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## ASK AN EXPERT

### Ask an Environmental Expert By Brett Slensky Manko, Gold, Katcher & Fox, LLP

**A**s a commercial property owner in New Jersey, what are some of the ways in which the state's most recent Energy Master Plan (EMP) will affect me?



*Brett Slensky*

First, the EMP proposes to dramatically redesign the state's current energy efficiency programs to more effectively target the state's existing commercial building stock. For this market segment, the EMP estimates that a 30 percent energy savings at six in ten large private sector buildings, an average 50 percent energy reduction in seven in ten existing large commercial tenant spaces and a 25 percent energy reduction in all new and renovated office space in New Jersey, will be required to meet the EMP's 2020 energy consumption goals. Policy and program changes currently under consideration relating to this action item include the adoption of

time of sale building energy rating requirements (e.g., the Energy Star Building rating program) and possible mandatory minimum time of sale energy performance standards.

Next, the EMP proposes the development of statewide building codes to result in new construction being at least 30 percent more energy efficient than current code. Pending state legislation (S702), which was referred to the Senate Budget and Appropriations Committee in October 2008,

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authorizes the modification of the state's energy subcode to establish these enhanced energy savings requirements. The proposed legislation requires the added costs of construction as a result of enhanced energy code requirements to be reasonably recoverable (i.e., avoided through energy conversation) within seven years based on energy cost projections supplied in part by the Board of Public Utilities (BPU).

Finally, the EMP proposes the development of a state-wide strategy to achieve net zero carbon emissions for

all new and existing buildings. Specifically, the New Jersey Department of Community Affairs, the BPU and the NJ Department of Environmental Protection are to work together to identify regulatory, statutory and other changes that may be necessary to achieve this goal, and to work with stakeholders to identify reasonable implementation timeframes and milestones (e.g., annual percentage goals) for this action item. The agencies' plan is due to the State Energy Council, the administrative body established by the EMP and responsible to ensure its overall

implementation, by the end of 2009.

Please contact the author (bslensky@mgkflaw.com or 484-430-2322) for more detailed information about the EMP, and how each of these proposed actions are anticipated to impact New Jersey's commercial property owners.

**Brett Slensky is an associate with Manko, Gold, Katcher & Fox, LLP, where he focuses his practice on environmental aspects of commercial transactions, property development, and regulatory compliance matters.**