



ECONOMIC DEVELOPMENT AUTHORITY

## **NJ Cool Program FAQs**

*Version 3.0: 10/28/24*

### **1. My project is not located in Newark, Edison, or Atlantic City, am I still eligible to apply to the program?**

The initial pilot program is limited to projects only located in Newark, Edison, or Atlantic City. Additional communities may be added in the future with additional available funding, but formal applications are not being accepted at this time for projects located outside these communities. However, even if not eligible, we welcome you to send a brief description of your project and its location to [njcool@njeda.gov](mailto:njcool@njeda.gov) to both help inform the future of the pilot and help us see if other NJEDA Clean Energy programs can provide assistance.

### **2. How do I know if my building is eligible for the program?**

Please review the Eligibility Requirements on the program webpage ([www.njeda.gov/njcool](http://www.njeda.gov/njcool)). Your building occupancy class should be designated on the building's certificate of occupancy or similar existing building permit documentation received from your local government building department. Currently, occupancy classes M, A-2, and B are eligible for the program. Your building's property class can be found on your building's property tax document, tax records, or similar documentation available from your local government building/taxation department. If you are unsure or cannot find this information, please contact your local building department and/or consult with a building design professional. The following property classes, as defined by N.J.A.C. 18:12-2.2, are currently eligible: Commercial Property (4A), Industrial Property (4B), Public School Property (15A), Other School Property (15B), Public Property (15C), Church and Charitable Property (15D), Cemeteries and Graveyards(15E), and Other Tax Exempt Property (15F).

### **3. When is the deadline to apply for the grant?**

There is currently no deadline. Applications will be accepted and reviewed on a rolling basis until all funding is committed, or three (3) years after the date of application launch (April 22, 2024), whichever is sooner.

### **4. How will applications be scored or evaluated?**

Applications will be reviewed based on a first submitted, first reviewed basis when the application is opened to the public. There is no formal scoring process or competitive evaluation, just a review to ensure that the proposed project meets minimum eligibility requirements. If NJEDA staff have questions, they will follow up with applicants directly, who will have up to 10 business days from the request for additional information to respond and/or resubmit any needed materials or documentation. The timelier and more thorough you are with addressing any issues identified, the quicker we can process your application. Please note that applications may be declined for unresponsiveness to NJEDA's request(s). Additionally, the applicant has the option to withdraw their application from the program.

### **5. I'm having a hard time finding a Public Works contractor. I'm worried it will make my project more expensive. Why can't I use any contractor?**

All contractors for this program must be Public Works contractors registered with the NJ Department of Labor. At a high level, this law guarantees that all contractors and subcontractors whose workers provide hands-on labor for a public works project will be paid a prevailing wage. We understand this can present a limitation, but it is not something that can be changed at this time.

There are over 5,000 contractors that are registered with the NJ Department of Labor. The full list can be found [here](#). In addition, we are assembling a list of interested contractors from this eligible pool who have expressed interest in participating in the program. Please see the program webpage for additional information.

**6. I am building a new building that is energy efficient and does not use fossil fuel combustion systems for heating, can I apply for a grant?**

No, only projects that are retrofitting, upgrading, or improving existing buildings are eligible to apply for the grant at this time. Please explore other funding opportunities that may be available for new construction.

**7. If my building's refrigerant has a GWP lower than 700, can I still qualify if I want to replace it with an even lower GWP?**

The replacement of existing refrigerants that are below 700 GWP would not independently meet minimum project eligibility requirements to qualify for an NJ Cool grant award. The program requires, at a minimum, replacing at least 75% of high-GWP refrigerants, which at this time are defined as 700 GWP or higher. Therefore, an existing refrigerant with GWP below 700 would not meet the definition of a high-GWP refrigerant per the program.

This replacement can, however, be included as part of a larger project if one of the minimum project requirements are met via other project scope.

