New Jersey Natural Gas

December 1, 2023

VIA ELECTRONIC MAIL

Honorable Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE 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.
SECOND TRIENNIUM

BPU DOCKET NO. QO23120868

PUBLIC REDACTED

Dear Secretary Golden:

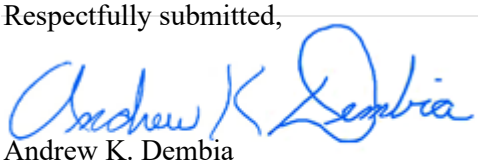
Enclosed for filing, please find the electronic files containing the Public, Redacted version of the petition of New Jersey Natural Gas Company ("Company") for the approval of energy efficiency and the associated cost recovery mechanism.

The Company is providing the Public, Redacted version to the Office of the Secretary and to those on the service list that have not executed the Non-Disclosure Agreement. A copy of the NDA is Schedule NJNG-13 attached to this filing.

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.

Copies of the Confidential petition, including the supporting schedules and testimonies, are also being served electronically upon the New Jersey Division of Rate Counsel and the Division of Law.

Respectfully submitted,



Andrew K. Dembia
Regulatory Affairs Counsel

AKD:sf
Enclosures
C: Service List

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE 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.
SECOND TRIENNIUM

BPU Docket No. QO23120868

SERVICE LIST

NJNG

Mark G. Kahrer *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

James Corcoran *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Anne-Marie Peracchio *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Tina Trebino *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Andrew Dembia *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Judy DeSalvatore *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Todd Van Aken *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Susan Fastuca *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Mary Lou Pardey *
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

NJ BOARD OF PUBLIC UTILITIES

Stacy Richardson *
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Stacy Peterson *
Deputy Executive Director
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Individuals designated with an asterisk "*" have been provided the CONFIDENTIAL filing.

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE 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.
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SERVICE LIST

Steven Athanassopoulos
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Kevin Nedza
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Andrew Tuzzo
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

DIVISION OF RATE COUNSEL

Brian O. Lipman, Director *
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Maura Caroselli, Esq. *
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Sarah H. Steindel, Esq. *
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Mamie W. Purnell, Esq. *
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Megan Lupo, Esq. *
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Carlena Morrison, Paralegal *
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

DEPT. OF LAW & PUBLIC SAFETY – DIVISON OF LAW

Matko Ilic *
Department of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Steven A. Chaplar, DAG *
Department of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex, 7th Floor West
25 Market Street, P.O. Box 112
Trenton, N.J. 08625

Individuals designated with an asterisk "*" have been provided the CONFIDENTIAL filing.

SERVICE LIST

Public Service Electric and Gas Company
Stacy Mickles, Esq.
PSEG Services Corporation
80 Park Plaza, T5
Post Office Box 570
Newark, New Jersey 07102

Jersey Central Power & Light Company
Michael J. Martelo, Esq.
First Energy Corporation
300 Madison Ave, M-MORG-1A
Morristown, NJ 07962-1911

Atlantic City Electric Company
Philip J. Passanante, Esq.
Assistant General Counsel
Atlantic City Electric Company
92DC42
500 North Wakefield Drive
Newark, DE 19702

South Jersey Gas Company and
Elizabethtown Gas Company
Sheree Kelly, Esq.
1 South Jersey Plaza
Folsom, New Jersey 08037
One South Jersey Place
Atlantic City, NJ 08401

Rockland Electric Company
Margaret Comes, Esq.
Associate Counsel
4 Irving Place Suite 1815-S
New York, New York 10003

Individuals designated with an asterisk "*" have been provided the CONFIDENTIAL filing.

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY-EFFICIENCY, BUILDING DECARBONIZATION START-UP AND DEMAND RESPONSE 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.
SECOND TRIENNIUM

PETITION
BPU DOCKET NO. QO23120868

PUBLIC REDACTED

TO: THE HONORABLE COMMISSIONERS OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES

New Jersey Natural Gas Company ("NJNG" or the "Company") respectfully petitions the New Jersey Board of Public Utilities (the "Board" or "BPU") pursuant to the requirements of the Clean Energy Act[1] ("CEA") as set forth in the June 10, 2020 BPU Order[2], as well as the May 24, 2023[3], July 26,

[1] N.J.S.A. 48:3-87.8 et. seq.

[2] 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 ("CEA Order").

[3] In re the Implementation of P.L. 2018, c. 17, The New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re 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; In re: Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated May 24, 2023 ("May 24th Order").

