energy auditor and the board of education or small
45 business shall submit an application for additional funding pursuant
46 to section 2 of P.L. , c. (C.) (pending before the Legislature
47 as this bill).

48 h. Upon completion of all work funded by a grant pursuant to
49 P.L. , c. (C.) (pending before the Legislature as this bill), a

1 board of education and small business shall prepare an HVAC
2 verification report. The HVAC verification report shall include all
3 of the following information:

4 (1) the name and address of a school facility or small business
5 and person or contractor preparing and certifying the report;

6 (2) a description of the assessment, maintenance, adjustment,
7 repair, upgrade, and replacement activities and outcomes;

8 (3) verification that the board of education and small business
9 has complied with all requirements of P.L. , c. (C.) (pending
10 before the Legislature as this bill);

11 (4) verification that the school facility and small business meet
12 ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable
13 Indoor Air Quality;

14 (5) documentation of HVAC system deficiencies and
15 recommendations for additional deferred general maintenance to
16 bring up to date, replacement, or upgrades to improve energy
17 efficiency, safety, or performance;

18 (6) verification of the installation of carbon dioxide monitors,
19 pursuant to subsection e. of this section, including the make and
20 model of the monitors;

21 (7) verification that all work has been performed by a certified
22 energy auditor, including the provision of the contractor's name and
23 license; and

24 (8) verification that the equipment installed exceeds current
25 energy efficiency requirements by code and the submission of
26 manufacturer specification sheets and supporting documents of
27 qualification.

28 i. The requirements of this section may be amended by the board
29 as necessary to reflect available technology and to achieve the
30 intent of P.L. , c. (C.) (pending before the Legislature as
31 this bill).

32 j. A board of education and small business shall maintain a copy
33 of the HVAC verification report made pursuant to subsection h. of
34 this section and make it to any member of the public or the board
35 upon request.

36

37 5. a. The board shall establish and administer the School and
38 Small Business Noncompliant Plumbing Fixture and Appliance
39 Program to provide grants to boards of education and small
40 businesses to replace noncompliant plumbing fixtures and
41 appliances that fail to meet water efficiency standards, and waste
42 and potable water and the energy used to convey that water, with
43 water-conserving plumbing fixtures and appliances.

44 b. A board of education and small business may apply for a
45 grant pursuant to section 2 P.L. , c. (C.) (pending before
46 the Legislature as this bill) by submitting an application to the
47 board, in a form and manner determined by the board, showing the
48 existence of noncompliant plumbing fixtures or appliances in the
49 school or small business for which the grant funding will be used

1 and a cost estimate that is verified by a contractor for the
2 replacement of the noncompliant plumbing fixtures and appliances
3 with water-conserving plumbing fixtures and water-conserving
4 appliances, and the board of education and small business meet
5 other requirements determined by the board to be appropriate to
6 achieve the purposes of this section.

7 c. Upon completion of all work funded by a grant pursuant to
8 P.L. , c. (C.) (pending before the Legislature as this bill), a
9 board of education and small business shall prepare a plumbing
10 verification report. The plumbing verification report shall include
11 all of the following information:

12 (1) the name and address of a school facility or small business
13 and person or contractor preparing and certifying the report;

14 (2) a description of the assessment, maintenance, adjustment,
15 repair, upgrade, and replacement activities and outcomes;

16 (3) verification that the board of education and small business
17 has complied with all requirements of P.L. , c. (C.)
18 (pending before the Legislature as this bill);

19 (4) documentation of plumbing system deficiencies;

20 (5) verification that all work has been performed by a licensed
21 professional, including the provision of the contractor's name and
22 license; and

23 (6) verification that the equipment installed exceeds current
24 energy efficiency requirements required by code and the submission
25 of manufacturer specification sheets and supporting documents of
26 qualification.

27 d. The board is authorized to provide technical assistance or
28 award grants pursuant to the SSBNPFA Program to assist a board of
29 education and small business in identifying noncompliant plumbing
30 fixtures and noncompliant appliances eligible for replacement
31 pursuant to this section.

32

33 6. The Board of Public Utilities may adopt, pursuant to the
34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
35 seq.), rules and regulations necessary to effectuate the purposes
36 of P.L. , c. (C.) (pending before the Legislature as this
37 bill). The board may adopt, by board order, any program fund
38 details necessary to effectuate the purposes of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), and is
40 pre-authorized to spend any necessary funds without additional
41 approvals, provided that any temporarily avoided spending
42 approvals are sought and obtained as expeditiously as possible.

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44 7. This act shall take effect immediately.

STATEMENT

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This bill establishes the School and Small Business Energy Efficiency Stimulus Program fund (program fund) 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 fund 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 fund will also fund the upgrading of old, inefficient plumbing fixtures that waste water and energy.

The bill provides that the program fund 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 75 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 bill provides that the BPU is to begin to solicit applications from boards of education and small businesses for grants on or before October 1, 2021 and begin to approve applications for grants no later than December 1, 2021, subject to the availability of funds. The bill provides that the program fund is to be funded by monies provided to the State from the federal government under the “American Rescue Plan Act of 2021,” as determined by the BPU, and is to be allocated as follows:

- 1) 75 percent of funds for the SSBVEEVR Program; and
- 2) 25 percent of funds for the SSBNPFA Program.

Seventy-five percent of grant funds issued pursuant to the bill are to be awarded to school districts and the remaining 25 percent is to be awarded to small businesses. Program fund grants made pursuant to the bill are to provide no more than 75 percent of the cost of projects approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources, as applicable.

Notwithstanding the provisions of any other law to the contrary, the bill provides that, for the purpose of expediting the BPU’s procurement of technical services to administer the SSBVEEVR and the SSBNPFA Programs, certain provisions are to apply as modifications to law or regulation that may interfere with the expedited award of the grants.

1 The bill requires the BPU to establish and administer the
2 SSBVEEVR Program to award grants to boards of education and
3 small businesses to ensure schools and small businesses are to have
4 functional HVAC systems that are tested, adjusted, and, if
5 necessary or cost effective, repaired, upgraded, or replaced to
6 increase efficiency and performance.

7 The BPU is to award a grant if the amount requested in the
8 application is verified by a certified energy auditor’s estimate and
9 the board of education and small business meet other requirements
10 determined by the BPU to be appropriate to achieve the purposes of
11 the bill.

12 The bill provides that as a condition for receiving a grant, a
13 board of education and small business are to comply with the
14 requirements of the bill for all certain aspects of the schools’ or
15 small business’ HVAC system or systems. The HVAC systems
16 installed pursuant to the bill are to meet ANSI/ASHRAE Standard
17 62.1-2019, Ventilation for Acceptable Indoor Air Quality. The
18 HVAC requirements for filtration levels, ventilation rates, and
19 ventilation schedules may be amended by the BPU based on the
20 latest coronavirus 2019, or other applicable, guidance.

21 The bill provides that a certified energy auditor is to determine
22 what, if any, additional adjustments or repairs would be necessary
23 to meet the minimum ventilation and filtration requirements. If the
24 cost of recommended repairs, upgrades, or replacements are greater
25 than the contingency amount provided in the grant, then the
26 certified energy auditor and the board of education or small
27 business are to submit an application for additional funding. The
28 bill requires that, upon completion of all work funded by a grant
29 made pursuant to the bill, the board of education and small business
30 are to prepare an HVAC verification report.

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

47

48

S3995

16

- 1 Establishes School and Small Business Energy Efficiency
- 2 Stimulus Program Fund in BPU.

CHAPTER 200

AN ACT establishing the School and Small Business Energy Efficiency Stimulus Program Fund in the Board of Public Utilities and supplementing Title 48 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.48:3-106.1 Definitions.

1. As used in in P.L.2021, c.200 (C.48:3-106.1 et seq.):

“ANSI” means American National Standards Institute.

“ASHRAE” means the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

“Board” means the Board of Public Utilities or any successor agency.

"Board of education" means and includes the board of education of any local school district, consolidated school district, regional school district, county vocational school and any other board of education or other similar body other than the State Board of Education, the Commission on Higher Education or the Presidents' Council, established and operating under the provisions of Title 18A of the New Jersey Statutes and having authority to make purchases and to enter into contracts for the provision or performance of goods or services. "Board of education" shall include the board of trustees of a charter school established under P.L.1995, c.426 (C.18A:36A-1 et seq.).

“Certified energy auditor” means a commercial entity determined to be qualified by the board to conduct and develop an energy audit meeting the standards of ASHRAE Level II and III, including those qualified by the Division of Property Management and Construction in the Department of the Treasury.

“Certified TAB technician” means a technician certified to perform testing, adjusting, and balancing of HVAC systems by the Associated Air Balance Council (AABC), the National Environmental Balancing Bureau (NEBB), or the Testing, Adjusting and Balancing Bureau (TABB).

“Coronavirus 2019” means the coronavirus disease 2019, as announced by the World Health Organization on February 11, 2020, and first identified in Wuhan, China.

“HVAC” means heating, ventilation, and air conditioning.

“MERV” means minimum efficiency reporting value.

“Noncompliant appliance” means all of the following:

a. a commercial dishwasher that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the Energy Star Product Specification for Commercial Dishwashers, Version 1.1;

b. an automatic commercial ice maker that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the Energy Star Product Specification for Automatic Commercial Ice Makers, Version 1; or

c. a commercial clothes washer that was manufactured prior to 1 January 1, 2010, that does not meet the efficiency requirement of the Energy Star Product Specification for Clothes Washers, Version 5.0.

“Noncompliant plumbing fixture” means:

a. a toilet manufactured to use more than 1.6 gallons of water per flush;

b. a urinal manufactured to use more than one gallon of water per flush;

c. a showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute; or

d. an interior faucet that emits more than 2.2 gallons of water per minute.

“PPM” means parts per million.

“Program fund ” means the School and Small Business Energy Efficiency Stimulus Program Fund established pursuant to section 2 of P.L.2021, c.200 (C.48:3-106.2).

“Qualified adjusting personnel” or “qualified testing personnel” means either of the following:

- a. a certified TAB technician; or
- b. a skilled and trained workforce under the supervision of a certified TAB technician.

“Registered apprenticeship program” means a plan containing all the terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, as required under Part 29 and Part 30 of Title 49 of the Code of Federal Regulations, including meeting all requirements set forth under section 2 of P.L.2019, c.518 (C.34:11-56.71).

“Skilled and trained workforce” means a workforce where at least 60 percent of the construction workers are graduates of a registered apprenticeship program for the applicable occupation.

"Small business" means a sole proprietorship, partnership or corporation that has its principal place of business in the State, is of a size and type determined by the board, and is a women’s business or minority business, as those terms are defined in section 2 of P.L.1987, c.55 (C.52:27H-21.8).

“SSBNPFA Program” means the School and Small Business Noncompliant Plumbing Fixture and Appliance Program established pursuant to section 5 of P.L.2021, c.200 (C.48:3-106.5).

“SSBVEEVR Program” means the School and Small Business Ventilation and Energy Efficiency Verification and Repair Program established pursuant to section 4 of P.L.2021, c.200 (C.48:3-106.4).

“TAB” means testing, adjusting, and balancing.

“Underserved community” means a school district in which at least 75 percent of public school students are eligible to receive free or reduced-price meals under the National School Lunch Program established pursuant to the "Richard B. Russell National School Lunch Act," Pub.L.79-396 (42 U.S.C. s.1751 et seq.).

“Water-conserving appliance” means any of the following:

- a. a commercial dishwasher that meets the criteria of the Energy Star Product Specification for Commercial Dishwashers, Version 2.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the board for the program;
- b. an automatic commercial ice maker that meets the criteria of the Energy Star Product Specification for Automatic Commercial Ice Makers, Version 3.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the board for the program; or
- c. a commercial clothes washer that meets the criteria of the Energy Star Product Specification for Clothes Washers, Version 8.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the board for the program.

C.48:3-106.2 School and Small Business Energy Efficiency Stimulus Program Fund.

2. a. The Board of Public Utilities shall establish and administer a fund to be known as the School and Small Business Energy Efficiency Stimulus Program Fund for the purpose of providing grants to boards of education and small businesses for the installation of certain HVAC systems and energy efficient and water-conserving appliances to improve air quality and energy efficiency in school districts under the jurisdiction of a board of education and small businesses, including school districts and small businesses in underserved

communities. The monies deposited into the program fund shall only be used to support the following programs:

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

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

b. Seventy-five percent of projects funded by the SSBVEEVR Program or SSBNPFA Program shall be allocated for school districts and small businesses located in underserved communities.

c. The board shall begin to solicit applications from boards of education and small businesses for grants made pursuant to this section on or before October 1, 2021 and begin to approve applications for a grant no later than December 1, 2021, subject to the availability of funds.

d. The program fund shall be funded by monies provided to the State from the federal government under the "American Rescue Plan Act of 2021," Pub. L. 117-2, as determined by the board, and shall be allocated as follows:

(1) 75 percent of funds for the SSBVEEVR Program; and

(2) 25 percent of funds for the SSBNPFA Program.

e. Seventy-five percent of grant funds issued pursuant to this section shall be awarded to school districts and the remaining 25 percent shall be awarded to small businesses.

f. Program grants made pursuant to this section shall provide no more than 75 percent of the cost of projects approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources, as applicable.

C.48:3-106.3 Modifications to law, regulation that may interfere with expedited award.

3. a. Notwithstanding the provisions of any other law to the contrary, for the purpose of expediting the board's procurement of technical services to administer the SSBVEEVR and the SSBNPFA Programs, the following provisions shall apply as modifications to law or regulation that may interfere with the expedited award of the above services:

(1) the procurement may be done by the board itself consistent with the requirements of sections 2, 3, 4, and 5 of P.L.1954, c.48 (C.52:34-7, C.52:34-8, C.52:34-9, and C.52:34-10), with the board authorizing a waiver of advertising under subsection (a) of section 4 of P.L.1954, c.48 (C.52:34-9) and approving the final contract by resolutions of the board;

(2) the timeframes for challenging the award of the contract may be modified as determined by the board;

(3) the board may amend any existing contract with a vendor administering another board energy efficiency program to assist with the administering of the SSBVEEVR and the SSBNPFA Programs until the contract to be awarded pursuant to this section is executed; and

(4) the period of time that the State Comptroller has to review the request for proposals for these professional services procurements for compliance with applicable public contracting laws, rules and regulations, pursuant to section 10 of P.L.2007, c.52 (C.52:15C-10), shall be 10 business days or less if practicable, as determined by the State Comptroller.

b. The board may, to the extent necessary, waive or modify any other regulation, or for any bidder, any applicable requirement in chapters 25, 32, 34 of Title 52 of the Revised Statutes, that may interfere with the expeditious procurement of these services.

