



November 9, 2023

Via Electronic Mail

Honorable Sherri L. Golden, Secretary
N.J. Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625

Re: In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.
BPU Docket No. GO20090622

Dear Secretary Golden:

New Jersey Natural Gas Company (“NJNG” or the “Company”) respectfully submits this letter petition in lieu of a formal petition with the New Jersey Board of Public Utilities (the “Board” or “BPU”) pursuant to the Board’s Order dated October 25, 2023 to extend the Company’s Triennium 1 program by six (6) months, to December 31, 2024 with a budget of \$76.929 million designed to meet customer demand for the Company’s current Triennium 1 program.¹

Through this letter petition and the accompanying schedules, NJNG seeks Board approval of a six (6)-month extension of its energy-efficiency (“EE”) programs offered through The SAVEGREEN Project® (“SAVEGREEN 2020”) previously approved by the Board on March 3, 2021.² The current SAVEGREEN 2020 programs are set to

¹ In the Matter of the Implementation of P.L. 2018, C. 17 the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150 (October 25, 2023) (“Triennium 1 Six Month Extension Order”).

² In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021 (“March 2021 Order”).

expire on June 30, 2024. With the six (6)-month extension, the SAVEGREEN 2020 programs will terminate on December 31, 2024.

Pursuant to the Triennium 1 Six Month Extension Order, the Company proposes and seeks approval of \$76.929 million in incremental budget for the SAVEGREEN 2020 Program to fund the six (6)-month extension. The proposed budget extension includes \$6.534 million for incremental Operations & Maintenance (“O&M”) expenses for this six (6)-month period. Exhibit A shows the calculation of the incremental budget in compliance with the direction provided by BPU Staff through the Utility Working Group discussions to allow the Company to continue to offer these programs through December 31, 2024 without interruption. The Triennium 1 Six Month Extension Order budget is allocated among the previously Board-approved programs and will be combined with the existing, approved budget to result in the full combined Triennium 1 Budget. This budget combination and allocation is illustrated in Exhibit A.

NJNG Approved Programs

On September 25, 2020, NJNG filed a petition with the Board requesting approval of its EE Programs. On March 3, 2021, the Board issued an Order approving a Stipulation of Settlement for NJNG’s SAVEGREEN 2020 Program. The parties agreed and the BPU approved a SAVEGREEN 2020 Program budget not to exceed \$258.94 million.

The parties further agreed on, and the BPU approved, O&M expenses for the SAVEGREEN 2020 Program, including Administration and Program Development, Sales and Marketing, Training, Audit and Quality Control and Evaluation and Related Research, in an amount not to exceed \$23.46 million.

During the six (6)-month extension period, the Company agrees to abide by all the terms and conditions of the Stipulation of Settlement approved in the March 2021

Order, including, but not limited to, the cost recovery mechanism, calculation of carrying costs, program budget adjustments, committed funds not yet expended by the end of the term and annual filing components.

NJNG requests, for purposes of evaluation and reporting, that the PY3 Extension will be the entire “Extended PY3” which is an 18-month period.

In setting the goal for the Triennium 1 extension period (July 1, 2024 through December 31, 2024) at 50% of the PY3 Goal, the Company’s energy savings goal will be 0.255%. NJNG calculated this goal based on the original goals established for PY3 from the June 10, 2020 Order.³ This is consistent with the direction provided by BPU Staff through the Utility Working Group. For NJNG, the goal for annual energy use reductions will be 1.747 million therms of natural gas.

The Company is also requesting one minor change related to measure category financing limits for the Energy Efficient Products Program. Currently, NJNG was the only utility to impose financing limits for individual measure categories. Feedback from contractors indicates they would strongly prefer to see NJNG operate consistent with the approach the other utilities use of just imposing a project level cap. These contractors have voiced that NJNG’s measure category caps can limit energy efficiency since they have not been updated to reflect the inflationary pressures on equipment costs since those limits were filed in 2020. Therefore, in the interest of consistency with how the other utilities are implementing financing and to support contractor and customer needs, NJNG is requesting to eliminate the measure category financing caps for the duration of the first Triennial, effective the date of the approval of this extension. NJNG would maintain the same overall financing cap of \$15,000 for this period.

³ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040, QO19060748, and QO17091004, Order dated June 10, 2020 (“June 2020 Order”).

NOTICE AND SERVICE
OF FILING

NJNG has electronically served notice and a copy of this filing, together with a copy of the annexed exhibits and supporting schedules being filed herewith, upon the New Jersey Division of Rate Counsel and the Department of Law and Public Safety. Copies of this Petition and supporting exhibits and schedules will also be sent electronically to the persons identified on the service list provided with this filing. Moreover, copies of the Company's filing will be available on the Company's website at: www.njng.com.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

WHEREFORE, NJNG respectfully requests that the Board issue an Order finding that:

1. The six (6)-month extension beyond the current termination date of June 30, 2024 of the previously Board-approved SAVEGREEN Programs, the budget and associated cost recovery mechanism are in the public interest and NJNG is fully authorized to implement and administer these Programs on a regulated basis for an additional six (6)-month term through December 31, 2024 under the terms and conditions set forth in the Board's Order approving the Company's Triennium 1 program, except as otherwise set forth herein;
2. NJNG is authorized to utilize deferred accounting and recover all reasonably incurred costs associated with the SAVEGREEN Programs herein through Rider F to the NJNG tariff;
3. Regarding this program, projects committed and/or started prior to December 31, 2024 may continue for close-out and completion activities;
4. NJNG is authorized to eliminate the measure category financing caps for the Energy Efficient Products Program but retain the original project level cap;
5. For purposes of evaluation and reporting, the PY3 Extension will be the entire "Extended PY3" which is an 18-month period;

6. The PY3 Goal shall be 50% of the original goals established for PY3 from the June 2020 Order; and
7. Granting such other relief as the Board deems just, reasonable and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

A handwritten signature in blue ink that reads "Andrew K. Dembia". The signature is written in a cursive, flowing style.

Andrew K. Dembia, Esq.

Dated: November 9, 2023

AKD:sf

c: Service List

Maximum Budget Calculation:

	Tri 1 Program Budget	PY1 Program Budget (Actual Spend, per filed report)	PY2 Program Budget (Actual Spend, per filed report)	Commitments (as of 6/30/2023)	Remaining Budget	50% / Half Year Value
NJNG	\$258,939,928	\$26,204,162	\$46,453,308	\$32,424,857	\$153,857,601	\$76,928,801

Budget:

Program	Current Approved Triennium 1 Budget (\$M)*	Proposed Extension Budget (\$M)	Total Extended Triennium 1 Budget (\$M)
Behavioral	\$5.229	\$0.841	\$6.07
Efficient Products	\$71.167	\$20.429	\$91.60
Existing Homes	\$34.536	\$10.936	\$45.47
Multifamily	\$24.496	\$8.992	\$33.49
Direct Install	\$46.702	\$14.305	\$61.01
Energy Solutions for Business	\$67.431	\$20.892	\$88.32
Portfolio	\$3.454	\$0.535	\$3.99
Net Transfers	\$5.924	\$0.000	\$5.92
Total Budget	\$258.940	\$76.929	\$335.869
O&M (embedded in the table above)	\$23.460	\$6.534	\$29.994

* Budget reflects current approved Triennium 1 budget, including budget transfers that occurred on October 19th, 2023.

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