2023[4], and October 25, 2023[5] BPU Orders, as well as N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1, stating as follows:

1. NJNG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the sale, distribution, and transportation of natural gas subject to the jurisdiction of the Board. The Company's principal business office is located at 1415 Wyckoff Road, Wall Township, New Jersey 07719.
2. Communications and correspondence relating to this filing should be sent to:

Mark G. Kahrer, Senior Vice President, Regulatory Affairs

and

Andrew K. Dembia, Esq., Regulatory Affairs Counsel

New Jersey Natural Gas Company

1415 Wyckoff Road, P.O. Box 1464

Wall, N.J. 07719

mkahrer@njng.com
adembia@njng.com

3. Through this Petition ("Exhibit P-1") and the accompanying schedules and testimonies, NJNG seeks BPU approval of energy efficiency ("EE"), Building Decarbonization Start-Up ("BD") and Demand Response ("DR") programs offered through SAVEGREEN® ("SAVEGREEN" or the "Program"), the Company's EE program. The proposed programs are described further herein.

[4] In the Matter of the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040; – 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; and – In the Matter of Electric Public Utilities and Gas Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 – Minimum Filing Requirements, BPU Docket No. QO17091004; Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, Order dated July 26, 2023 ("July 26th Order").

[5] 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, Order dated October 25, 2023 ("October 25th Order").

4. NJNG is seeking Board authority to approve its Program as set forth in the Program Plan ("Exhibit P-5"). The Program Plan refines and expands NJNG's EE programs for the Second Triennial (January 1, 2025, through June 30, 2027)[6] with related implementation costs of $482.4 million allowed as of the effective date of the Board Order approving this filing, along with costs incurred prior to the Order's effective date to support the timely launch of the program. The portfolio of programs is designed to comply with the requirements of the CEA set forth in the CEA Order, as well as the May 24th Order, July 26th Order, and October 25th Order. The changes to the programs and additional funding are required to allow NJNG to meet its obligation for its share of the CEA goal specified in the October 25th Order.
5. NJNG is requesting BPU approval to implement a BD program and a DR program for the Second Triennial with consideration of the guidance provided by the May 24th and July 26th Orders.
6. Exhibit P-1 is supported by the schedules and exhibits attached hereto and made a part of this Petition:

Schedule NJNG-1	Comparative Balance Sheet
Schedule NJNG-2	Comparative Income Statement
Schedule NJNG-3	Balance Sheet
Schedule NJNG-4	Statement of Revenues
Schedule NJNG-5	Pro-Forma Income Statement
Schedule NJNG-6	Payments to Affiliates
Schedule NJNG-7	Consolidated Tax Adjustment (Confidential information subject to NDA)
Schedule NJNG-8	Notice of Filing to Counties and Municipalities
Schedule NJNG-9	Proposed Tariff Sheets

[6] Pursuant to the Board's October 25th Order, Triennium 2 will commence January 1, 2025.

Schedule NJNG-10	Draft Public Notice
Schedule NJNG-11	Accounting Entries
Schedule NJNG-12	Listing of Minimum Filing Requirements
Schedule NJNG-13	Non-Disclosure Agreement
Exhibit P-2	Testimony of Anne-Marie Peracchio (Program Description)
Schedule AMP-1	Savings Target Schedule
Schedule AMP-2	Sales Proportion Schedule
Exhibit P-3	Testimony of James M. Corcoran
Schedule JMC-1	SAVEGREEN Investments
Schedule JMC-2	Cost of Capital
Schedule JMC-3	Revenue Requirements Summary and Projected Bill Impact Workpapers
SAVEGREEN 2023	Tri-2 Revenue Requirement Workpapers
Exhibit P-4	Testimony of Brendon J. Baatz
Exhibit BJB-1	Baatz Resume
Exhibit BJB-2	Cost Effectiveness Analysis Workpapers (Confidential information subject to the NDA)
Exhibit BJB-3	NJNG Energy Savings Target Development
Exhibit BJB-4	Summary of Avoided Emissions Results
Exhibit P-5	Program Plan (Detailed Program Description and other Minimum Filing Requirements)