C.48:3-106.4 SSBVEEVR program.

4. a. The board shall establish and administer the SSBVEEVR Program to award grants to boards of education and small businesses to ensure schools under board of education jurisdiction and small businesses shall have functional HVAC systems that are tested, adjusted, and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance.

b. (1) A board of education or small business may apply for a grant pursuant to section 2 of P.L.2021, c.200 (C.48:3-106.2) by submitting an application to the board, in a form and manner determined by the board, for reasonable costs of the HVAC assessment, assessment report, deferred general maintenance, adjustment of ventilation rates, filter replacement, system replacement, and carbon dioxide monitor installation.

(2) The board shall adjust energy efficiency savings targets, as necessary, to ensure that energy savings created through the expenditures made pursuant to P.L.2021, c.200 (C.48:3-106.1 et seq.) are not double counted in any public utility energy efficiency program.

c. (1) The board shall award a grant if the amount requested in the application is verified by the estimate of a certified energy auditor and the board of education and small business meet other requirements determined by the board to be appropriate to achieve the purposes of P.L.2021, c.200 (C.48:3-106.1 et seq.). A grant that meets the board's criteria shall be awarded in the amount requested. The board may allow for supplementary requests for contingency funding, an additional amount, up to 20 percent of the requested amount for repairs, upgrades, or replacements necessary, as identified by the certified energy auditor, to make the system functional or more energy efficient.

(2) If a certified energy auditor identifies cost-effective energy efficiency upgrades or repairs that would exceed the additional 20 percent awarded, a board of education or small business may apply for additional funding for the cost-effective energy efficiency upgrades or repairs through the board's existing energy efficiency programs, which shall receive priority treatment.

(3) The board shall have the authority to establish the timing of grant funding, including the ability to provide some or all funding in advance of the performance of work where requirements to ensure performance are established.

d. (1) Qualified testing personnel or qualified adjusting personnel shall do all of the following:

(a) for a board of education or small business receiving a grant to install filtration with a MERV of 13 or better in the HVAC system of a school and small business building, where feasible, qualified testing personnel shall review system capacity and airflow to determine the highest MERV filtration that can be installed without adversely impacting equipment, shall replace or upgrade filters where needed, and shall verify that those filters are installed correctly. If a HVAC system uses ultraviolet germicidal irradiation to disinfect the air, the ultraviolet germicidal irradiation lamp shall be checked for proper operation, replacing bulbs as needed and verifying that the ultraviolet light does not shine on filters. Recommendations for additional maintenance, replacement, or upgrades to allow for more protective filtration shall be recorded in the assessment report;

(b) for HVAC systems with economizers, qualified testing personnel shall test HVAC system economizer dampers. Economizer dampers and controls that are not properly functioning shall be repaired by a skilled and trained workforce. Recommendations for additional maintenance, replacement, or upgrades shall be recorded in the assessment report;

(c) concerning a school building, after completing the requirements of subparagraph (b) of this paragraph, qualified testing personnel shall verify the ventilation rates in the school and small business building, and other occupied areas to assess whether they meet the

minimum ventilation rate requirements set forth in ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable Indoor Air. Assessment, which shall include all of the following:

(i) a calculation of the required minimum outside air ventilation rates for each occupied area based on the anticipated occupancy and the minimum required ventilation rate per occupant. Calculations shall be based on maximum anticipated building or other occupied area occupancy rates and determined by the performing technician. Natural ventilation shall be designed in accordance with Section 402 of the 2018 International Mechanical Code and shall include mechanical ventilation systems designed in accordance with Section 403 of the 2018 International Mechanical Code; and

(ii) the measurement of outside air and verification of whether the HVAC system provides the minimum outside air ventilation rates calculated under this subparagraph;

If the HVAC system does not meet the minimum ventilation rate requirements, the certified energy auditor or qualified adjusting personnel shall review the HVAC system airflow and capacity to determine if additional ventilation can be provided without adversely impacting equipment performance and building indoor environmental quality. If additional ventilation can be provided, qualified adjusting personnel shall adjust ventilation rates to meet the minimum ventilation rate requirements set forth, pursuant to this paragraph, to the extent feasible. After the adjustment, the measurement of outside air and verification of whether the HVAC system provides the minimum outside air ventilation rates calculated under this subparagraph shall be repeated. If minimum ventilation rate requirements cannot be met, this deficiency shall be reported in the assessment report and the verification report and shall be addressed by a certified energy auditor, as required;

(d) survey readings of inlets and outlets to verify that all ventilation is reaching the served zone and that there is adequate distribution. Qualified testing personnel or qualified adjusting personnel shall verify if inlets and outlets are balanced within tolerance of the system design. Qualified testing personnel or qualified adjusting personnel shall document read values and deficiencies. If the original HVAC system design values are not available, qualified testing personnel or qualified adjusting personnel shall document the available information and note the unavailability of HVAC system design values in the assessment report;

(e) verify building pressure relative to the outdoors to ensure positive pressure differential and to ensure the building is not over pressurized;

(f) verify coil velocities and coil and unit discharge air temperatures as required to maintain desired indoor conditions and to avoid moisture carry over from cooling coils;

(g) verify that separation between outdoor air intakes and exhaust discharge outlets meet requirements of the 2018 International Mechanical Code;

(h) confirm that the air handling unit is bringing in outdoor air and removing exhaust air as intended by the system design;

(i) measure all exhaust air volume for exhaust fans, including restrooms and document any discrepancies from system design;

(j) if a demand control ventilation system is installed, qualified testing personnel or qualified adjusting personnel shall test it and adjust the ventilation to a carbon dioxide set point of 800 PPM or less. If the demand control ventilation system does not maintain average daily maximum carbon dioxide levels below 1,100 PPM, it shall be disabled until such time as the board of education or small business determines that the COVID-19 pandemic has ended, unless disabling the control would adversely affect operation of the overall system. When disabling a demand control ventilation system, the system shall be configured to meet the minimum ventilation rate requirements and tested and adjusted in accordance with

subparagraph (b) of this paragraph. Recommendations for additional maintenance, replacement or upgrades shall be recorded in the assessment report;

(k) a qualified testing personnel or a skilled and trained workforce shall verify coil condition, condensate drainage, cooling coil air temperature differentials, heat exchanger operation, and drive assembly. If repairs, replacement, or upgrades are necessary, these deficiencies shall be reported in the assessment report and the verification report, and addressed by a certified energy auditor;

(l) review control sequences to verify the HVAC systems will maintain intended ventilation, temperature and humidity conditions during school and small business operation. Previously unoccupied buildings shall perform the recommended practices of reopening a building as covered in the ASHRAE Building Readiness document – Restarting a Building;

(m) verify a daily flush is scheduled for two hours before and after scheduled occupancy or demonstrate calculation of flush times per ASHRAE Guidance for Reopening and Operating Schools and Buildings or otherwise applicable local or State guidance; and

(n) verify that HVAC system operational times, exhaust fans operation times, setpoints, and enabled features meet ASHRAE Guidance for Reopening and Operating Schools and Buildings or otherwise applicable local or State guidance.

(2) Requirements for filtration levels, ventilation rates, and ventilation schedules may be amended by the board based on the latest COVID-19 or other applicable guidance.

(3) If installed HVAC systems or system components are broken, fail to meet minimum ventilation requirements, or are unable to operate to the original design and intent, this information shall be set forth in the assessment report prepared and be provided to a certified energy auditor for determination of appropriate corrective measures. Repairs, upgrades, or replacements shall be performed by a skilled and trained workforce.

(4) (a) For a school building, to ensure proper ventilation is maintained throughout the school year, all classrooms shall be equipped with a carbon dioxide monitor that meets all of the following requirements:

(i) the monitor shall be hard-wired or plugged-in and mounted to the wall between three and six feet above the floor and at least five feet away from the door and operable windows;

(ii) the monitor shall display the carbon dioxide readings to the teacher or other building staff through a display on the device or other means such as a web-based application or cellular phone application;

(iii) the monitor shall provide a notification through a visual indicator on the monitor, such as an indicator light, or other alert system, such as an electronic mail, text, or cellular telephone application, when the carbon dioxide levels in the classroom have exceeded 1,100 PPM;

(iv) the monitor shall maintain a record of previous data that includes at least the maximum carbon dioxide concentration measured;

(v) the monitor shall have a carbon dioxide concentration range of 400 PPM to 2000 PPM or greater; and

(vi) the monitor shall be certified by the manufacturer to be accurate within 75 PPM at 1,000 PPM carbon dioxide concentration and certified by the manufacturer to require calibration no more frequently than once every five years.

(b) If a classroom carbon dioxide concentration exceeds 1,100 PPM more than once a week as observed by the teacher or other building staff, the classroom ventilation rates shall be adjusted by qualified personnel to ensure peak carbon dioxide concentrations in the classroom remain below the maximum allowable carbon dioxide PPM setpoint. Verification of the installation of carbon dioxide monitors in all classrooms shall be included in the assessment report.

(c) The requirements of subsubparagraphs (i) to (vi) of subparagraph (a) of this paragraph, may be amended by the board as necessary to reflect available technology and to achieve the intent of this paragraph.

(5) A qualified testing personnel or qualified adjusting personnel shall prepare an assessment report for review by a certified energy auditor. The certified energy auditor shall review the assessment report and determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements, determine whether any 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 certified energy auditor and the board of education and small business shall submit an application for additional funding pursuant to this section. The provision of any additional funding for repairs, upgrades, or replacements shall be conditioned on the applicant ensuring that all construction work funded, in whole or in part, by the additional funding is performed by a skilled and trained workforce. The assessment report shall include all of the following information:

(a) name and address of the school and small business building and person or contractor preparing and certifying assessment report;

(b) documentation of HVAC equipment model number, serial number, general condition of unit, and any additional information that could be used to assess replacement and repair options given potential for increased energy efficiency benefits;

(c) either verification that MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the HVAC system is able to effectively handle has been installed and what that MERV-rating is;

(d) for a school building, the verified ventilation rates for facility classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, offices, and other occupied areas, and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1-2019. If ventilation rates do not meet applicable requirements, then an explanation for why the current system is unable to meet those rates shall be provided;

(e) for a school building, the verified exhaust rates for building classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, and other occupied areas and whether those rates meet the requirements set forth in the design intent; and

(f) documentation of system deficiencies and recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance.

(6) Upon completion of all work funded by a grant pursuant to this section, the board of education shall have prepared an HVAC verification report. The HVAC verification report shall include all of the following information:

(a) the name and address of the school and small business building and person or who prepared and certified the report;

(b) a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes;

(c) a verification that the board of education has complied with all requirements of this section;

(d) a verification that either MERV 13 filters have been installed or a verification that the maximum MERV-rated filter that the HVAC system is able to effectively handle has been installed and the MERV-rating level;

(e) the verified ventilation rates for building classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, offices, and other occupied areas and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1-2019. If ventilation rates do not

meet applicable guidance, then the report shall provide an explanation for why the current system is unable to meet those rates;

(f) the verified exhaust for building classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, and other occupied areas and whether those rates meet the requirements set forth in the design intent;

(g) documentation of HVAC system deficiencies and recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance;

(h) documentation of the initial operating verifications, adjustments, and final operating verifications of the HVAC system, and documentation of any adjustments or repairs performed on the HVAC system;

(i) verification of the installation of carbon dioxide monitors, including the make and model of the monitors; and

(j) verification that all work has been performed by qualified personnel, including the provision of the contractor's name, TAB technician name and certification number, and verification that all construction work has been performed by a skilled and trained workforce.

(7) Other than the workforce qualification requirements, the technical and reporting requirements of the SSBVEEVR Program may be amended by the board as necessary, to reflect the latest COVID-19 or other applicable guidance, or otherwise to achieve the intent of the SSBVEEVR Program and to ensure consistency with the related requirements and codes.

(8) The board of education shall maintain a copy of the HVAC verification report and make it available to any member of the public or the board upon request.

e. As a condition for receiving a grant pursuant to section 2 of P.L.2021, c.200 (C.48:3-106.2), a board of education and small business shall comply with the requirements of this section for all air-handling units, rooftop units, and unitary and single zone equipment in its schools' or small business' HVAC system or systems. Any costs associated with complying with this subsection shall be automatically included in any grant amount awarded under the program.

(1) An HVAC system installed pursuant to this section shall meet the ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable Indoor Air Quality and shall have qualified testing personnel or qualified adjusting personnel perform the following:

(a) review control sequences to verify HVAC systems will maintain intended ventilation, temperature, and humidity conditions during school and small business operation. Previously unoccupied buildings shall perform the recommended practices of reopening a building as covered in the ASHRAE Building Readiness document –Restarting a Building;

(b) verify a daily flush is scheduled for two hours before and after scheduled occupancy or demonstrate calculation of flush times per ASHRAE Guidance for Reopening and Operating Schools or Commercial Buildings, as applicable, or otherwise applicable local or State guidance; and

(c) verify that HVAC system operational times, exhaust fans operation times, setpoints, and enabled features meet ASHRAE Guidance for Reopening and Operating Schools or Commercial Buildings, as applicable, or otherwise applicable local or State guidance.

(2) A requirement for filtration levels, ventilation rates, and ventilation schedules may be amended by the board based on the latest coronavirus 2019, or other applicable, guidance.

f. Concerning a school, to ensure proper ventilation is maintained throughout the school year, all school district classrooms shall be equipped with a carbon dioxide monitor that meets requirements determined by the board. 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 shall be adjusted by qualified testing personnel or

qualified adjusting personnel to ensure peak carbon dioxide concentrations in the classroom remain below the maximum allowable carbon dioxide parts per million setpoint.

g. A certified energy auditor shall determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements, pursuant to this section, 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 certified energy auditor and the board of education or small business shall submit an application for additional funding pursuant to section 2 of P.L.2021, c.200 (C.48:3-106.2).

h. Upon completion of all work funded by a grant pursuant to P.L.2021, c.200 (C.48:3-106.1 et seq.), a board of education and small business shall prepare an HVAC verification report. The HVAC verification report shall include all of the following information:

(1) the name and address of a school facility or small business and person or contractor preparing and certifying the report;

(2) a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes;

(3) verification that the board of education and small business has complied with all requirements of P.L.2021, c.200 (C.48:3-106.1 et seq.);

(4) verification that the school facility and small business meet ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable Indoor Air Quality;

(5) documentation of HVAC system deficiencies and recommendations for additional deferred general maintenance to bring up to date, replacement, or upgrades to improve energy efficiency, safety, or performance;

(6) verification of the installation of carbon dioxide monitors, pursuant to subsection e. of this section, including the make and model of the monitors;

(7) verification that all work has been performed by a certified energy auditor, including the provision of the contractor's name and license; and

(8) verification that the equipment installed exceeds current energy efficiency requirements by code and the submission of manufacturer specification sheets and supporting documents of qualification.

i. The requirements of this section may be amended by the board as necessary to reflect available technology and to achieve the intent of P.L.2021, c.200 (C.48:3-106.1 et seq.).

j. A board of education and small business shall maintain a copy of the HVAC verification report made pursuant to subsection h. of this section and make it available to any member of the public or the board upon request.

