

An Overview of the New Jersey BPU's New Energy and Water Benchmarking Annual Reporting Requirements

Greenbaum, Rowe, Smith & Davis LLP Client Alert

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What You Need to Know

- All property owners or operators of commercial properties over 25,000 square feet in New Jersey will be required to benchmark their energy and water use for the prior calendar year beginning October 1, 2023.
- The benchmarking program, administered by the New Jersey Board of Public Utilities, is required under the state's Clean Energy Act as a means by which building operators can evaluate the efficiency of their energy/water consumption in relation to comparable buildings.
- According to the BPU, only property owners or operators that received a notice requiring benchmarking will be required to do so this year. However, if a property is subject but did not receive a notice, benchmarking may be required in subsequent years.

Beginning October 1, 2023, under a benchmarking program administered by the New Jersey Board of Public Utilities (BPU), all property owners or operators of commercial properties over 25,000 square feet in New Jersey will be required to benchmark their energy and water use for the prior calendar year. Following this year's October 1 deadline, a July 1 submission date will apply for subsequent years. For the first two years of the program, a 90-day grace period will also apply.

Energy and water usage must be reported using the United States Environmental Protection Agency (EPA) Portfolio Manager tool, which allows for manual monthly entry of water and energy usage data or for data to be entered directly in bulk by request to the utility. Once the consumption data is entered in Portfolio Manager, it must be shared with

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the BPU by implementing the sharing option on the tool.

Additional details regarding how to report the required information can be found on the BPU's website [here](#).

A spreadsheet listing covered properties and exemptions is listed on the BPU website [here](#) – the list includes a Unique Building ID (UBID) assigned to each property which must be entered in the Portfolio Manager tool.

BPU has stated that only property owners or operators that received a notice requiring benchmarking will be required to do so this year. However, if a property is subject but did not receive a notice, benchmarking may be required in subsequent years.

By way of background, the May 23, 2018 New Jersey Clean Energy Act (CEA) required that no later than five years from its date of enactment, "the [NJBP] shall require the owner or operator of each commercial building over 25,000 square feet in the State to benchmark energy and water use for the prior calendar year using the USEPA Portfolio Manager tool." The purpose of benchmarking is to establish a program that enables building operators to evaluate the efficiency of their energy/water consumption in relation to comparable buildings. While the benchmarking requirement emanates from the CEA, the program is also intended to implement portions of the 2019 New Jersey Energy Master Plan (EMP) that contemplates the development of "transparent benchmarking and energy labeling to spur market-driven energy efficiency improvements."

BPU Staff developed the benchmarking program requirements, which were approved by Board Order dated September 7, 2022. The Order directed Staff to develop the Covered Buildings list from the State's tax assessment database MOD-IV, and to include only commercial property (class 4A) and apartments designed for five families or more (class 4C). The Order further provides a list of exempted properties including vacant properties and properties unoccupied for at least one year. Exemptions can be applied for by submittal of the exemption form provided on the BPU website.

Please contact the author of this Alert for additional information regarding the BPU's energy and water benchmarking reporting requirements or to discuss your specific compliance obligations.

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