BACKGROUND

7. On May 23, 2018, Governor Murphy signed the CEA into law. The CEA called for a significant overhaul of New Jersey's energy systems while growing the economy, building sustainable infrastructure, creating well-paying local jobs, reducing carbon emissions, and improving public health to ensure a cleaner environment for current and future residents. The CEA plays a key role in achieving the State's goal of 100% clean energy by establishing aggressive energy reduction requirements, among other clean energy strategies. The CEA emphasizes the importance of EE and peak demand reduction ("PDR") and calls upon New Jersey's electric and gas public utilities to play an increased role in delivering EE and PDR programs to customers.[7] The CEA requires each utility in the State to reduce the use of electricity and natural gas in its service territory by its customers below what would have otherwise been used. Specifically, the CEA directs the BPU to require:

    a. each electric public utility to achieve, within its territory by its customers, annual reductions of at least 2% of the average annual electricity usage in the prior three years within five years of implementation of its electric energy efficiency program; and
    b. each natural gas public utility to achieve, within its territory by its customers, annual reductions in the use of natural gas of at least 0.75% of the average annual natural gas usage in the prior three years within five years of implementation of its gas energy efficiency program.[8]

8. The CEA also calls for the Board to adopt programs that "ensure universal access to energy efficiency measures, and serve the needs of low-income communities . . ."[9]

[7] New Jersey's electric and gas public utilities include Atlantic City Electric Company ("ACE"), Butler Electric Company ("Butler"), Elizabethtown Gas Company ("Elizabethtown"), Jersey Central Power & Light Company ("JCP&L"), NJNG, Public Service Electric and Gas Company ("PSE&G"), Rockland Electric Company ("RECO"), and South Jersey Gas Company ("SJG").

[8] N.J.S.A. 48:3-87.9(a).

[9] N.J.S.A. 48:3-87(g)–(h).

Energy Efficiency Triennium 1 (July 1, 2021 – December 31, 2024)

9. In the CEA Order, the Board approved a transition framework for EE programs implemented pursuant to the CEA, including requirements for the utilities to establish programs that reduce the use of electricity and natural gas within their territories. In the CEA Order, the Board directed New Jersey's electric and gas distribution companies to submit their first respective three (3)-year filings for EE and PDR programs by September 25, 2020 for Board approval by May 1, 2021 and implementation beginning July 1, 2021.[10]

10. By Order dated August 24, 2020, the Board adopted the first New Jersey Cost Test ("NJCT") and directed the utilities to use it to perform benefit-cost analyses during Triennium 1.[11]

11. On September 25, 2020, NJNG filed a petition with the Board requesting approval of their respective EE Programs. On March 3, 2021, the Board issued an Order approving a stipulation of settlement for NJNG's SAVEGREEN 2020 Program.[12]

Energy Efficiency Triennium 2 (January 1, 2025 – June 30, 2027)

12. On May 24, 2023, the BPU directed each electric public utility and gas public utility in the State of New Jersey to propose EE programs for the second three (3)-year cycle of programs ("Triennium 2") to be implemented pursuant to the CEA. Through this May 24th Order and a subsequent July 26th Order, the Board also established certain aspects of the EE Triennium 2 framework namely goals, targets, performance incentive mechanism, energy savings carryover, BD start-up programs ("BD Programs"), and DR programs.[13] The Board further modified the EE Triennium 2 framework as set forth in the October 25th Order.

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[10] Id. at 38.

[11] In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Clean Energy Act of 2018 – New Jersey Cost Test, BPU Docket Nos. QO19010040 and QO20060389, Order dated August 24, 2020 ("NJCT Order").

[12] 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").

[13] May 24th Order.

13. Pursuant to the Board's October 25th Order, Triennium 2 will commence January 1, 2025 and should be designed to cover a 30-month period ending on June 30, 2027.

The SAVEGREEN Program Plan

14. The specific programs are discussed in significant detail in the Exhibit P-5. The Program Plan provides an overview of each of the proposed programs and addresses the applicable Minimum Filing Requirements ("MFRs"). It is grouped into two (2) distinct sections- Core Utility Programs and Additional Utility-Led Programs. The Additional Utility-Led Programs address the Company's proposals for a Next Generation Savings program, as well as BD and DR programs. The remaining MFRs are addressed within supporting testimony and schedules. An overview document indicating where supporting information for each MFR is presented is included as Exhibit P-1 Schedule NJNG-12. A detailed review of the costs and benefits is set forth in the Testimonies of James M. Corcoran, Exhibit P-3, and Brendon Baatz, Exhibit P-4.