C.48:3-106.5 Administration of School and Small Business Noncompliant Plumbing Fixture and Appliance Program.

5. a. The board shall establish and administer the School and Small Business Noncompliant Plumbing Fixture and Appliance 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 and potable water and the energy used to convey that water, with water-conserving plumbing fixtures and appliances.

b. A board of education and small business may apply for a grant pursuant to section 2 of P.L.2021, c.200 (C.48:3-106.2) by submitting an application to the board, in a form and manner determined by the board, showing the existence of noncompliant plumbing fixtures or appliances in the school 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 board to be appropriate to achieve the purposes of this section.

c. Upon completion of all work funded by a grant pursuant to P.L.2021, c.200 (C.48:3-106.1 et seq.), a board of education and small business shall prepare a plumbing verification report. The plumbing verification report shall include all of the following information:

(1) the name and address of a school facility or small business and person or contractor preparing and certifying the report;

(2) a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes;

(3) verification that the board of education and small business has complied with all requirements of P.L.2021, c.200 (C.48:3-106.1 et seq.);

(4) documentation of plumbing system deficiencies;

(5) verification that all work has been performed by a licensed professional, including the provision of the contractor's name and license; and

(6) verification that the equipment installed exceeds current energy efficiency requirements required by code and the submission of manufacturer specification sheets and supporting documents of qualification.

d. The board is authorized to provide technical assistance or award grants pursuant to the SSBNPFA Program to assist a board of education and small business in identifying noncompliant plumbing fixtures and noncompliant appliances eligible for replacement pursuant to this section.

C.48:3-106.6 Rules, regulations.

6. The Board of Public Utilities may adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate the purposes of P.L.2021, c.200 (C.48:3-106.1 et seq.). The board may adopt, by board order, any program fund details necessary to effectuate the purposes of P.L.2021, c.200 (C.48:3-106.1 et seq.), and is pre-authorized to spend any necessary funds without additional approvals, provided that any temporarily avoided spending approvals are sought and obtained as expeditiously as possible.

7. This act shall take effect immediately.

Approved August 24, 2021.

SENATE, No. 3995

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 21, 2021

Sponsored by:

Senator STEPHEN M. SWEENEY
District 3 (Cumberland, Gloucester and Salem)
Senator TROY SINGLETON
District 7 (Burlington)
Assemblywoman PAMELA R. LAMPITT
District 6 (Burlington and Camden)
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)
Assemblyman THOMAS P. GIBLIN
District 34 (Essex and Passaic)

Co-Sponsored by:

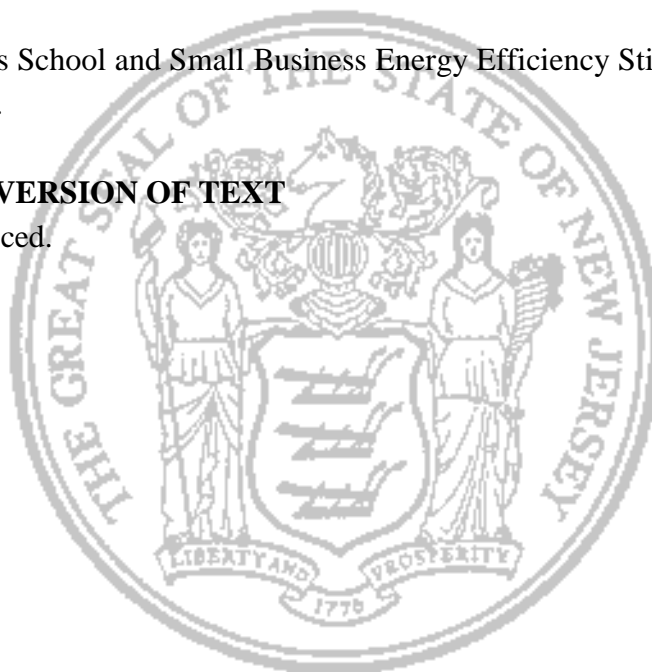
Senators Gopal, Ruiz, Assemblyman Benson, Assemblywoman Murphy,
Assemblymen Freiman, Verrelli and Assemblywoman Reynolds-Jackson

SYNOPSIS

Establishes School and Small Business Energy Efficiency Stimulus Program Fund in BPU.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/24/2021)

1 AN ACT establishing the School and Small Business Energy
2 Efficiency Stimulus Program Fund in the Board of Public
3 Utilities and supplementing Title 48 of the Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “ANSI” means American National Standards Institute.

11 “ASHRAE” means the American Society of Heating,
12 Refrigerating and Air-Conditioning Engineers.

13 “Board” means the Board of Public Utilities or any successor
14 agency.

15 "Board of education" means and includes the board of education
16 of any local school district, consolidated school district, regional
17 school district, county vocational school and any other board of
18 education or other similar body other than the State Board of
19 Education, the Commission on Higher Education or the Presidents'
20 Council, established and operating under the provisions of Title
21 18A of the New Jersey Statutes and having authority to make
22 purchases and to enter into contracts for the provision or
23 performance of goods or services. "Board of education" shall
24 include the board of trustees of a charter school established under
25 P.L.1995, c.426 (C.18A:36A-1 et seq.).

26 “Certified energy auditor” means a commercial entity determined
27 to be qualified by the board to conduct and develop an energy audit
28 meeting the standards of ASHRAE Level II and III, including those
29 qualified by the Division of Property Management and Construction
30 in the Department of the Treasury.

31 “Certified TAB technician” means a technician certified to perform
32 testing, adjusting, and balancing of HVAC systems by the
33 Associated Air Balance Council (AABC), the National
34 Environmental Balancing Bureau (NEBB), or the Testing,
35 Adjusting and Balancing Bureau (TABB).

36 “Coronavirus 2019” means the coronavirus disease 2019, as
37 announced by the World Health Organization on February 11, 2020,
38 and first identified in Wuhan, China.

39 “HVAC” means heating, ventilation, and air conditioning.

40 “MERV” means minimum efficiency reporting value.

41 “Noncompliant appliance” means all of the following:

42 a. a commercial dishwasher that was manufactured prior to
43 January 1, 2010, that does not meet the efficiency requirement of
44 the Energy Star Product Specification for Commercial Dishwashers,
45 Version 1.1;

46 b. an automatic commercial ice maker that was manufactured
47 prior to January 1, 2010, that does not meet the efficiency
48 requirement of the Energy Star Product Specification for Automatic
49 Commercial Ice Makers, Version 1; or

1 c. a commercial clothes washer that was manufactured prior to 1
2 January 1, 2010, that does not meet the efficiency requirement of
3 the Energy Star Product Specification for Clothes Washers, Version
4 5.0.

5 “Noncompliant plumbing fixture” means:

6 a. a toilet manufactured to use more than 1.6 gallons of water
7 per flush;

8 b. a urinal manufactured to use more than one gallon of water
9 per flush;

10 c. a showerhead manufactured to have a flow capacity of more
11 than 2.5 gallons of water per minute; or

12 d. an interior faucet that emits more than 2.2 gallons of water
13 per minute.

14 “PPM” means parts per million.

15 “Program fund ” means the School and Small Business Energy
16 Efficiency Stimulus Program Fund established pursuant to section 2
17 of P.L. , c. (C.) (pending before the Legislature as this bill).

18 “Qualified adjusting personnel” or “qualified testing personnel”
19 means either of the following:

20 a. a certified TAB technician; or

21 b. a skilled and trained workforce under the supervision of a
22 certified TAB technician.

23 “Registered apprenticeship program” means a plan containing all
24 the terms and conditions for the qualification, recruitment,
25 selection, employment, and training of apprentices, as required
26 under Part 29 and Part 30 of Title 49 of the Code of Federal
27 Regulations, including meeting all requirements set forth under
28 section 2 of P.L.2019, c.518 (C.34:11-56.71).

29 “Skilled and trained workforce” means a workforce where at
30 least 60 percent of the construction workers are graduates of a
31 registered apprenticeship program for the applicable occupation.

32 "Small business" means a sole proprietorship, partnership or
33 corporation that has its principal place of business in the State, is of
34 a size and type determined by the board, and is a women’s business
35 or minority business, as those terms are defined in section 2 of
36 P.L.1987, c.55 (C.52:27H-21.8).

37 “SSBNPFA Program” means the School and Small Business
38 Noncompliant Plumbing Fixture and Appliance Program established
39 pursuant to section 5 of P.L. , c. (C.) (pending before the
40 Legislature as this bill).

41 “SSBVEEVR Program” means the School and Small Business
42 Ventilation and Energy Efficiency Verification and Repair Program
43 established pursuant to section 4 of P.L. , c. (C.) (pending
44 before the Legislature as this bill).

45 “TAB” means testing, adjusting, and balancing.

46 “Underserved community” means a school district in which at
47 least 75 percent of public school students are eligible to receive free
48 or reduced-price meals under the National School Lunch Program

1 established pursuant to the "Richard B. Russell National School
2 Lunch Act," Pub.L.79-396 (42 U.S.C. s.1751 et seq.).

3 "Water-conserving appliance" means any of the following:

4 a. a commercial dishwasher that meets the criteria of the Energy
5 Star Product Specification for Commercial Dishwashers, Version
6 2.0, or any revision to those criteria published by the United States
7 Environmental Protection Agency that is adopted by the board for
8 the program;

9 b. an automatic commercial ice maker that meets the criteria of
10 the Energy Star Product Specification for Automatic Commercial
11 Ice Makers, Version 3.0, or any revision to those criteria published
12 by the United States Environmental Protection Agency that is
13 adopted by the board for the program; or

14 c. a commercial clothes washer that meets the criteria of the
15 Energy Star Product Specification for Clothes Washers, Version
16 8.0, or any revision to those criteria published by the United States
17 Environmental Protection Agency that is adopted by the board for
18 the program.

19

20 2. a. The Board of Public Utilities shall establish and administer
21 a fund to be known as the School and Small Business Energy
22 Efficiency Stimulus Program Fund for the purpose of providing
23 grants to boards of education and small businesses for the
24 installation of certain HVAC systems and energy efficient and
25 water-conserving appliances to improve air quality and energy
26 efficiency in school districts under the jurisdiction of a board of
27 education and small businesses, including school districts and small
28 businesses in underserved communities. The monies deposited into
29 the program fund shall only be used to support the following
30 programs:

31 (1) The School and Small Business Ventilation and Energy
32 Efficiency Verification and Repair Program; and

33 (2) The School and Small Business Noncompliant Plumbing
34 Fixture and Appliance Program.

35 b. Seventy-five percent of projects funded by the SSBVEEVR
36 Program or SSBNPFA Program shall be allocated for school
37 districts and small businesses located in underserved communities.

38 c. The board shall begin to solicit applications from boards of
39 education and small businesses for grants made pursuant to this
40 section on or before October 1, 2021 and begin to approve
41 applications for a grant no later than December 1, 2021, subject to
42 the availability of funds.

43 d. The program fund shall be funded by monies provided to the
44 State from the federal government under the "American Rescue
45 Plan Act of 2021," Pub. L. 117-2, as determined by the board, and
46 shall be allocated as follows:

47 (1) 75 percent of funds for the SSBVEEVR Program; and

48 (2) 25 percent of funds for the SSBNPFA Program.

1 e. Seventy-five percent of grant funds issued pursuant to this
2 section shall be awarded to school districts and the remaining 25
3 percent shall be awarded to small businesses.

4 f. Program grants made pursuant to this section shall provide no
5 more than 75 percent of the cost of projects approved by the board,
6 with the remaining 25 percent covered by non-SSBVEEVR or non-
7 SSBNPFA funding sources, as applicable.

8
9 3. a. Notwithstanding the provisions of any other law to the
10 contrary, for the purpose of expediting the board's procurement of
11 technical services to administer the SSBVEEVR and the SSBNPFA
12 Programs, the following provisions shall apply as modifications to
13 law or regulation that may interfere with the expedited award of the
14 above services:

15 (1) the procurement may be done by the board itself consistent
16 with the requirements of sections 2, 3, 4, and 5 of P.L.1954, c.48
17 (C.52:34-7, C.52:34-8, C.52:34-9, and C.52:34-10), with the board
18 authorizing a waiver of advertising under subsection (a) of section 4
19 of P.L.1954, c.48 (C.52:34-9) and approving the final contract by
20 resolutions of the board;

21 (2) the timeframes for challenging the award of the contract may
22 be modified as determined by the board;

23 (3) the board may amend any existing contract with a vendor
24 administering another board energy efficiency program to assist
25 with the administering of the SSBVEEVR and the SSBNPFA
26 Programs until the contract to be awarded pursuant to this section is
27 executed; and

28 (4) the period of time that the State Comptroller has to review
29 the request for proposals for these professional services
30 procurements for compliance with applicable public contracting
31 laws, rules and regulations, pursuant to section 10 of P.L.2007, c.52
32 (C.52:15C-10), shall be 10 business days or less if practicable, as
33 determined by the State Comptroller.

34 b. The board may, to the extent necessary, waive or modify any
35 other regulation, or for any bidder, any applicable requirement in
36 chapters 25, 32, 34 of Title 52 of the Revised Statutes, that may
37 interfere with the expeditious procurement of these services.

38
39 4. a. The board shall establish and administer the SSBVEEVR
40 Program to award grants to boards of education and small
41 businesses to ensure schools under board of education jurisdiction
42 and small businesses shall have functional HVAC systems that are
43 tested, adjusted, and, if necessary or cost effective, repaired,
44 upgraded, or replaced to increase efficiency and performance.

45 b. (1) A board of education or small business may apply for a
46 grant pursuant to section 2 of P.L. , c. (C.) (pending before
47 the Legislature as this bill) by submitting an application to the
48 board, in a form and manner determined by the board, for
49 reasonable costs of the HVAC assessment, assessment report,

1 deferred general maintenance, adjustment of ventilation rates, filter
2 replacement, system replacement, and carbon dioxide monitor
3 installation.

4 (2) The board shall adjust energy efficiency savings targets, as
5 necessary, to ensure that energy savings created through the
6 expenditures made pursuant to P.L. , c. (C.) (pending before
7 the Legislature as this bill) are not double counted in any public
8 utility energy efficiency program.