For example, if a building is replacing 75% of its heating load currently served by a fossil fuel combustion-based system with a new non-combustion based system, the sub-700 existing GWP replacement in question could also be included with the project and eligible for grant funding as part of work under "Category C: Supporting work that further reduces operating emissions and/or improves energy efficiency of the building"

**8. Are there any fees associated with the NJ Cool Program?**

Yes. There is a non-refundable application fee of \$1,000 to apply to this program.

**9. Where does the program funding come from?**

The NJ Cool program is funded through the Regional Greenhouse Gas Initiative (RGGI). See <https://www.nj.gov/rggi/index.html> for more information about RGGI funding in New Jersey.

**10. How do I obtain a tax clearance certificate?**

A valid tax clearance certificate is required at the time of application approval. Tax clearance certificates are valid for 180 days after issuance.

Follow the directions in this document if you are not registered: [Getting Started in Premier Business Services](#)

Once you are registered, create an account on this webpage: [https://www16.state.nj.us/NJ\\_PREMIER\\_EBIZ/jsp/home.jsp](https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp)

For additional questions, email [businessassistancetc.taxation@treas.nj.gov](mailto:businessassistancetc.taxation@treas.nj.gov).

**11. I am interested in reducing operating greenhouse gas emissions from my building, but don't know where to start.**

See additional resources below to learn about efforts to reduce greenhouse gas emissions through alternative heating and cooling systems and energy efficiency measures. We strongly suggest working with a building design professional or specialized building contractor to evaluate what systems will be most appropriate for your specific building.

<https://www.ashrae.org/about/tfbd-what-is-building-decarbonization>

<https://www.energy.gov/eere/energy-efficiency-buildings-and-industry>

<https://www.energystar.gov/buildings>

**12. How is this program different from other energy efficiency programs in the state? Am I allowed to participate in multiple programs with the same project?**

While the Board of Public Utilities (BPU) and the private utilities do have some existing programs that offer rebates for energy efficiency measures in commercial, industrial, or institutional buildings, the NJ Cool program differs in several important ways. It is focused on reducing operating emissions rather than energy efficiency measures. The NJ Cool program also includes funding for replacing the use of high global warming potential refrigerants in cooling systems, which is something not currently covered under existing programs in the state. This program also includes supporting enabling work necessary for alternative building systems to be deployed (i.e., structural upgrades to a roof for rooftop solar panels or upgrading electric panels to install heat pumps). NJ Cool is not just focused on equipment incentives, but also includes supporting the cost of relevant labor and construction materials for eligible projects. The program intent is to support a “whole building approach” focused on driving emissions reductions across the commercial, industrial, and institutional building sectors rather than focusing on incentivizing one type of equipment or building component. As NJ Cool is a geographically limited pilot program, it may be updated in the future as the marketplace continues to evolve.

To prevent duplication of benefits, participants in the NJ Clean Energy New Construction Program (Gut Rehab) or Large Energy Users Program are not eligible to participate in the NJ Cool pilot. Applicants can participate in other programs offered through the BPU or utilities, but the maximum potential NJ Cool grant award will be calculated from total eligible project costs net the amount of any expected incentive payments from state-run or utility energy efficiency programs. For example, a project has \$200,000 in project costs that are eligible for reimbursement through the NJ Cool program. The same project is also receiving \$100,000 in New Jersey utility incentives. The maximum NJ Cool award would therefore be limited to a maximum of \$50,000 as it is based on a 50% reimbursement rate for eligible expenses net the amount of incentive payments. 
$$\text{NJ Cool Award} = 50\% * (\$200,000 - \$100,000) = \$50,000.$$

There are also several federal tax credits that may be available to support your project that can be utilized in tandem with NJ Cool grant awards. Any federal tax credits are not factored into the size of an NJ Cool grant. Please consult IRS guidance or a tax professional for additional information.

**13. Can I apply to the NJ Cool program if my building's occupancy or property class may change to a different occupancy or property class after my construction project is completed?**

Eligible building occupancy or property class is evaluated for the existing building space at time of application. There is no additional review of occupancy or property class post-construction. Therefore, a change of occupancy or property class (whether planned or otherwise) as part of the project would have no impact on overall program eligibility.