15. NJNG requests that the Board approve the following programs set forth in the Program Plan:

    I. Core Programs;

        a. Residential Sector;

            i. Whole Home Program;

            ii. Income Qualified Program;

            iii. Energy Efficient Products Program; and

            iv. Behavioral Program.

        b. Commercial and Industrial Sector;

            i. Energy Solutions Program;

            ii. Prescriptive & Custom Program; and

            iii. Direct Install Program;

        c. Multifamily Sector

            i. Multifamily Program;

II. Additional Utility-Led Initiatives;

a. Next Generation Savings;

b. Building Decarbonization Start-Up; and

c. Demand Response

16. NJNG requests an exemption from Benefit-Cost Analysis ("BCA") for its Next Generation Savings program and the Demand Response program. The Next Generation Savings program is designed to help advance technologies that are ready for market adoption but need additional support for broader market acceptance. The investments made under this program are intended to implement technologies and strategies that may be able to play a bigger role in securing cost-effective energy savings in future triennials. Because there are varying technologies that will comprise the Next Generation Savings program, it is not possible to quantify the potential savings for this program. The Demand Response program is also appropriate to be exempt from this requirement because of the uncertainty of the benefits for residential gas demand programs. While there have been a few residential gas demand programs at other natural gas utilities, there is not yet a strong pool of independently verified data to help develop an informed estimate of the benefits. Since the benefits cannot easily be produced, this program should also qualify for an exemption. MFR I.f. provides for such an exemption and specifically cites "programs that introduced novel ideas where documentation supporting estimated costs/benefits may not easily be produced" as an example of a qualifying exemption. Based upon MFR I.f., the Next Generation Savings program and the Demand Response program qualifies for said exemption.

Cost Recovery Mechanism

17. NJNG is requesting that the BPU approve the continued use of deferred accounting for all costs associated with the SAVEGREEN Programs, including the costs of the grants, customer incentives, Operation & Maintenance ("O&M") expenses, amortization expense, return on investments and income taxes.[14] The recovery of those costs shall be through a per-therm charge applicable to all jurisdictional volumes through NJNG's system. The investments associated with the SAVEGREEN Programs will be amortized over a ten (10)-year period for the direct investments and over seven (7)- or ten (10)-year periods for OBR from the month in which they are incurred. It is proposed that the recovery be through the previously approved Rider F of the NJNG Tariff, the mechanism in place for the recovery of costs for SAVEGREEN. The cost recovery mechanism is discussed in further detail in Mr. Corcoran's Direct Testimony, Exhibit P-3.

18. NJNG is also requesting that the rates set forth herein be effective on January 1, 2025, the commencement date of the EE Triennium 2 Program.

[14] In The Matter of Energy Efficiency Programs and Associated Cost Recovery Mechanisms; In the Matter of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanisms, BPU Docket Nos. EO09010056 & EO09010057 ("July 2009 Order"). The July 2009 Order and all subsequent orders have also addressed the recovery of the costs necessary to deliver SAVEGREEN Programs to customers, including grants, incentives, incremental O&M expenses and investment-related carrying costs and income taxes. Specifically, the Company was authorized to implement the EE Rider to its Tariff, designated as Rider F, which enables the recovery of SAVEGREEN program offerings.

19. Consistent with the CEA Order and as agreed to by the Signatory Parties and authorized in the September 2010[15], January 2012[16], June 2013[17], July 2015[18], June 2016[19], September 2018[20] and March 2021 Orders, the Company proposes that any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. In the event that commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket Nos. GR21030679 & GR21030680, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based on the average beginning and ending over/under recovery balances for the month, on a net-of-tax basis and shall be rolled into the EE balance at the end of each EE recovery year.

20. As with the current Board-approved SAVEGREEN cost recovery mechanism, NJNG will submit, for approval by the Board, an annual filing to establish future rates for Rider F. In that filing the Company will provide a reconciliation of the SAVEGREEN recoveries to actual investments and operating costs incurred. Any federal or state benefits, if applicable, received by the Company

[15] In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010 ("September 2010 Order").

[16] In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 19, 2012 ("January 2012 Order").

[17] In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1 and In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013 ("June 2013 Order").

[18] In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated July 23, 2015 ("July 2015 Order").

[19] In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated June 29, 2016 ("June 2016 Order").

[20] In re the Petition of New Jersey Natural Gas Company for Approval of Existing and New Energy Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030355, Order dated September 17, 2018 ("September 2018 Order").

and associated with the SAVEGREEN Programs will be used to reduce the revenue requirement or costs to be collected from ratepayers.