9 c. (1) The board shall award a grant if the amount requested in
10 the application is verified by the estimate of a certified energy
11 auditor and the board of education and small business meet other
12 requirements determined by the board to be appropriate to achieve
13 the purposes of P.L. , c. (C.) (pending before the Legislature
14 as this bill). A grant that meets the board's criteria shall be awarded
15 in the amount requested. The board may allow for supplementary
16 requests for contingency funding, an additional amount, up to 20
17 percent of the requested amount for repairs, upgrades, or
18 replacements necessary, as identified by the certified energy
19 auditor, to make the system functional or more energy efficient.

20 (2) If a certified energy auditor identifies cost-effective energy
21 efficiency upgrades or repairs that would exceed the additional 20
22 percent awarded, a board of education or small business may apply
23 for additional funding for the cost-effective energy efficiency
24 upgrades or repairs through the board's existing energy efficiency
25 programs, which shall receive priority treatment.

26 (3) The board shall have the authority to establish the timing of
27 grant funding, including the ability to provide some or all funding
28 in advance of the performance of work where requirements to
29 ensure performance are established.

30 d. (1) Qualified testing personnel or qualified adjusting
31 personnel shall do all of the following:

32 (a) for a board of education or small business receiving a grant
33 to install filtration with a MERV of 13 or better in the HVAC
34 system of a school and small business building, where feasible,
35 qualified testing personnel shall review system capacity and airflow
36 to determine the highest MERV filtration that can be installed
37 without adversely impacting equipment, shall replace or upgrade
38 filters where needed, and shall verify that those filters are installed
39 correctly. If a HVAC system uses ultraviolet germicidal irradiation
40 to disinfect the air, the ultraviolet germicidal irradiation lamp shall
41 be checked for proper operation, replacing bulbs as needed and
42 verifying that the ultraviolet light does not shine on filters.
43 Recommendations for additional maintenance, replacement, or
44 upgrades to allow for more protective filtration shall be recorded in
45 the assessment report;

46 (b) for HVAC systems with economizers, qualified testing
47 personnel shall test HVAC system economizer dampers.
48 Economizer dampers and controls that are not properly functioning
49 shall be repaired by a skilled and trained workforce.

1 Recommendations for additional maintenance, replacement, or
2 upgrades shall be recorded in the assessment report;

3 (c) concerning a school building, after completing the
4 requirements of subparagraph (b) of this paragraph, qualified
5 testing personnel shall verify the ventilation rates in the school and
6 small business building, and other occupied areas to assess whether
7 they meet the minimum ventilation rate requirements set forth in
8 ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable
9 Indoor Air. Assessment, which shall include all of the following:

10 (i) a calculation of the required minimum outside air ventilation
11 rates for each occupied area based on the anticipated occupancy and
12 the minimum required ventilation rate per occupant. Calculations
13 shall be based on maximum anticipated building or other occupied
14 area occupancy rates and determined by the performing technician.
15 Natural ventilation shall be designed in accordance with Section
16 402 of the 2018 International Mechanical Code and shall include
17 mechanical ventilation systems designed in accordance with Section
18 403 of the 2018 International Mechanical Code; and

19 (ii) the measurement of outside air and verification of whether
20 the HVAC system provides the minimum outside air ventilation
21 rates calculated under this subparagraph;

22 If the HVAC system does not meet the minimum ventilation rate
23 requirements, the certified energy auditor or qualified adjusting
24 personnel shall review the HVAC system airflow and capacity to
25 determine if additional ventilation can be provided without
26 adversely impacting equipment performance and building indoor
27 environmental quality. If additional ventilation can be provided,
28 qualified adjusting personnel shall adjust ventilation rates to meet
29 the minimum ventilation rate requirements set forth, pursuant to this
30 paragraph, to the extent feasible. After the adjustment, the
31 measurement of outside air and verification of whether the HVAC
32 system provides the minimum outside air ventilation rates
33 calculated under this subparagraph shall be repeated. If minimum
34 ventilation rate requirements cannot be met, this deficiency shall be
35 reported in the assessment report and the verification report and
36 shall be addressed by a certified energy auditor, as required;

37 (d) survey readings of inlets and outlets to verify that all
38 ventilation is reaching the served zone and that there is adequate
39 distribution. Qualified testing personnel or qualified adjusting
40 personnel shall verify if inlets and outlets are balanced within
41 tolerance of the system design. Qualified testing personnel or
42 qualified adjusting personnel shall document read values and
43 deficiencies. If the original HVAC system design values are not
44 available, qualified testing personnel or qualified adjusting
45 personnel shall document the available information and note the
46 unavailability of HVAC system design values in the assessment
47 report;

- 1 (e) verify building pressure relative to the outdoors to ensure
2 positive pressure differential and to ensure the building is not over
3 pressurized;
- 4 (f) verify coil velocities and coil and unit discharge air
5 temperatures as required to maintain desired indoor conditions and
6 to avoid moisture carry over from cooling coils;
- 7 (g) verify that separation between outdoor air intakes and
8 exhaust discharge outlets meet requirements of the 2018
9 International Mechanical Code;
- 10 (h) confirm that the air handling unit is bringing in outdoor air
11 and removing exhaust air as intended by the system design;
- 12 (i) measure all exhaust air volume for exhaust fans, including
13 restrooms and document any discrepancies from system design;
- 14 (j) if a demand control ventilation system is installed, qualified
15 testing personnel or qualified adjusting personnel shall test it and
16 adjust the ventilation to a carbon dioxide set point of 800 PPM or
17 less. If the demand control ventilation system does not maintain
18 average daily maximum carbon dioxide levels below 1,100 PPM, it
19 shall be disabled until such time as the board of education or small
20 business determines that the COVID-19 pandemic has ended, unless
21 disabling the control would adversely affect operation of the overall
22 system. When disabling a demand control ventilation system, the
23 system shall be configured to meet the minimum ventilation rate
24 requirements and tested and adjusted in accordance with
25 subparagraph (b) of this paragraph. Recommendations for
26 additional maintenance, replacement or upgrades shall be recorded
27 in the assessment report;
- 28 (k) a qualified testing personnel or a skilled and trained
29 workforce shall verify coil condition, condensate drainage, cooling
30 coil air temperature differentials, heat exchanger operation, and
31 drive assembly. If repairs, replacement, or upgrades are necessary,
32 these deficiencies shall be reported in the assessment report and the
33 verification report, and addressed by a certified energy auditor;
- 34 (l) review control sequences to verify the HVAC systems will
35 maintain intended ventilation, temperature and humidity conditions
36 during school and small business operation. Previously unoccupied
37 buildings shall perform the recommended practices of reopening a
38 building as covered in the ASHRAE Building Readiness document
39 – Restarting a Building;
- 40 (m) verify a daily flush is scheduled for two hours before and
41 after scheduled occupancy or demonstrate calculation of flush times
42 per ASHRAE Guidance for Reopening and Operating Schools and
43 Buildings or otherwise applicable local or State guidance; and
- 44 (n) verify that HVAC system operational times, exhaust fans
45 operation times, setpoints, and enabled features meet ASHRAE
46 Guidance for Reopening and Operating Schools and Buildings or
47 otherwise applicable local or State guidance.

- 1 (2) Requirements for filtration levels, ventilation rates, and
2 ventilation schedules may be amended by the board based on the
3 latest COVID-19 or other applicable guidance.
- 4 (3) If installed HVAC systems or system components are
5 broken, fail to meet minimum ventilation requirements, or are
6 unable to operate to the original design and intent, this information
7 shall be set forth in the assessment report prepared and be provided
8 to a certified energy auditor for determination of appropriate
9 corrective measures. Repairs, upgrades, or replacements shall be
10 performed by a skilled and trained workforce.
- 11 (4) (a) For a school building, to ensure
12 proper ventilation is maintained throughout the school year, all
13 classrooms shall be equipped with a carbon dioxide monitor that
14 meets all of the following requirements:
- 15 (i) the monitor shall be hard-wired or plugged-in and mounted to
16 the wall between three and six feet above the floor and at least five
17 feet away from the door and operable windows;
- 18 (ii) the monitor shall display the carbon dioxide readings to the
19 teacher or other building staff through a display on the device or
20 other means such as a web-based application or cellular phone
21 application;
- 22 (iii) the monitor shall provide a notification through a visual
23 indicator on the monitor, such as an indicator light, or other alert
24 system, such as an electronic mail, text, or cellular telephone
25 application, when the carbon dioxide levels in the classroom have
26 exceeded 1,100 PPM;
- 27 (iv) the monitor shall maintain a record of previous data that
28 includes at least the maximum carbon dioxide concentration
29 measured;
- 30 (v) the monitor shall have a carbon dioxide concentration range
31 of 400 PPM to 2000 PPM or greater; and
- 32 (vi) the monitor shall be certified by the manufacturer to be
33 accurate within 75 PPM at 1,000 PPM carbon dioxide concentration
34 and certified by the manufacturer to require calibration no more
35 frequently than once every five years.
- 36 (b) If a classroom carbon dioxide concentration exceeds 1,100
37 PPM more than once a week as observed by the teacher or other
38 building staff, the classroom ventilation rates shall be adjusted by
39 qualified personnel to ensure peak carbon dioxide concentrations in
40 the classroom remain below the maximum allowable carbon dioxide
41 PPM setpoint. Verification of the installation of carbon dioxide
42 monitors in all classrooms shall be included in the assessment
43 report.
- 44 (c) The requirements of subparagraphs (i) to (vi) of
45 subparagraph (a) of this paragraph, may be amended by the board as
46 necessary to reflect available technology and to achieve the intent
47 of this paragraph.
- 48 (5) A qualified testing personnel or qualified adjusting
49 personnel shall prepare an assessment report for review by a

1 certified energy auditor. The certified energy auditor shall review
2 the assessment report and determine what, if any, additional
3 adjustments or repairs would be necessary to meet the minimum
4 ventilation and filtration requirements, determine whether any cost-
5 effective energy efficiency upgrades or replacements are warranted
6 or recommended, and provide an estimated cost for this work. If the
7 cost of recommended repairs, upgrades, or replacements are greater
8 than the contingency amount provided in the grant, then the
9 certified energy auditor and the board of education and small
10 business shall submit an application for additional funding pursuant
11 to this section. The provision of any additional funding for repairs,
12 upgrades, or replacements shall be conditioned on the applicant
13 ensuring that all construction work funded, in whole or in part, by
14 the additional funding is performed by a skilled and trained
15 workforce. The assessment report shall include all of the following
16 information:

17 (a) name and address of the school and small business building
18 and person or contractor preparing and certifying assessment report;

19 (b) documentation of HVAC equipment model number, serial
20 number, general condition of unit, and any additional information
21 that could be used to assess replacement and repair options given
22 potential for increased energy efficiency benefits;

23 (c) either verification that MERV 13 filters have been installed
24 or verification that the maximum MERV-rated filter that the HVAC
25 system is able to effectively handle has been installed and what that
26 MERV-rating is;

27 (d) for a school building, the verified ventilation rates for
28 facility classrooms, auditoriums, gymnasiums, nurses' offices,
29 restrooms, offices, and other occupied areas, and whether those
30 rates meet the requirements set forth in ANSI/ASHRAE Standard
31 62.1-2019. If ventilation rates do not meet applicable requirements,
32 then an explanation for why the current system is unable to meet
33 those rates shall be provided;

34 (e) for a school building, the verified exhaust rates for building
35 classrooms, auditoriums, gymnasiums, nurses' offices, restrooms,
36 and other occupied areas and whether those rates meet the
37 requirements set forth in the design intent; and

38 (f) documentation of system deficiencies and recommendations
39 for additional maintenance, replacement, or upgrades to improve
40 energy efficiency, safety, or performance.

41 (6) Upon completion of all work funded by a grant pursuant to
42 this section, the board of education shall have prepared an HVAC
43 verification report. The HVAC verification report shall include all
44 of the following information:

45 (a) the name and address of the school and small business
46 building and person or who prepared and certified the report;

47 (b) a description of the assessment, maintenance, adjustment,
48 repair, upgrade, and replacement activities and outcomes;

- 1 (c) a verification that the board of education has complied with
2 all requirements of this section;
- 3 (d) a verification that either MERV 13 filters have been installed
4 or a verification that the maximum MERV-rated filter that the
5 HVAC system is able to effectively handle has been installed and
6 the MERV-rating level;
- 7 (e) the verified ventilation rates for building classrooms,
8 auditoriums, gymnasiums, nurses' offices, restrooms, offices, and
9 other occupied areas and whether those rates meet the requirements
10 set forth in ANSI/ASHRAE Standard 62.1-2019. If ventilation rates
11 do not meet applicable guidance, then the report shall provide an
12 explanation for why the current system is unable to meet those rate;.
- 13 (f) the verified exhaust for building classrooms, auditoriums,
14 gymnasiums, nurses' offices, restrooms, and other occupied areas
15 and whether those rates meet the requirements set forth in the
16 design intent;
- 17 (g) documentation of HVAC system deficiencies and
18 recommendations for additional maintenance, replacement, or
19 upgrades to improve energy efficiency, safety, or performance;
- 20 (h) documentation of the initial operating verifications,
21 adjustments, and final operating verifications of the HVAC system,
22 and documentation of any adjustments or repairs performed on the
23 HVAC system;
- 24 (i) verification of the installation of carbon dioxide monitors,
25 including the make and model of the monitors; and
- 26 (j) verification that all work has been performed by qualified
27 personnel, including the provision of the contractor's name, TAB
28 technician name and certification number, and verification that all
29 construction work has been performed by a skilled and trained
30 workforce.
- 31 (7) Other than the workforce qualification requirements, the
32 technical and reporting requirements of the SSBVEEVR Program
33 may be amended by the board as necessary, to reflect the latest
34 COVID-19 or other applicable guidance, or otherwise to achieve the
35 intent of the SSBVEEVR Program and to ensure consistency with
36 the related requirements and codes.
- 37 (8) The board of education shall maintain a copy of the HVAC
38 verification report and make it available to any member of the
39 public or the board upon request.
- 40 e. As a condition for receiving a grant pursuant to section 2 of
41 P.L. , c. (C.) (pending before the Legislature as this bill), a
42 board of education and small business shall comply with the
43 requirements of this section for all air-handling units, rooftop units,
44 and unitary and single zone equipment in its schools' or small
45 business' HVAC system or systems. Any costs associated with
46 complying with this subsection shall be automatically included in
47 any grant amount awarded under the program.
- 48 (1) An HVAC system installed pursuant to this section shall
49 meet the ANSI/ASHRAE Standard 62.1-2019, Ventilation for

1 Acceptable Indoor Air Quality and shall have qualified testing
2 personnel or qualified adjusting personnel perform the following:

3 (a) review control sequences to verify HVAC systems will
4 maintain intended ventilation, temperature, and humidity conditions
5 during school and small business operation. Previously unoccupied
6 buildings shall perform the recommended practices of reopening a
7 building as covered in the ASHRAE Building Readiness document
8 –Restarting a Building;

9 (b) verify a daily flush is scheduled for two hours before and
10 after scheduled occupancy or demonstrate calculation of flush times
11 per ASHRAE Guidance for Reopening and Operating Schools or
12 Commercial Buildings, as applicable, or otherwise applicable local
13 or State guidance; and

14 (c) verify that HVAC system operational times, exhaust fans
15 operation times, setpoints, and enabled features meet ASHRAE
16 Guidance for Reopening and Operating Schools or Commercial
17 Buildings, as applicable, or otherwise applicable local or State
18 guidance.