**14. Can I qualify for an NJ Cool if I am receiving other grant funding through the NJEDA for the same project?**

It will depend on which other EDA program you are utilizing and the nature/specific rules for that program. Most programs have duplication of benefits requirements intended to ensure applicants are not using multiple sources of funding for the same project cost or receiving more total funding than the overall project costs. Please reach out with questions about specific programs.

**15. Is the NJ Cool grant available for retrofits of individual residential apartments or private homes?**

NJ Cool is only available for existing commercial, industrial, and institutional buildings with an occupancy class of Mercantile group M, Assembly group A-2, and Business group or property classes 4A, 4B, 15A, 15B, 15C, 15D, 15E, or 15F. If you are interested in completing emissions reductions or energy efficient improvements for your home, please reach out to your local utility provider for other incentive and financing programs that may be relevant.

**16. My building is located in a community that is directly adjacent to Newark/Edison/Atlantic City, am I eligible to apply for an NJ Cool grant award?**

No, properties must be located directly in the municipalities of Newark, Edison, or Atlantic City in order to be eligible for the initial pilot program.

**17. Are K-12 grade charter schools eligible to apply to the NJ Cool program?**

There are no restrictions against K-12 schools (charter or otherwise) applying to the program as long as they fall within an eligible Occupancy or Property class.

**18. How long will it take to receive a response to my application?**

Application review times will vary depending on size of the project and quantity and quality of application materials submitted. We are endeavoring to approve projects as quickly as possible, understanding the importance of time to the construction process and related funding.

**19. Would a large multifamily building such as condominium be eligible to apply for the NJ Cool program?**

Buildings that consist of residential units only would not typically be eligible under the program. The only exception would be if the building also includes commercial, industrial, or institutional spaces as defined by NJ Building Occupancy Class M, A-2, or B OR Property Class 4A, 4B, 15A, 15B, 15C, 15D, 15E, or 15F and the proposed emissions reducing/energy efficiency improvements are targeting a whole building improvement that affects both the commercial, industrial, or institutional and residential spaces.

**20. Can I implement energy efficiency measures and receive a grant award without A. Switching (75% or more) of building space heating loads from existing fossil fuel-based combustion systems to non-combustion-based heating systems with low to zero direct operating emissions and/or B. Replacing (75% or more) of existing high global warming potential (GWP) refrigerants with lower GWP alternatives?**

No, completing scope Items A and/or B is required in order for grant awards to also be used for reimbursing expenses related to other additional energy efficiency measures or other work that reduces operating emissions.

**21. I am the owner of a large commercial, industrial, or institutional building and am intending to renovate only a few floors in my building. Can I apply for an NJ Cool grant award?**

- a) If the Applicant is the **building owner**, Projects must include switching 75% or more of **building** space heating loads from existing fossil fuel-based combustion systems to non-combustion heating systems with low to zero direct operating emissions *and/or* replacing 75% or more of existing high global warming potential (GWP) refrigerants used for cooling **within the building** with lower GWP alternatives.
- b) If the Applicant is a **tenant or owner of a portion of an eligible property**, the minimum 75% switching requirement for heating load or existing refrigerants will only apply to the **portions of the building within the tenant's lease/owner's fee or the building systems affecting the tenant's/owner's space** within the overall building.

**22. Are new fossil fuel-based combustion systems eligible for NJ Cool grant funding under scope Category A, B, or C?**

No, NJ Cool grant funding will not reimburse applicants for costs of new fossil fuel-based systems. This includes, but is not limited to, new fossil fuel-based heating systems or new back-up power generation equipment. Applicants are free to install these systems as part of a larger project receiving NJ Cool grant funding, but they will not be considered eligible project costs in the review of the grant application or eligible expenses for grant reimbursement.

**23. Are there are any restrictions against installing reclaimed or recycled refrigerants within the NJ Cool program?**

No, reclaimed or recycled refrigerant installations are eligible for funding assuming all other program requirements are being met.