21. The Company has made a good faith effort to include transfers from NJNG, as Lead Utility, to our Partner Utilities, i.e., Jersey Central Power & Light ("JCP&L), Public Service Electric & Gas Company ("PSE&G"), and Atlantic City Electric ("ACE") and for transfers from JCP&L, PSE&G, and ACE as the Lead Utility for gas measures installed in their programs in NJNG's territory. The costs for these transfers, both to and from NJNG, are highly volatile due to marketplace challenges and complexity of predicting where projects will be implemented.

Procedural Matters

22. The May 2008 Order[21], as modified by and superseded by the Board's 2017 MFR Order[22], which was then superseded by the CEA Order, and further supplemented by the July 26th Order, established that certain information must be included in any petition for approval to offer EE programs in order to permit a comprehensive review of these filings by BPU Staff and the New Jersey Division of Rate Counsel ("Rate Counsel") within the statutorily designated 180-day review period.[23] The MFRs detail the information, analyses, and data that generally must be included within such a filing. Attached hereto as Schedule NJNG-12 is a listing of the MFRs and the locations within NJNG's filing where the respective information can be found.

23. The May 2008 Order also requires that a utility must meet with Board Staff and Rate Counsel at least 30 days in advance of submitting a filing to provide an overview of the elements and cost recovery mechanism proposed. Accordingly, the electric and gas distribution utilities, including

[21] I/M/O Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing In Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant To N.J.S.A. 48:3-98.1, BPU Docket. No. EO08030164, Order dated May 8, 2008 ("May 2008 Order").

[22] In the Matter of Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class 1 Renewable Energy Resources Pursuant to N.J.S.A. 48:3-98.1 – Minimum Filing Requirements, BPU Docket No. QO17091004, Order dated October 17, 2017 ("2017 MFR Order").

[23] Pursuant to the October 25th Order, the 180-day review period has been extended by the BPU to 260 days.

NJNG, jointly conferred with representatives of various divisions within the BPU, Rate Counsel, and the Division of Law within the Department of Law and Public Safety ("Division of Law") on August 29, 2023, and continued on September 5, 2023, to provide an overview of the programs and cost recovery mechanism proposed within this filing.

24. On September 15, 2023, NJNG individually conferred with representatives of various divisions within the BPU, Rate Counsel, and the Division of Law to provide an overview of the NJNG specific programs and cost recovery mechanism proposed within this filing.

25. The Joint Utilities met with Board Staff and Rate Counsel representatives on November 28, 2023, during a Joint Utility Working Group Session to provide an updated overview of the filing as a result of the modifications set forth in the October 25th Order.

26. Attached hereto and made part of this Petition is a draft form of public notice (Schedule NJNG-10) that will be published in papers of general circulation within NJNG's service territory providing notice to customers of this filing and the details about the public hearing that will be scheduled. A proposed notice to counties and municipalities within the service territory is attached as Schedule NJNG-8.

27. NJNG has proposed some modifications of its EE programs to meet the obligations and policy objectives of the CEA Order with the modifications addressed herein and within the supporting documents. The Company reserves the right to amend this filing should that be necessitated by future modifications or changes to the current New Jersey's Clean Energy Program ("NJCEP") offerings, incentives, grants, program management, evaluation, statewide policies, overall budget, and/or coordination with other utilities and state agencies at any time during the review period. Since NJNG anticipates that any amendment would serve to better align its program with State policy, the Company requests that such amendment be addressed within the original 180-day period.

28. During the proceeding initiated by this filing, NJNG will submit any confidential, proprietary, or competitively sensitive information not covered by privilege once a mutually agreed-upon Non-Disclosure Agreement ("NDA") has been executed by and among the Company, Board Staff, Rate Counsel and its and/or their consultants, and any permitted intervenors. An executed NDA has been included as part of this filing as Schedule NJNG-13 to Exhibit P-1.

29. A summary of the results of the BCA is provided in Exhibit P-4, Schedule BJB-2. Detailed workpapers supporting the BCA are contained in a proprietary model and will be provided to those parties who execute the NDA.

NOTICE AND SERVICE OF FILING:

30. 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 Rate Counsel and the Department of Law. 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.