19 (2) A requirement for filtration levels, ventilation rates, and
20 ventilation schedules may be amended by the board based on the
21 latest coronavirus 2019, or other applicable, guidance.

22 f. Concerning a school, to ensure proper ventilation is
23 maintained throughout the school year, all school district
24 classrooms shall be equipped with a carbon dioxide monitor that
25 meets requirements determined by the board. If a classroom carbon
26 dioxide concentration exceeds 1,100 parts per million more than
27 once a week as observed by the teacher or the facilities staff, the
28 classroom ventilation rates shall be adjusted by qualified testing
29 personnel or qualified adjusting personnel to ensure peak carbon
30 dioxide concentrations in the classroom remain below the maximum
31 allowable carbon dioxide parts per million setpoint.

32 g. A certified energy auditor shall determine what, if any,
33 additional adjustments or repairs would be necessary to meet the
34 minimum ventilation and filtration requirements, pursuant to this
35 section, determine whether any further cost-effective energy
36 efficiency upgrades or replacements are warranted or
37 recommended, and provide an estimated cost for this work. If the
38 cost of recommended repairs, upgrades, or replacements are greater
39 than the contingency amount provided in the grant, then the
40 certified energy auditor and the board of education or small
41 business shall submit an application for additional funding pursuant
42 to section 2 of P.L. , c. (C.) (pending before the Legislature
43 as this bill).

44 h. Upon completion of all work funded by a grant pursuant to
45 P.L. , c. (C.) (pending before the Legislature as this bill), a
46 board of education and small business shall prepare an HVAC
47 verification report. The HVAC verification report shall include all
48 of the following information:

- 1 (1) the name and address of a school facility or small business
- 2 and person or contractor preparing and certifying the report;
- 3 (2) a description of the assessment, maintenance, adjustment,
- 4 repair, upgrade, and replacement activities and outcomes;
- 5 (3) verification that the board of education and small business
- 6 has complied with all requirements of P.L. , c. (C.) (pending
- 7 before the Legislature as this bill);
- 8 (4) verification that the school facility and small business meet
- 9 ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable
- 10 Indoor Air Quality;
- 11 (5) documentation of HVAC system deficiencies and
- 12 recommendations for additional deferred general maintenance to
- 13 bring up to date, replacement, or upgrades to improve energy
- 14 efficiency, safety, or performance;
- 15 (6) verification of the installation of carbon dioxide monitors,
- 16 pursuant to subsection e. of this section, including the make and
- 17 model of the monitors;
- 18 (7) verification that all work has been performed by a certified
- 19 energy auditor, including the provision of the contractor's name and
- 20 license; and
- 21 (8) verification that the equipment installed exceeds current
- 22 energy efficiency requirements by code and the submission of
- 23 manufacturer specification sheets and supporting documents of
- 24 qualification.
- 25 i. The requirements of this section may be amended by the board
- 26 as necessary to reflect available technology and to achieve the
- 27 intent of P.L. , c. (C.) (pending before the Legislature as
- 28 this bill).
- 29 j. A board of education and small business shall maintain a copy
- 30 of the HVAC verification report made pursuant to subsection h. of
- 31 this section and make it to any member of the public or the board
- 32 upon request.
- 33
- 34 5. a. The board shall establish and administer the School and
- 35 Small Business Noncompliant Plumbing Fixture and Appliance
- 36 Program to provide grants to boards of education and small
- 37 businesses to replace noncompliant plumbing fixtures and
- 38 appliances that fail to meet water efficiency standards, and waste
- 39 and potable water and the energy used to convey that water, with
- 40 water-conserving plumbing fixtures and appliances.
- 41 b. A board of education and small business may apply for a
- 42 grant pursuant to section 2 P.L. , c. (C.) (pending before
- 43 the Legislature as this bill) by submitting an application to the
- 44 board, in a form and manner determined by the board, showing the
- 45 existence of noncompliant plumbing fixtures or appliances in the
- 46 school or small business for which the grant funding will be used
- 47 and a cost estimate that is verified by a contractor for the
- 48 replacement of the noncompliant plumbing fixtures and appliances
- 49 with water-conserving plumbing fixtures and water-conserving

1 appliances, and the board of education and small business meet
2 other requirements determined by the board to be appropriate to
3 achieve the purposes of this section.

4 c. Upon completion of all work funded by a grant pursuant to
5 P.L. , c. (C.) (pending before the Legislature as this bill), a
6 board of education and small business shall prepare a plumbing
7 verification report. The plumbing verification report shall include
8 all of the following information:

9 (1) the name and address of a school facility or small business
10 and person or contractor preparing and certifying the report;

11 (2) a description of the assessment, maintenance, adjustment,
12 repair, upgrade, and replacement activities and outcomes;

13 (3) verification that the board of education and small business
14 has complied with all requirements of P.L. , c. (C.)
15 (pending before the Legislature as this bill);

16 (4) documentation of plumbing system deficiencies;

17 (5) verification that all work has been performed by a licensed
18 professional, including the provision of the contractor's name and
19 license; and

20 (6) verification that the equipment installed exceeds current
21 energy efficiency requirements required by code and the submission
22 of manufacturer specification sheets and supporting documents of
23 qualification.

24 d. The board is authorized to provide technical assistance or
25 award grants pursuant to the SSBNPFA Program to assist a board of
26 education and small business in identifying noncompliant plumbing
27 fixtures and noncompliant appliances eligible for replacement
28 pursuant to this section.

29

30 6. The Board of Public Utilities may adopt, pursuant to the
31 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
32 seq.), rules and regulations necessary to effectuate the purposes
33 of P.L. , c. (C.) (pending before the Legislature as this
34 bill). The board may adopt, by board order, any program fund
35 details necessary to effectuate the purposes of P.L. ,
36 c. (C.) (pending before the Legislature as this bill), and is
37 pre-authorized to spend any necessary funds without additional
38 approvals, provided that any temporarily avoided spending
39 approvals are sought and obtained as expeditiously as possible.

40

41 7. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill establishes the School and Small Business Energy
47 Efficiency Stimulus Program fund (program fund) in the Board of
48 Public Utilities (BPU). "Small business" is defined in the bill as
49 concerning women and minority-owned small businesses. The

1 purpose of the program fund is to ensure that school and small
2 business heating, ventilation, and air conditioning (HVAC) systems
3 are upgraded to safely prepare schools and small businesses for
4 operating during the coronavirus 2019 pandemic, to improve the
5 general health and safety of the school and small business
6 environment, and to create jobs across the State. The program fund
7 will also fund the upgrading of old, inefficient plumbing fixtures
8 that waste water and energy.

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

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

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

15 The bill provides that 75 percent of projects funded by the
16 SSBVEEVR Program or SSBNPFA Program are to be in schools
17 and small businesses located in underserved communities, as
18 defined in the bill.

19 The bill provides that the BPU is to begin to solicit applications
20 from boards of education and small businesses for grants on or
21 before October 1, 2021 and begin to approve applications for grants
22 no later than December 1, 2021, subject to the availability of funds.
23 The bill provides that the program fund is to be funded by monies
24 provided to the State from the federal government under the
25 “American Rescue Plan Act of 2021,” as determined by the BPU,
26 and is to be allocated as follows:

27 1) 75 percent of funds for the SSBVEEVR Program; and

28 2) 25 percent of funds for the SSBNPFA Program.

29 Seventy-five percent of grant funds issued pursuant to the bill are
30 to be awarded to school districts and the remaining 25 percent is to
31 be awarded to small businesses. Program fund grants made pursuant
32 to the bill are to provide no more than 75 percent of the cost of
33 projects approved by the board, with the remaining 25 percent
34 covered by non-SSBVEEVR or non-SSBNPFA funding sources, as
35 applicable.

36 Notwithstanding the provisions of any other law to the contrary,
37 the bill provides that, for the purpose of expediting the BPU’s
38 procurement of technical services to administer the SSBVEEVR
39 and the SSBNPFA Programs, certain provisions are to apply as
40 modifications to law or regulation that may interfere with the
41 expedited award of the grants.

42 The bill requires the BPU to establish and administer the
43 SSBVEEVR Program to award grants to boards of education and
44 small businesses to ensure schools and small businesses are to have
45 functional HVAC systems that are tested, adjusted, and, if
46 necessary or cost effective, repaired, upgraded, or replaced to
47 increase efficiency and performance.

1 The BPU is to award a grant if the amount requested in the
2 application is verified by a certified energy auditor's estimate and
3 the board of education and small business meet other requirements
4 determined by the BPU to be appropriate to achieve the purposes of
5 the bill.

6 The bill provides that as a condition for receiving a grant, a
7 board of education and small business are to comply with the
8 requirements of the bill for all certain aspects of the schools' or
9 small business' HVAC system or systems. The HVAC systems
10 installed pursuant to the bill are to meet ANSI/ASHRAE Standard
11 62.1-2019, Ventilation for Acceptable Indoor Air Quality. The
12 HVAC requirements for filtration levels, ventilation rates, and
13 ventilation schedules may be amended by the BPU based on the
14 latest coronavirus 2019, or other applicable, guidance.

15 The bill provides that a certified energy auditor is to determine
16 what, if any, additional adjustments or repairs would be necessary
17 to meet the minimum ventilation and filtration requirements. If the
18 cost of recommended repairs, upgrades, or replacements are greater
19 than the contingency amount provided in the grant, then the
20 certified energy auditor and the board of education or small
21 business are to submit an application for additional funding. The
22 bill requires that, upon completion of all work funded by a grant
23 made pursuant to the bill, the board of education and small business
24 are to prepare an HVAC verification report.

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

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3995

STATE OF NEW JERSEY

DATED: JUNE 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3995.

This bill establishes the School and Small Business Energy Efficiency Stimulus Program fund (program fund) 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 fund 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 fund will also fund the upgrading of old, inefficient plumbing fixtures that waste water and energy.

The bill provides that the program fund 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 75 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 bill provides that the BPU is to begin to solicit applications from boards of education and small businesses for grants on or before October 1, 2021 and begin to approve applications for grants no later than December 1, 2021, subject to the availability of funds. The bill provides that the program fund is to be funded by monies provided to the State from the federal government under the “American Rescue Plan Act of 2021,” as determined by the BPU, and is to be allocated as follows:

- 1) 75 percent of funds for the SSBVEEVR Program; and
- 2) 25 percent of funds for the SSBNPFA Program.

Seventy-five percent of grant funds issued pursuant to the bill are to be awarded to school districts and the remaining 25 percent is to be awarded to small businesses. Program fund grants made pursuant to the bill are to provide no more than 75 percent of the cost of projects

approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources, as applicable.

Notwithstanding the provisions of any other law to the contrary, the bill provides that, for the purpose of expediting the BPU's procurement of technical services to administer the SSBVEEVR and the SSBNPFA Programs, certain provisions are to apply as modifications to law or regulation that may interfere with the expedited award of the grants.

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.

The BPU is to award a grant if the amount requested in the application is verified by a certified energy auditor'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.

The bill 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 certain aspects of the schools' or small business' HVAC system or systems. The HVAC systems installed pursuant to the bill are to meet ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable Indoor Air Quality. 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.

The bill provides that a certified energy auditor is to determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements. If the cost of recommended repairs, upgrades, or replacements are greater than the contingency amount provided in the grant, then the certified energy auditor 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 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.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

ASSEMBLY, No. 5944

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 21, 2021

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

Co-Sponsored by:

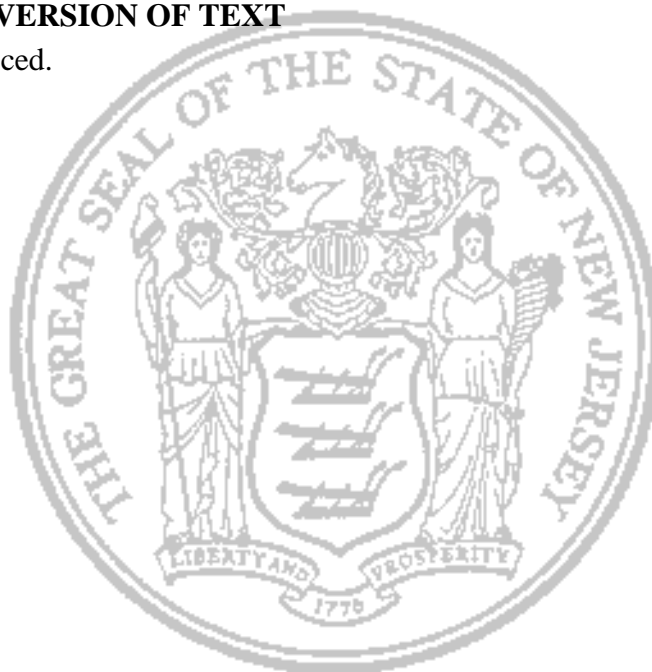
**Assemblyman Benson, Assemblywoman Murphy, Assemblymen Freiman,
Verrelli and Assemblywoman Reynolds-Jackson**

SYNOPSIS

Establishes School and Small Business Energy Efficiency Stimulus Program Fund in BPU.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/24/2021)

1 AN ACT establishing the School and Small Business Energy
2 Efficiency Stimulus Program Fund in the Board of Public
3 Utilities and supplementing Title 48 of the Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “ANSI” means American National Standards Institute.

11 “ASHRAE” means the American Society of Heating,
12 Refrigerating and Air-Conditioning Engineers.

13 “Board” means the Board of Public Utilities or any successor
14 agency.

15 "Board of education" means and includes the board of education
16 of any local school district, consolidated school district, regional
17 school district, county vocational school and any other board of
18 education or other similar body other than the State Board of
19 Education, the Commission on Higher Education or the Presidents'
20 Council, established and operating under the provisions of Title
21 18A of the New Jersey Statutes and having authority to make
22 purchases and to enter into contracts for the provision or
23 performance of goods or services. "Board of education" shall
24 include the board of trustees of a charter school established under
25 P.L.1995, c.426 (C.18A:36A-1 et seq.).

