



BUSINESS GOING GREEN- KEEP IT VOLUNTARY AND ACCESSIBLE

DESCRIPTION

Over the past year there has been a variety of policy initiatives related to “going green” on the residential, business, municipal and State level. However, there has been little education or assistance for many of these sectors on how to actually go green. As a result, many businesses are left to their own devices to sort through issues like so-called “green building codes” (constructing buildings to be more energy efficient), solar panels and other renewable energy sources, and conservation programs.

Additionally, some policy advocates want to mandate the use of these programs. Usually there is a large additional cost for building green. NJBIA feels it is important to encourage companies to voluntarily undertake more energy-efficient building but to stop short of forcing these additional costs on the private sector.

BACKGROUND

The Clean Energy Program within the NJ Board of Public Utilities (BPU) is the main source of business incentives and information related to energy efficiency and renewables. While the program has existed since deregulation, there has been little emphasis on helping the business customer understand ways to go green and programs to offset the cost. Information as simple as how to conduct an energy audit is not currently available for a business ratepayer.

Additionally, businesses are capped by the Clean Energy Fund at \$200,000 for energy efficiency rebates and incentives, while residential customers have no limitations. Building green can add as much as 20 percent to the cost of a new building, but for many companies in New Jersey, it is the cost of retrofitting an old building that adds unexpected costs to a budget. This is a perfect opportunity to encourage companies through rebates and incentives to consider implementing green practices and help meet the bottom line.

Within the Clean Energy Program is funding for the SmartStart Building program. This program assists businesses located in smart growth areas designated by the State Plan with different aspects of construction and retrofitting of buildings. A business must submit an application before any equipment is purchased or work begins. There is a limit of \$200,000 per customer utility account for rebates or incentives.

The New Jersey Building Code currently does not feature a green subcode. The Clean Energy Program sets voluntary standards for products that meet the \$200,000 rebate or incentive level.

NJBIA POSITION

NJBIA supports policies that provide guidance and financial incentives to businesses that implement green strategies on a voluntary basis. Because all business ratepayers contribute to the Clean Energy Fund, this is an ideal place to provide educational materials to help companies pursue strategies to go green. Understanding ways to incorporate green thinking is a first step in planning for a voluntary change in the company. NJBIA believes that the \$200,000 cap on business should be lifted and would encourage legislation to eliminate this provision.

However, the State must resist the urge to make green building standards mandatory. These standards have a high initial cost that could have a negative economic effect on businesses that are struggling in a weak economy.

LEGISLATIVE HISTORY

Legislation that encourages the private sector to voluntarily embark on green strategies includes: A-843 which requires that all ratepayers are eligible for rebates or incentives regardless of geographic location, and ACS-1612-385-1781 /S-241 which exempts certain renewable energy systems from real property taxation and from fees for municipal permits.

A-1629/S-702 however would change the State Uniform Construction Code's energy subcode to more stringent standards that could be costly to business.

CONTACT

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