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

a. The SAVEGREEN Programs proposed by NJNG 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 at least two-and-one-half (2.5) years with the budget of $482.4 million under the terms and conditions set forth in this Petition, as well as the Exhibits and Schedules attached thereto;

b. 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;

c. NJNG is authorized to implement the rates proposed herein effective January 1, 2025 as set forth herein;

d. The return and associated taxes on the investments related to the SAVEGREEN Programs herein will be set pursuant to NJNG's overall Weighted Average Cost of Capital as authorized by the BPU in the most recent NJNG base rate case (Docket Nos. GR21030679 & GR21030680);

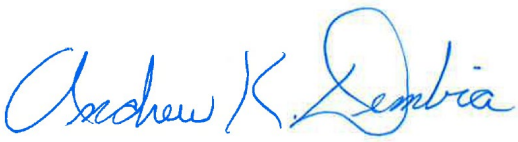
e. Regarding this program, projects committed and/or started prior to June 30, 2027, may continue for close-out and completion activities;

f. Ratification that NJNG's Next Generation Savings program and Demand Response program are exempt from the Benefit-Cost Analysis;

g. Granting such other relief as the Board deems just, reasonable and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY



By: _____
Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

Dated: December 1, 2023

STATE OF NEW

JERSEY (COUNTY OF MONMOUTH)

VERIFICATION

MARK G. KAHRER of full age, being duly sworn according to law, on his oath deposes and says:

1. I am Senior Vice President, Regulatory Affairs for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.

2. I have read the annexed Petition, along with the Exhibits attached thereto, and the matters and things contained therein are true to the best of my knowledge, information and belief.

Mark G. Kahrer
Senior Vice President, Regulatory Affairs

Sworn and subscribed to before me
this 1st day of December 2023

ANDREW K. DEMBIA, Esq.
ATTORNEY AT LAW
STATE OF NEW JERSEY

New Jersey Natural Gas
Comparative Balance Sheet

Description	December 2022 Balance	December 2021 Balance	December 2020 Balance
Utility Plant Net	3,230,178	3,023,126	2,710,872
Non-Utility Net	475	487	499
Total Plant	3,230,653	3,023,613	2,711,371
Current and Accrued Assets			
Cash and Temporary Investments	1,554	2,447	2,238
Customer Accounts Receivable	200,676	151,394	129,016
Unbilled Revenue	106,581	71,542	51,720
Accumulated Provision for Uncollectible Accts	(7,901)	(17,048)	(9,421)
Materials and Supplies	16,401	14,730	15,762
Gas in Storage	152,010	110,673	98,434
Prepayments	46,105	25,997	50,273
Derivatives	5,603	5,266	11,023
Interest and Dividends Receivable	0	35	0
Total Current Assets	521,029	365,036	349,045
Deferred Charges			
Regulatory Assets	423,217	441,777	469,316
Other	18,963	30,860	13,950
Total Deferred Charges	442,180	472,637	483,266
Total Assets	4,193,862	3,861,286	3,543,682
Capitalization			
Common Stock Equity	(1,663,086)	(1,469,378)	(1,360,389)
Long-Term Debt	(1,417,845)	(1,192,845)	(1,092,845)
Total Capitalization	(3,080,931)	(2,662,223)	(2,453,234)
Current Liabilities			
Current Portion Of L/T Debt	-	-	-
Short-Term Debt	(111,800)	(177,400)	(14,350)
Accts Payable-Gas Purchases	-	-	-
Accts Payable-Other	(106,544)	(119,148)	(108,651)
Accrued Taxes	10,775	16,605	18,183
Derivatives	(2,818)	(2,340)	(3,182)
Customer Deposits	(14,566)	(14,034)	(13,222)
Misc Current Liabilities	(40,939)	(42,323)	(48,314)
Total Current Liabilities	(265,892)	(338,640)	(169,536)
Noncurrent Liabilities			
Deferred Incomes Taxes	(406,275)	(378,551)	(333,896)
Deferred Investment Tax Credits	(1,911)	(2,115)	(2,354)
Manufactured Gas Plant Remediation	(125,718)	(126,872)	(148,000)
Capital Leases	(28,319)	(28,801)	(59,642)
Postretirement Employee Benefit Liability	(49,716)	(91,880)	(152,120)
Tax Act Impact	(184,112)	(189,131)	(194,571)
Other Deferred Credits	(803)	(1,290)	(938)
Asset Retirement Obligation	(50,185)	(41,783)	(29,392)
Other			
Total Noncurrent Liabilities	(847,039)	(860,423)	(920,912)
Total Capitalization & Liabilities	(4,193,862)	(3,861,286)	(3,543,682)