26 “Certified energy auditor” means a commercial entity determined
27 to be qualified by the board to conduct and develop an energy audit
28 meeting the standards of ASHRAE Level II and III, including those
29 qualified by the Division of Property Management and Construction
30 in the Department of the Treasury.

31 “Certified TAB technician” means a technician certified to perform
32 testing, adjusting, and balancing of HVAC systems by the
33 Associated Air Balance Council (AABC), the National
34 Environmental Balancing Bureau (NEBB), or the Testing,
35 Adjusting and Balancing Bureau (TABB).

36 “Coronavirus 2019” means the coronavirus disease 2019, as
37 announced by the World Health Organization on February 11, 2020,
38 and first identified in Wuhan, China.

39 “HVAC” means heating, ventilation, and air conditioning.

40 “MERV” means minimum efficiency reporting value.

41 “Noncompliant appliance” means all of the following:

42 a. a commercial dishwasher that was manufactured prior to
43 January 1, 2010, that does not meet the efficiency requirement of
44 the Energy Star Product Specification for Commercial Dishwashers,
45 Version 1.1;

46 b. an automatic commercial ice maker that was manufactured
47 prior to January 1, 2010, that does not meet the efficiency

1 requirement of the Energy Star Product Specification for Automatic
2 Commercial Ice Makers, Version 1; or

3 c. a commercial clothes washer that was manufactured prior to 1
4 January 1, 2010, that does not meet the efficiency requirement of
5 the Energy Star Product Specification for Clothes Washers, Version
6 5.0.

7 “Noncompliant plumbing fixture” means:

8 a. a toilet manufactured to use more than 1.6 gallons of water
9 per flush;

10 b. a urinal manufactured to use more than one gallon of water
11 per flush;

12 c. a showerhead manufactured to have a flow capacity of more
13 than 2.5 gallons of water per minute; or

14 d. an interior faucet that emits more than 2.2 gallons of water
15 per minute.

16 “PPM” means parts per million.

17 “Program fund ” means the School and Small Business Energy
18 Efficiency Stimulus Program Fund established pursuant to section 2
19 of P.L. , c. (C.) (pending before the Legislature as this bill).

20 “Qualified adjusting personnel” or “qualified testing personnel”
21 means either of the following:

22 a. a certified TAB technician; or

23 b. a skilled and trained workforce under the supervision of a
24 certified TAB technician.

25 “Registered apprenticeship program” means a plan containing all
26 the terms and conditions for the qualification, recruitment,
27 selection, employment, and training of apprentices, as required
28 under Part 29 and Part 30 of Title 49 of the Code of Federal
29 Regulations, including meeting all requirements set forth under
30 section 2 of P.L.2019, c.518 (C.34:11-56.71).

31 “Skilled and trained workforce” means a workforce where at
32 least 60 percent of the construction workers are graduates of a
33 registered apprenticeship program for the applicable occupation.

34 "Small business" means a sole proprietorship, partnership or
35 corporation that has its principal place of business in the State, is of
36 a size and type determined by the board, and is a women’s business
37 or minority business, as those terms are defined in section 2 of
38 P.L.1987, c.55 (C.52:27H-21.8).

39 “SSBNPFA Program” means the School and Small Business
40 Noncompliant Plumbing Fixture and Appliance Program established
41 pursuant to section 5 of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 “SSBVEEVR Program” means the School and Small Business
44 Ventilation and Energy Efficiency Verification and Repair Program
45 established pursuant to section 4 of P.L. , c. (C.) (pending
46 before the Legislature as this bill).

47 “TAB” means testing, adjusting, and balancing.

1 “Underserved community” means a school district in which at
2 least 75 percent of public school students are eligible to receive free
3 or reduced-price meals under the National School Lunch Program
4 established pursuant to the "Richard B. Russell National School
5 Lunch Act," Pub.L.79-396 (42 U.S.C. s.1751 et seq.).

6 “Water-conserving appliance” means any of the following:

7 a. a commercial dishwasher that meets the criteria of the Energy
8 Star Product Specification for Commercial Dishwashers, Version
9 2.0, or any revision to those criteria published by the United States
10 Environmental Protection Agency that is adopted by the board for
11 the program;

12 b. an automatic commercial ice maker that meets the criteria of
13 the Energy Star Product Specification for Automatic Commercial
14 Ice Makers, Version 3.0, or any revision to those criteria published
15 by the United States Environmental Protection Agency that is
16 adopted by the board for the program; or

17 c. a commercial clothes washer that meets the criteria of the
18 Energy Star Product Specification for Clothes Washers, Version
19 8.0, or any revision to those criteria published by the United States
20 Environmental Protection Agency that is adopted by the board for
21 the program.

22
23 2. a. The Board of Public Utilities shall establish and administer
24 a fund to be known as the School and Small Business Energy
25 Efficiency Stimulus Program Fund for the purpose of providing
26 grants to boards of education and small businesses for the
27 installation of certain HVAC systems and energy efficient and
28 water-conserving appliances to improve air quality and energy
29 efficiency in school districts under the jurisdiction of a board of
30 education and small businesses, including school districts and small
31 businesses in underserved communities. The monies deposited into
32 the program fund shall only be used to support the following
33 programs:

34 (1) The School and Small Business Ventilation and Energy
35 Efficiency Verification and Repair Program; and

36 (2) The School and Small Business Noncompliant Plumbing
37 Fixture and Appliance Program.

38 b. Seventy-five percent of projects funded by the SSBVEEVR
39 Program or SSBNPFA Program shall be allocated for school
40 districts and small businesses located in underserved communities.

41 c. The board shall begin to solicit applications from boards of
42 education and small businesses for grants made pursuant to this
43 section on or before October 1, 2021 and begin to approve
44 applications for a grant no later than December 1, 2021, subject to
45 the availability of funds.

46 d. The program fund shall be funded by monies provided to the
47 State from the federal government under the “American Rescue

1 Plan Act of 2021,” Pub. L. 117-2, as determined by the board, and
2 shall be allocated as follows:

- 3 (1) 75 percent of funds for the SSBVEEVR Program; and
- 4 (2) 25 percent of funds for the SSBNPFA Program.

5 e. Seventy-five percent of grant funds issued pursuant to this
6 section shall be awarded to school districts and the remaining 25
7 percent shall be awarded to small businesses.

8 f. Program grants made pursuant to this section shall provide no
9 more than 75 percent of the cost of projects approved by the board,
10 with the remaining 25 percent covered by non-SSBVEEVR or non-
11 SSBNPFA funding sources, as applicable.

12

13 3. a. Notwithstanding the provisions of any other law to the
14 contrary, for the purpose of expediting the board’s procurement of
15 technical services to administer the SSBVEEVR and the SSBNPFA
16 Programs, the following provisions shall apply as modifications to
17 law or regulation that may interfere with the expedited award of the
18 above services:

19 (1) the procurement may be done by the board itself consistent
20 with the requirements of sections 2, 3, 4, and 5 of P.L.1954, c.48
21 (C.52:34-7, C.52:34-8, C.52:34-9, and C.52:34-10), with the board
22 authorizing a waiver of advertising under subsection (a) of section 4
23 of P.L.1954, c.48 (C.52:34-9) and approving the final contract by
24 resolutions of the board;

25 (2) the timeframes for challenging the award of the contract may
26 be modified as determined by the board;

27 (3) the board may amend any existing contract with a vendor
28 administering another board energy efficiency program to assist
29 with the administering of the SSBVEEVR and the SSBNPFA
30 Programs until the contract to be awarded pursuant to this section is
31 executed; and

32 (4) the period of time that the State Comptroller has to review
33 the request for proposals for these professional services
34 procurements for compliance with applicable public contracting
35 laws, rules and regulations, pursuant to section 10 of P.L.2007, c.52
36 (C.52:15C-10), shall be 10 business days or less if practicable, as
37 determined by the State Comptroller.

38 b. The board may, to the extent necessary, waive or modify any
39 other regulation, or for any bidder, any applicable requirement in
40 chapters 25, 32, 34 of Title 52 of the Revised Statutes, that may
41 interfere with the expeditious procurement of these services.

42

43 4. a. The board shall establish and administer the SSBVEEVR
44 Program to award grants to boards of education and small
45 businesses to ensure schools under board of education jurisdiction
46 and small businesses shall have functional HVAC systems that are
47 tested, adjusted, and, if necessary or cost effective, repaired,
48 upgraded, or replaced to increase efficiency and performance.

1 b. (1) A board of education or small business may apply for a
2 grant pursuant to section 2 of P.L. , c. (C.) (pending before
3 the Legislature as this bill) by submitting an application to the
4 board, in a form and manner determined by the board, for
5 reasonable costs of the HVAC assessment, assessment report,
6 deferred general maintenance, adjustment of ventilation rates, filter
7 replacement, system replacement, and carbon dioxide monitor
8 installation.

9 (2) The board shall adjust energy efficiency savings targets, as
10 necessary, to ensure that energy savings created through the
11 expenditures made pursuant to P.L. , c. (C.) (pending before
12 the Legislature as this bill) are not double counted in any public
13 utility energy efficiency program.

14 c. (1) The board shall award a grant if the amount requested in
15 the application is verified by the estimate of a certified energy
16 auditor and the board of education and small business meet other
17 requirements determined by the board to be appropriate to achieve
18 the purposes of P.L. , c. (C.) (pending before the Legislature
19 as this bill). A grant that meets the board's criteria shall be awarded
20 in the amount requested. The board may allow for supplementary
21 requests for contingency funding, an additional amount, up to 20
22 percent of the requested amount for repairs, upgrades, or
23 replacements necessary, as identified by the certified energy
24 auditor, to make the system functional or more energy efficient.

25 (2) If a certified energy auditor identifies cost-effective energy
26 efficiency upgrades or repairs that would exceed the additional 20
27 percent awarded, a board of education or small business may apply
28 for additional funding for the cost-effective energy efficiency
29 upgrades or repairs through the board's existing energy efficiency
30 programs, which shall receive priority treatment.

31 (3) The board shall have the authority to establish the timing of
32 grant funding, including the ability to provide some or all funding
33 in advance of the performance of work where requirements to
34 ensure performance are established.

35 d. (1) Qualified testing personnel or qualified adjusting
36 personnel shall do all of the following:

37 (a) for a board of education or small business receiving a grant
38 to install filtration with a MERV of 13 or better in the HVAC
39 system of a school and small business building, where feasible,
40 qualified testing personnel shall review system capacity and airflow
41 to determine the highest MERV filtration that can be installed
42 without adversely impacting equipment, shall replace or upgrade
43 filters where needed, and shall verify that those filters are installed
44 correctly. If a HVAC system uses ultraviolet germicidal irradiation
45 to disinfect the air, the ultraviolet germicidal irradiation lamp shall
46 be checked for proper operation, replacing bulbs as needed and
47 verifying that the ultraviolet light does not shine on filters.
48 Recommendations for additional maintenance, replacement, or

1 upgrades to allow for more protective filtration shall be recorded in
2 the assessment report;

3 (b) for HVAC systems with economizers, qualified testing
4 personnel shall test HVAC system economizer dampers.
5 Economizer dampers and controls that are not properly functioning
6 shall be repaired by a skilled and trained workforce.
7 Recommendations for additional maintenance, replacement, or
8 upgrades shall be recorded in the assessment report;

9 (c) concerning a school building, after completing the
10 requirements of subparagraph (b) of this paragraph, qualified
11 testing personnel shall verify the ventilation rates in the school and
12 small business building, and other occupied areas to assess whether
13 they meet the minimum ventilation rate requirements set forth in
14 ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable
15 Indoor Air. Assessment, which shall include all of the following:

16 (i) a calculation of the required minimum outside air ventilation
17 rates for each occupied area based on the anticipated occupancy and
18 the minimum required ventilation rate per occupant. Calculations
19 shall be based on maximum anticipated building or other occupied
20 area occupancy rates and determined by the performing technician.
21 Natural ventilation shall be designed in accordance with Section
22 402 of the 2018 International Mechanical Code and shall include
23 mechanical ventilation systems designed in accordance with Section
24 403 of the 2018 International Mechanical Code; and

25 (ii) the measurement of outside air and verification of whether
26 the HVAC system provides the minimum outside air ventilation
27 rates calculated under this subparagraph;

28 If the HVAC system does not meet the minimum ventilation rate
29 requirements, the certified energy auditor or qualified adjusting
30 personnel shall review the HVAC system airflow and capacity to
31 determine if additional ventilation can be provided without
32 adversely impacting equipment performance and building indoor
33 environmental quality. If additional ventilation can be provided,
34 qualified adjusting personnel shall adjust ventilation rates to meet
35 the minimum ventilation rate requirements set forth, pursuant to this
36 paragraph, to the extent feasible. After the adjustment, the
37 measurement of outside air and verification of whether the HVAC
38 system provides the minimum outside air ventilation rates
39 calculated under this subparagraph shall be repeated. If minimum
40 ventilation rate requirements cannot be met, this deficiency shall be
41 reported in the assessment report and the verification report and
42 shall be addressed by a certified energy auditor, as required;

43 (d) survey readings of inlets and outlets to verify that all
44 ventilation is reaching the served zone and that there is adequate
45 distribution. Qualified testing personnel or qualified adjusting
46 personnel shall verify if inlets and outlets are balanced within
47 tolerance of the system design. Qualified testing personnel or
48 qualified adjusting personnel shall document read values and