NEW JERSEY NATURAL GAS COMPANY

COMPARATIVE INCOME STATEMENTS

	December 31, 2022	December 31, 2021	December 31, 2020
Revenue	$ 1,270,213	$ 856,392	$ 748,212
Operation	$ 859,109	$ 544,722	$ 436,583
Maintenance	22,678	19,115	15,308
Depreciation & Amortization	96,515	83,769	74,323
Income Taxes	41,288	23,891	26,572
Taxes Other than Income Taxes	64,179	50,572	47,227
Operating Expenses Total	$ 1,083,769	$ 722,069	$ 599,923
Operating Income	$ 186,444	$ 134,323	$ 148,290
Other Income	$ 6,121	$ 13,940	$ 17,201
Other Income Deductions	$ (251)	$ 267	$ 668
Taxes Other Income and Deductions	$ -	$ -	$ 159
Interest Charges	$ 49,108	$ 39,008	$ 32,151
Net Income	$ 143,708	$ 108,988	$ 132,513

New Jersey Natural Gas
Balance Sheet
As June 30, 2023

Description	June 2023 Balance
Utility Plant Net	3,373,102
Non-Utility Net	469
Total Plant	3,373,571
Current Assets	
Cash and Temporary Investments	832
Customer Accounts Receivable	127,774
Unbilled Revenue	10,583
Accumulated Provision for Uncollectible Accts	(9,419)
Materials and Supplies	26,163
Gas in Storage	118,776
Prepayments	7,180
Derivatives	6,774
Interest and Dividends Receivable	12
Total Current Assets	288,675
Deferred Charges	
Regulatory Assets	475,926
Other	49,238
Total Deferred Charges	525,164
Total Assets	4,187,410
Capitalization	
Common Stock Equity	(1,789,673)
Long-Term Debt	(1,417,845)
Total Capitalization	(3,207,518)
Current Liabilities	
Current Portion of L/T Debt	-
Short-Term Debt	(10,700)
Accts Payable-Gas Purchases	-
Accts Payable-Other	(80,046)
Accrued Taxes	38,088
Derivates	4,905
Customer Deposits	(14,933)
Misc Current Liabilities	(47,487)
Total Current Liabilities	(110,173)
Noncurrent Liabilities	
Deferred Income Taxes	(436,834)
Deferred Investment Tax Credits	(1,772)
Manufactured Gas Plant Remediation	(123,070)
Capital Leases	(24,707)
Postretirement Employee Benefit Liability	(48,924)
Tax Act Liability	(181,602)
Other Deferred Credits	(2,029)
Asset Retirement Obligation	(50,781)
Other	
Deferred Noncurrent Liabilities	(869,719)
Total Capitalization & Liabilities	(4,187,410)

NEW JERSEY NATURAL GAS COMPANY
GAS REVENUE BY CLASS OF BUSINESS
TWELVE MONTHS ENDED JUNE 30, 2023

Residential:			
	Residential Service	$	637,485,679
	Transportation		11,715,274
Commercial:			
	Commercial Service		140,088,044
	Transportation		67,731,152
Industrial:			
	Interruptible		0
	Transportation		844,743
Street and Yard Light Service			2,708
Off-System Sales and Other			231,437,248
CIP Rider Revenue			5,841,731
Total Revenue By Class Of Business		**$**	**1,095,146,578**

New Jersey Natural Gas
SAVEGREEN 2023 Program

Income Statement and Balance Sheet

Fiscal Year	2024-2025	2026	2027	2028	2029
Investments					
A. Income Statement					
Operating Revenue	$ 24,973,330	$ 24,069,948	$ 22,061,333	$ 19,837,005	$ 17,886,095
Operating Expense					
Operations & Maintenance	$ -	$ -	$ -	$ -	$ -
Depreciation & Amortization	12,008,014	12,582,408	12,728,553	12,728,553	12,728,553
Income Taxes	2,928,525	2,594,734	2,108,031	1,605,613	1,164,954
Interest Expense	1,247,321	1,140,902	989,204	825,915	664,582
Total Operating Expense	16,183,860	16,318,044	15,825,787	15,160,081	14,558,088
Net Income	$ 8,789,471	$ 7,751,904	$ 6,235,546	$ 4,676,924	$ 3,328,007
B. Balance Sheet					
Assets					
Property, Plant & Equipment	$ 123,560,757	$ 127,056,910	$ 127,285,528	$ 127,285,528	$ 127,285,528
Less: Accum Depreciation	$ (29,918,459)	$ (42,500,868)	$ (55,229,420)	$ (67,957,973)	$ (80,686,526)
Net Property, Plant & Equipment	93,642,298	84,556,042	72,056,107	59,327,555	46,599,002
Deferred Tax Asset	$ (25,344,448)	$ (23,422,156)	$ (20,254,972)	$ (16,676,976)	$ (13,098,979)
Total Assets	68,297,849	61,133,886	51,801,136	42,650,579	33,500,022
Liabilities & Capitalization					
Liabilities:					
Deferred Income Taxes	(25,344,448)	(23,422,156)	(20,254,972)	(16,676,976)	(13,098,979)
Capitalization:	-	-	-	-	-
Debt	43,075,457	38,895,779	33,145,809	27,290,675	21,435,541
Common Equity	50,566,841	45,660,263	38,910,298	32,036,880	25,163,461
Total Capitalization	93,642,298	84,556,042	72,056,107	59,327,555	46,599,002
Total Liabilities & Capitalization	68,297,849	61,133,886	51,801,136	42,650,579	33,500,022