- 1 deficiencies. If the original HVAC system design values are not
2 available, qualified testing personnel or qualified adjusting
3 personnel shall document the available information and note the
4 unavailability of HVAC system design values in the assessment
5 report;
- 6 (e) verify building pressure relative to the outdoors to ensure
7 positive pressure differential and to ensure the building is not over
8 pressurized;
- 9 (f) verify coil velocities and coil and unit discharge air
10 temperatures as required to maintain desired indoor conditions and
11 to avoid moisture carry over from cooling coils;
- 12 (g) verify that separation between outdoor air intakes and
13 exhaust discharge outlets meet requirements of the 2018
14 International Mechanical Code;
- 15 (h) confirm that the air handling unit is bringing in outdoor air
16 and removing exhaust air as intended by the system design;
- 17 (i) measure all exhaust air volume for exhaust fans, including
18 restrooms and document any discrepancies from system design;
- 19 (j) if a demand control ventilation system is installed, qualified
20 testing personnel or qualified adjusting personnel shall test it and
21 adjust the ventilation to a carbon dioxide set point of 800 PPM or
22 less. If the demand control ventilation system does not maintain
23 average daily maximum carbon dioxide levels below 1,100 PPM, it
24 shall be disabled until such time as the board of education or small
25 business determines that the COVID-19 pandemic has ended, unless
26 disabling the control would adversely affect operation of the overall
27 system. When disabling a demand control ventilation system, the
28 system shall be configured to meet the minimum ventilation rate
29 requirements and tested and adjusted in accordance with
30 subparagraph (b) of this paragraph. Recommendations for
31 additional maintenance, replacement or upgrades shall be recorded
32 in the assessment report;
- 33 (k) a qualified testing personnel or a skilled and trained
34 workforce shall verify coil condition, condensate drainage, cooling
35 coil air temperature differentials, heat exchanger operation, and
36 drive assembly. If repairs, replacement, or upgrades are necessary,
37 these deficiencies shall be reported in the assessment report and the
38 verification report, and addressed by a certified energy auditor;
- 39 (l) review control sequences to verify the HVAC systems will
40 maintain intended ventilation, temperature and humidity conditions
41 during school and small business operation. Previously unoccupied
42 buildings shall perform the recommended practices of reopening a
43 building as covered in the ASHRAE Building Readiness document
44 – Restarting a Building;
- 45 (m) verify a daily flush is scheduled for two hours before and
46 after scheduled occupancy or demonstrate calculation of flush times
47 per ASHRAE Guidance for Reopening and Operating Schools and
48 Buildings or otherwise applicable local or State guidance; and

- 1 (n) verify that HVAC system operational times, exhaust fans
2 operation times, setpoints, and enabled features meet ASHRAE
3 Guidance for Reopening and Operating Schools and Buildings or
4 otherwise applicable local or State guidance.
- 5 (2) Requirements for filtration levels, ventilation rates, and
6 ventilation schedules may be amended by the board based on the
7 latest COVID-19 or other applicable guidance.
- 8 (3) If installed HVAC systems or system components are
9 broken, fail to meet minimum ventilation requirements, or are
10 unable to operate to the original design and intent, this information
11 shall be set forth in the assessment report prepared and be provided
12 to a certified energy auditor for determination of appropriate
13 corrective measures. Repairs, upgrades, or replacements shall be
14 performed by a skilled and trained workforce.
- 15 (4) (a) For a school building, to ensure
16 proper ventilation is maintained throughout the school year, all
17 classrooms shall be equipped with a carbon dioxide monitor that
18 meets all of the following requirements:
- 19 (i) the monitor shall be hard-wired or plugged-in and mounted to
20 the wall between three and six feet above the floor and at least five
21 feet away from the door and operable windows;
- 22 (ii) the monitor shall display the carbon dioxide readings to the
23 teacher or other building staff through a display on the device or
24 other means such as a web-based application or cellular phone
25 application;
- 26 (iii) the monitor shall provide a notification through a visual
27 indicator on the monitor, such as an indicator light, or other alert
28 system, such as an electronic mail, text, or cellular telephone
29 application, when the carbon dioxide levels in the classroom have
30 exceeded 1,100 PPM;
- 31 (iv) the monitor shall maintain a record of previous data that
32 includes at least the maximum carbon dioxide concentration
33 measured;
- 34 (v) the monitor shall have a carbon dioxide concentration range
35 of 400 PPM to 2000 PPM or greater; and
- 36 (vi) the monitor shall be certified by the manufacturer to be
37 accurate within 75 PPM at 1,000 PPM carbon dioxide concentration
38 and certified by the manufacturer to require calibration no more
39 frequently than once every five years.
- 40 (b) If a classroom carbon dioxide concentration exceeds 1,100
41 PPM more than once a week as observed by the teacher or other
42 building staff, the classroom ventilation rates shall be adjusted by
43 qualified personnel to ensure peak carbon dioxide concentrations in
44 the classroom remain below the maximum allowable carbon dioxide
45 PPM setpoint. Verification of the installation of carbon dioxide
46 monitors in all classrooms shall be included in the assessment
47 report.

1 (c) The requirements of subsubparagraphs (i) to (vi) of
2 subparagraph (a) of this paragraph, may be amended by the board as
3 necessary to reflect available technology and to achieve the intent
4 of this paragraph.

5 (5) A qualified testing personnel or qualified adjusting
6 personnel shall prepare an assessment report for review by a
7 certified energy auditor. The certified energy auditor shall review
8 the assessment report and determine what, if any, additional
9 adjustments or repairs would be necessary to meet the minimum
10 ventilation and filtration requirements, determine whether any cost-
11 effective energy efficiency upgrades or replacements are warranted
12 or recommended, and provide an estimated cost for this work. If the
13 cost of recommended repairs, upgrades, or replacements are greater
14 than the contingency amount provided in the grant, then the
15 certified energy auditor and the board of education and small
16 business shall submit an application for additional funding pursuant
17 to this section. The provision of any additional funding for repairs,
18 upgrades, or replacements shall be conditioned on the applicant
19 ensuring that all construction work funded, in whole or in part, by
20 the additional funding is performed by a skilled and trained
21 workforce. The assessment report shall include all of the following
22 information:

23 (a) name and address of the school and small business building
24 and person or contractor preparing and certifying assessment report;

25 (b) documentation of HVAC equipment model number, serial
26 number, general condition of unit, and any additional information
27 that could be used to assess replacement and repair options given
28 potential for increased energy efficiency benefits;

29 (c) either verification that MERV 13 filters have been installed
30 or verification that the maximum MERV-rated filter that the HVAC
31 system is able to effectively handle has been installed and what that
32 MERV-rating is;

33 (d) for a school building, the verified ventilation rates for
34 facility classrooms, auditoriums, gymnasiums, nurses' offices,
35 restrooms, offices, and other occupied areas, and whether those
36 rates meet the requirements set forth in ANSI/ASHRAE Standard
37 62.1-2019. If ventilation rates do not meet applicable requirements,
38 then an explanation for why the current system is unable to meet
39 those rates shall be provided;

40 (e) for a school building, the verified exhaust rates for building
41 classrooms, auditoriums, gymnasiums, nurses' offices, restrooms,
42 and other occupied areas and whether those rates meet the
43 requirements set forth in the design intent; and

44 (f) documentation of system deficiencies and recommendations
45 for additional maintenance, replacement, or upgrades to improve
46 energy efficiency, safety, or performance.

47 (6) Upon completion of all work funded by a grant pursuant to
48 this section, the board of education shall have prepared an HVAC

1 verification report. The HVAC verification report shall include all
2 of the following information:

3 (a) the name and address of the school and small business
4 building and person or who prepared and certified the report;

5 (b) a description of the assessment, maintenance, adjustment,
6 repair, upgrade, and replacement activities and outcomes;

7 (c) a verification that the board of education has complied with
8 all requirements of this section;

9 (d) a verification that either MERV 13 filters have been installed
10 or a verification that the maximum MERV-rated filter that the
11 HVAC system is able to effectively handle has been installed and
12 the MERV-rating level;

13 (e) the verified ventilation rates for building classrooms,
14 auditoriums, gymnasiums, nurses' offices, restrooms, offices, and
15 other occupied areas and whether those rates meet the requirements
16 set forth in ANSI/ASHRAE Standard 62.1-2019. If ventilation rates
17 do not meet applicable guidance, then the report shall provide an
18 explanation for why the current system is unable to meet those rate;.

19 (f) the verified exhaust for building classrooms, auditoriums,
20 gymnasiums, nurses' offices, restrooms, and other occupied areas
21 and whether those rates meet the requirements set forth in the
22 design intent;

23 (g) documentation of HVAC system deficiencies and
24 recommendations for additional maintenance, replacement, or
25 upgrades to improve energy efficiency, safety, or performance;

26 (h) documentation of the initial operating verifications,
27 adjustments, and final operating verifications of the HVAC system,
28 and documentation of any adjustments or repairs performed on the
29 HVAC system;

30 (i) verification of the installation of carbon dioxide monitors,
31 including the make and model of the monitors; and

32 (j) verification that all work has been performed by qualified
33 personnel, including the provision of the contractor's name, TAB
34 technician name and certification number, and verification that all
35 construction work has been performed by a skilled and trained
36 workforce.

37 (7) Other than the workforce qualification requirements, the
38 technical and reporting requirements of the SSBVEEVR Program
39 may be amended by the board as necessary, to reflect the latest
40 COVID-19 or other applicable guidance, or otherwise to achieve the
41 intent of the SSBVEEVR Program and to ensure consistency with
42 the related requirements and codes.

43 (8) The board of education shall maintain a copy of the HVAC
44 verification report and make it available to any member of the
45 public or the board upon request.

46 e. As a condition for receiving a grant pursuant to section 2 of
47 P.L. , c. (C.) (pending before the Legislature as this bill), a
48 board of education and small business shall comply with the

1 requirements of this section for all air-handling units, rooftop units,
2 and unitary and single zone equipment in its schools' or small
3 business' HVAC system or systems. Any costs associated with
4 complying with this subsection shall be automatically included in
5 any grant amount awarded under the program.

6 (1) An HVAC system installed pursuant to this section shall
7 meet the ANSI/ASHRAE Standard 62.1-2019, Ventilation for
8 Acceptable Indoor Air Quality and shall have qualified testing
9 personnel or qualified adjusting personnel perform the following:

10 (a) review control sequences to verify HVAC systems will
11 maintain intended ventilation, temperature, and humidity conditions
12 during school and small business operation. Previously unoccupied
13 buildings shall perform the recommended practices of reopening a
14 building as covered in the ASHRAE Building Readiness document
15 –Restarting a Building;

16 (b) verify a daily flush is scheduled for two hours before and
17 after scheduled occupancy or demonstrate calculation of flush times
18 per ASHRAE Guidance for Reopening and Operating Schools or
19 Commercial Buildings, as applicable, or otherwise applicable local
20 or State guidance; and

21 (c) verify that HVAC system operational times, exhaust fans
22 operation times, setpoints, and enabled features meet ASHRAE
23 Guidance for Reopening and Operating Schools or Commercial
24 Buildings, as applicable, or otherwise applicable local or State
25 guidance.

26 (2) A requirement for filtration levels, ventilation rates, and
27 ventilation schedules may be amended by the board based on the
28 latest coronavirus 2019, or other applicable, guidance.

29 f. Concerning a school, to ensure proper ventilation is
30 maintained throughout the school year, all school district
31 classrooms shall be equipped with a carbon dioxide monitor that
32 meets requirements determined by the board. If a classroom carbon
33 dioxide concentration exceeds 1,100 parts per million more than
34 once a week as observed by the teacher or the facilities staff, the
35 classroom ventilation rates shall be adjusted by qualified testing
36 personnel or qualified adjusting personnel to ensure peak carbon
37 dioxide concentrations in the classroom remain below the maximum
38 allowable carbon dioxide parts per million setpoint.

39 g. A certified energy auditor shall determine what, if any,
40 additional adjustments or repairs would be necessary to meet the
41 minimum ventilation and filtration requirements, pursuant to this
42 section, determine whether any further cost-effective energy
43 efficiency upgrades or replacements are warranted or
44 recommended, and provide an estimated cost for this work. If the
45 cost of recommended repairs, upgrades, or replacements are greater
46 than the contingency amount provided in the grant, then the
47 certified energy auditor and the board of education or small
48 business shall submit an application for additional funding pursuant

1 to section 2 of P.L. , c. (C.) (pending before the Legislature
2 as this bill).

3 h. Upon completion of all work funded by a grant pursuant to
4 P.L. , c. (C.) (pending before the Legislature as this bill), a
5 board of education and small business shall prepare an HVAC
6 verification report. The HVAC verification report shall include all
7 of the following information:

8 (1) the name and address of a school facility or small business
9 and person or contractor preparing and certifying the report;

10 (2) a description of the assessment, maintenance, adjustment,
11 repair, upgrade, and replacement activities and outcomes;

12 (3) verification that the board of education and small business
13 has complied with all requirements of P.L. , c. (C.) (pending
14 before the Legislature as this bill);

15 (4) verification that the school facility and small business meet
16 ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable
17 Indoor Air Quality;

18 (5) documentation of HVAC system deficiencies and
19 recommendations for additional deferred general maintenance to
20 bring up to date, replacement, or upgrades to improve energy
21 efficiency, safety, or performance;

22 (6) verification of the installation of carbon dioxide monitors,
23 pursuant to subsection e. of this section, including the make and
24 model of the monitors;

25 (7) verification that all work has been performed by a certified
26 energy auditor, including the provision of the contractor's name and
27 license; and

28 (8) verification that the equipment installed exceeds current
29 energy efficiency requirements by code and the submission of
30 manufacturer specification sheets and supporting documents of
31 qualification.

32 i. The requirements of this section may be amended by the board
33 as necessary to reflect available technology and to achieve the
34 intent of P.L. , c. (C.) (pending before the Legislature as
35 this bill).

36 j. A board of education and small business shall maintain a copy
37 of the HVAC verification report made pursuant to subsection h. of
38 this section and make it to any member of the public or the board
39 upon request.

40

41 5. a. The board shall establish and administer the School and
42 Small Business Noncompliant Plumbing Fixture and Appliance
43 Program to provide grants to boards of education and small
44 businesses to replace noncompliant plumbing fixtures and
45 appliances that fail to meet water efficiency standards, and waste
46 and potable water and the energy used to convey that water, with
47 water-conserving plumbing fixtures and appliances.

1 b. A board of education and small business may apply for a
2 grant pursuant to section 2 P.L. , c. (C.) (pending before
3 the Legislature as this bill) by submitting an application to the
4 board, in a form and manner determined by the board, showing the
5 existence of noncompliant plumbing fixtures or appliances in the
6 school or small business for which the grant funding will be used
7 and a cost estimate that is verified by a contractor for the
8 replacement of the noncompliant plumbing fixtures and appliances
9 with water-conserving plumbing fixtures and water-conserving
10 appliances, and the board of education and small business meet
11 other requirements determined by the board to be appropriate to
12 achieve the purposes of this section.

13 c. Upon completion of all work funded by a grant pursuant to
14 P.L. , c. (C.) (pending before the Legislature as this bill), a
15 board of education and small business shall prepare a plumbing
16 verification report. The plumbing verification report shall include
17 all of the following information:

18 (1) the name and address of a school facility or small business
19 and person or contractor preparing and certifying the report;

20 (2) a description of the assessment, maintenance, adjustment,
21 repair, upgrade, and replacement activities and outcomes;

22 (3) verification that the board of education and small business
23 has complied with all requirements of P.L. , c. (C.)
24 (pending before the Legislature as this bill);

25 (4) documentation of plumbing system deficiencies;

26 (5) verification that all work has been performed by a licensed
27 professional, including the provision of the contractor's name and
28 license; and

29 (6) verification that the equipment installed exceeds current
30 energy efficiency requirements required by code and the submission
31 of manufacturer specification sheets and supporting documents of
32 qualification.

33 d. The board is authorized to provide technical assistance or
34 award grants pursuant to the SSBNPFA Program to assist a board of
35 education and small business in identifying noncompliant plumbing
36 fixtures and noncompliant appliances eligible for replacement
37 pursuant to this section.

38

39 6. The Board of Public Utilities may adopt, pursuant to the
40 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
41 seq.), rules and regulations necessary to effectuate the purposes
42 of P.L. , c. (C.) (pending before the Legislature as this
43 bill). The board may adopt, by board order, any program fund
44 details necessary to effectuate the purposes of P.L. ,
45 c. (C.) (pending before the Legislature as this bill), and is
46 pre-authorized to spend any necessary funds without additional
47 approvals, provided that any temporarily avoided spending
48 approvals are sought and obtained as expeditiously as possible.

1 7. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill establishes the School and Small Business Energy
7 Efficiency Stimulus Program fund (program fund) in the Board of
8 Public Utilities (BPU). “Small business” is defined in the bill as
9 concerning women and minority-owned small businesses. The
10 purpose of the program fund is to ensure that school and small
11 business heating, ventilation, and air conditioning (HVAC) systems
12 are upgraded to safely prepare schools and small businesses for
13 operating during the coronavirus 2019 pandemic, to improve the
14 general health and safety of the school and small business
15 environment, and to create jobs across the State. The program fund
16 will also fund the upgrading of old, inefficient plumbing fixtures
17 that waste water and energy.

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

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

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

24 The bill provides that 75 percent of projects funded by the
25 SSBVEEVR Program or SSBNPFA Program are to be in schools
26 and small businesses located in underserved communities, as
27 defined in the bill.

28 The bill provides that the BPU is to begin to solicit applications
29 from boards of education and small businesses for grants on or
30 before October 1, 2021 and begin to approve applications for grants
31 no later than December 1, 2021, subject to the availability of funds.
32 The bill provides that the program fund is to be funded by monies
33 provided to the State from the federal government under the
34 “American Rescue Plan Act of 2021,” as determined by the BPU,
35 and is to be allocated as follows:

36 1) 75 percent of funds for the SSBVEEVR Program; and

37 2) 25 percent of funds for the SSBNPFA Program.

38 Seventy-five percent of grant funds issued pursuant to the bill are
39 to be awarded to school districts and the remaining 25 percent is to
40 be awarded to small businesses. Program fund grants made pursuant
41 to the bill are to provide no more than 75 percent of the cost of
42 projects approved by the board, with the remaining 25 percent
43 covered by non-SSBVEEVR or non-SSBNPFA funding sources, as
44 applicable.

45 Notwithstanding the provisions of any other law to the contrary,
46 the bill provides that, for the purpose of expediting the BPU’s

1 procurement of technical services to administer the SSBVEEVR
2 and the SSBNPFA Programs, certain provisions are to apply as
3 modifications to law or regulation that may interfere with the
4 expedited award of the grants.

5 The bill requires the BPU to establish and administer the
6 SSBVEEVR Program to award grants to boards of education and
7 small businesses to ensure schools and small businesses are to have
8 functional HVAC systems that are tested, adjusted, and, if
9 necessary or cost effective, repaired, upgraded, or replaced to
10 increase efficiency and performance.

11 The BPU is to award a grant if the amount requested in the
12 application is verified by a certified energy auditor's estimate and
13 the board of education and small business meet other requirements
14 determined by the BPU to be appropriate to achieve the purposes of
15 the bill.

16 The bill provides that as a condition for receiving a grant, a
17 board of education and small business are to comply with the
18 requirements of the bill for all certain aspects of the schools' or
19 small business' HVAC system or systems. The HVAC systems
20 installed pursuant to the bill are to meet ANSI/ASHRAE Standard
21 62.1-2019, Ventilation for Acceptable Indoor Air Quality. The
22 HVAC requirements for filtration levels, ventilation rates, and
23 ventilation schedules may be amended by the BPU based on the
24 latest coronavirus 2019, or other applicable, guidance.

25 The bill provides that a certified energy auditor is to determine
26 what, if any, additional adjustments or repairs would be necessary
27 to meet the minimum ventilation and filtration requirements. If the
28 cost of recommended repairs, upgrades, or replacements are greater
29 than the contingency amount provided in the grant, then the
30 certified energy auditor and the board of education or small
31 business are to submit an application for additional funding. The
32 bill requires that, upon completion of all work funded by a grant
33 made pursuant to the bill, the board of education and small business
34 are to prepare an HVAC verification report.

35 The bill requires the BPU to establish and administer the
36 SSBNPFA Program to provide grants to boards of education and
37 small businesses to replace noncompliant plumbing fixtures and
38 appliances that fail to meet water efficiency standards and waste
39 potable water and the energy used to convey that water, with water-
40 conserving plumbing fixtures and appliances, as those terms are
41 defined in the bill. The BPU is to award a grant if a board of
42 education or small business submits documents showing the
43 existence of noncompliant plumbing fixtures or appliances in the
44 schools or small business for which the grant funding will be used
45 and a cost estimate that is verified by a contractor for the
46 replacement of the noncompliant plumbing fixtures and appliances
47 with water-conserving plumbing fixtures and water-conserving

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- 1 appliances, and the board of education and small business meet
- 2 other requirements determined by the BPU to be appropriate to
- 3 achieve the purposes of the bill.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5944

STATE OF NEW JERSEY

DATED: JUNE 22, 2021

The Assembly Budget Committee reports favorably Assembly Bill No. 5944.

This bill establishes the School and Small Business Energy Efficiency Stimulus Program fund (program fund) 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 fund 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 fund will also fund the upgrading of old, inefficient plumbing fixtures that waste water and energy.

The bill provides that the program fund 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 75 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 bill provides that the BPU is to begin to solicit applications from boards of education and small businesses for grants on or before October 1, 2021 and begin to approve applications for grants no later than December 1, 2021, subject to the availability of funds. The bill provides that the program fund is to be funded by monies provided to the State from the federal government under the “American Rescue Plan Act of 2021,” as determined by the BPU, and is to be allocated as follows:

- 1) 75 percent of funds for the SSBVEEVR Program; and
- 2) 25 percent of funds for the SSBNPFA Program.

Seventy-five percent of grant funds issued pursuant to the bill are to be awarded to school districts and the remaining 25 percent is to be awarded to small businesses. Program fund grants made pursuant to

the bill are to provide no more than 75 percent of the cost of projects approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources, as applicable.

Notwithstanding the provisions of any other law to the contrary, the bill provides that, for the purpose of expediting the BPU's procurement of technical services to administer the SSBVEEVR and the SSBNPFA Programs, certain provisions are to apply as modifications to law or regulation that may interfere with the expedited award of the grants.

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.

The BPU is to award a grant if the amount requested in the application is verified by a certified energy auditor'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.

The bill 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 certain aspects of the schools' or small business' HVAC system or systems. The HVAC systems installed pursuant to the bill are to meet ANSI/ASHRAE Standard 62.1-2019, Ventilation for Acceptable Indoor Air Quality. 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.

The bill provides that a certified energy auditor is to determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements. If the cost of recommended repairs, upgrades, or replacements are greater than the contingency amount provided in the grant, then the certified energy auditor 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 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.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5944
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 28, 2021

SUMMARY

Synopsis: Establishes School and Small Business Energy Efficiency Stimulus Program Fund in BPU.

Type of Impact: Annual cost reductions for school districts; potential indirect revenue gains for the State.

Agencies Affected: Board of Public Utilities; school districts; Department of the Treasury

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
School District Cost Decrease	Indeterminate
Potential Indirect State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the program could result in a reduction in school district expenditures to the extent that the HVAC and plumbing work performed with the grant funds replaces local funding that would have been expended for similar plumbing and HVAC repair and replacement work. Further, given that these grants are for projects that increase the efficiency of the HVAC and plumbing systems, there also are likely to be ongoing expenditure savings on annual utility costs.
- It is possible that the grants to small businesses may result in improved business performance by reducing operating expenses, and result in indirect increases in tax revenue to the State from that improved business performance.
- The OLS cannot determine the magnitude of these fiscal impacts because of imperfect information on the number and attributes of the school district projects and minority and woman-owned small business projects that would be eligible for and receive grants under the School and Small Business Energy Efficiency Stimulus Program established by the bill.

BILL DESCRIPTION

This bill establishes the School and Small Business Energy Efficiency Stimulus Program in the Board of Public Utilities (BPU).

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 75 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 bill provides that the BPU is to begin to solicit applications from boards of education and small businesses for grants on or before October 1, 2021 and begin to approve applications for grants no later than December 1, 2021, subject to the availability of funds. The bill provides that the program is to be funded by monies provided to the State from the federal government under the American Rescue Plan Act of 2021 and is to be allocated as follows: 1) 75 percent of funds for the SSBVEEVR Program; and 2) 25 percent of funds for the SSBNPFA Program.

Seventy-five percent of grant funds issued pursuant to the bill are to be awarded to school districts and the remaining 25 percent is to be awarded to small businesses. Grants made pursuant to the bill are to provide no more than 75 percent of the cost of projects approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources, as applicable.

The bill provides that a certified energy auditor is to determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements. If the cost of recommended repairs, upgrades, or replacements are greater than the contingency amount provided in the grant, then the certified energy auditor 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 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.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill could result in indeterminate annual cost savings to school districts and indirect annual revenue increases to the State.

Indeterminate Local Expenditure Decrease: The grants to schools could potentially result in a reduction in school district expenditures to the extent that the HVAC and plumbing work performed with the grant funds replaces local funding that would have been expended for similar plumbing and HVAC repair and replacement work. The grants provide for 75 percent of costs, so local expenditures will still be at least 25 percent of costs. However, to the extent that schools issued grants under the bill would have structured their projects differently in the absence of these grants, some districts may undertake projects they otherwise would not have, leading to upfront costs they otherwise would not have incurred. Either way, given that these grants are for projects that increase the efficiency of their HVAC and plumbing systems, there also are likely to be ongoing expenditure savings on annual utility costs for these school districts.

Indeterminate State Revenue Increase: Small businesses that receive grants under the program will also realize reduced costs for HVAC and plumbing system upgrades to their businesses. The grants to small businesses may result in improved business performance by reducing initial and ongoing operating expenses. These reduced expenses can improve profitability and in some scenarios allow a small business to continue operations where it may have been at risk of closing. This improved performance may result in indirect increases in tax revenue to the State and local governments through income, sales, and business tax revenue.

Other Possible Financial Considerations: To the extent that the bill leads to an increase in the number of jobs created or retained within the HVAC and plumbing industry sectors due to increased demand for work as contemplated in the bill, those industry and job benefits would result in indirect increases in State revenues through income, sales, and business tax revenue.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Principal Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Legislation Establishing School and Small Business Energy Efficiency Stimulus Program Fund

08/24/2021

75% of Fund Dedicated to Schools, 25% of Fund Dedicated to Women and Minority Owned Small Businesses

TRENTON – Governor Phil Murphy today signed legislation (S-3995) that establishes a fund administered by the New Jersey Board of Public Utilities (BPU) which will provide grants to schools and small businesses for the assessment, repair, upgrading, and replacement of HVAC systems and plumbing fixtures and appliances that fail to meet efficiency and health standards. The program is backed by \$180 million in American Rescue Plan funds appropriated in the FY 2022 Appropriations Act.

“The COVID-19 pandemic exposed an emergent need for the repair or replacement of critical items such as HVAC systems and plumbing systems in schools and small businesses across our state,” **said Governor Murphy**. “With the help of the Biden Administration and our Congressional delegation, as well as our partners in the Legislature, we are able to fund these much needed efforts to repair or replace these systems in the places that need it most. I am proud to sign this legislation that will address a longstanding need in communities in New Jersey.”

“Improving the energy efficiency of schools and small businesses will play an important role in meeting Governor Murphy’s goal of 100 percent clean energy by 2050,” **said NJBPU President Joseph L. Fiordaliso**. “In too many cases outdated energy infrastructure is not only expensive, it can also create an unhealthy indoor environment, particularly during the COVID pandemic. In addition to the health and economic factors, this program will provide a boost to the state’s clean energy economy by creating jobs and enhancing small businesses.”

Primary sponsors of S-3995 include Senate President Steve Sweeney, Senator Troy Singleton, and Assemblymembers Pamela Lampitt, Wayne DeAngelo, and Thomas Giblin.

“The importance of clean air and clean water takes on greater significance as we emerge from the coronavirus pandemic,” **said Senate President Steve Sweeney**. “As schools reopen and more businesses work to return to full operations, we have to do all we can to protect the health and safety of students and educators, as well as the customers and employees of small businesses that are so important to communities. Everyone needs to have confidence that the air they are breathing and the water they are using is clean and safe. This is an investment that will benefit schools and businesses for years to come.”

“As schools and businesses continue to reopen, there are concerns around whether they have adequate ventilation systems to meet health and safety requirements,” **said Senator Troy Singleton**. “This new law will provide the necessary funding assistance to allow these already cash-strapped businesses and school districts to upgrade their systems, which will improve the air our residents breathe and the water they drink overall.”

“Many small businesses do not have sufficient funding to replace or maintain HVAC and plumbing equipment. The pandemic has taken a tremendous toll on our small businesses and made maintaining efficient air and water systems a crucial part of business operations as they strive to protect both customers and employees,” **said Assembly sponsors Pamela Lampitt, Wayne DeAngelo, and Thomas Giblin, in a joint statement**. “This would not only help to reduce COVID-19 transmission in our

state, but will also address long-term issues that will benefit our schools and small businesses for years to come. By updating antiquated air and water systems, we will keep our citizens safer and reduce costs for schools and small businesses throughout New Jersey.”

S-3995 requires the BPU to begin to solicit applications for grants by October 1, 2021 and begin to approve applications for grants by December 1, 2021, subject to the availability of funds. In order to expedite BPU’s procurement of technical services to administer the program, the bill waives or modifies certain procurement requirements, including allowing the BPU to do the procurement itself and to modify timeframes and other requirements, and providing a shortened period for State Comptroller review. 75 percent of the funds will be allocated to schools, and 25 percent will be allocated to small businesses, which are defined as women and minority-owned businesses of a size and type to be specified by the BPU. In addition, 75 percent of all funds will be dedicated to schools and businesses in underserved communities, which the bill defines as school districts in which at least 75 percent of public school students are eligible for free or reduced-price meals under the National School Lunch Program. The grants made under the program will cover 75 percent of eligible costs, with grantees required to provide a 25 percent match.