New Jersey Natural Gas
SAVEGREEN 2023 Program

Income Statement and Balance Sheet

Fiscal Year	2030	2031	2032	2033	2034	2035	2036
Investments							
A. Income Statement							
Operating Revenue	$ 16,303,355	$ 14,885,940	$ 11,757,800	$ 7,598,603	$ 2,970,536	$ 749,482	$ 148,813
Operating Expense							
Operations & Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation & Amortization	12,728,553	12,597,605	10,493,863	7,074,157	2,838,140	720,539	146,144
Income Taxes	807,454	516,875	285,490	118,459	29,905	6,537	603
Interest Expense	503,249	342,169	194,414	83,964	23,079	5,254	500
Total Operating Expense	14,039,256	13,456,649	10,973,768	7,276,580	2,891,124	732,330	147,247
Net Income	$ 2,264,100	$ 1,429,292	$ 784,032	$ 322,023	$ 79,412	$ 17,151	$ 1,565
B. Balance Sheet							
Assets							
Property, Plant & Equipment	$ 127,285,528	$ 127,285,528	$ 127,285,528	$ 127,285,528	$ 127,285,528	$ 127,285,528	$ 127,285,528
Less: Accum Depreciation	$ (93,415,079)	$ (106,012,684)	$ (116,506,547)	$ (123,580,705)	$ (126,418,845)	$ (127,139,384)	$ (127,285,528)
Net Property, Plant & Equipment	33,870,449	21,272,844	10,778,980	3,704,823	866,683	146,144	-
Deferred Tax Asset	$ (9,520,983)	$ (5,979,796)	$ (3,029,971)	$ (1,041,426)	$ (243,625)	$ (41,081)	$ 0
Total Assets	24,349,466	15,293,047	7,749,009	2,663,397	623,059	105,063	0
Liabilities & Capitalization							
Liabilities:							
Deferred Income Taxes	(9,520,983)	(5,979,796)	(3,029,971)	(1,041,426)	(243,625)	(41,081)	0
Capitalization:	-	-	-	-			
Debt	15,580,407	9,785,508	4,958,331	1,704,219	398,674	67,226	-
Common Equity	18,290,043	11,487,336	5,820,649	2,000,605	468,009	78,918	-
Total Capitalization	33,870,449	21,272,844	10,778,980	3,704,823	866,683	146,144	-
Total Liabilities & Capitalization	24,349,466	15,293,047	7,749,009	2,663,397	623,059	105,063	0

NEW JERSEY NATURAL GAS COMPANY
PAYMENTS AND ACCRUALS TO AFFILIATE COMPANIES

THE ATTACHED WORKSHEETS INCLUDES THE PAYMENTS AND ACCRUALS
TO THE FOLLOWING AFFILIATE COMPANIES OF NEW JERSEY RESOURCES (NJR):

	FOR THE TWELVE MONTHS ENDED		
	Jun-23	Dec-22	Dec-21
NJR SERVICE COMPANY TO NJNG	$ 49,629	$ 48,305	$ 48,200
NJR SERVICE COMPANY TO NJR ENERGY SERVICES, INCLUDING NJNG TO NJR ENERGY SERVICES	$ 4,164	$ 4,659	$ 5,370
NJR SERVICE COMPANY TO NJR HOME SERVICES, INCLUDING NJNG TO NJR HOME SERVICE	$ 6,486	$ 6,508	$ 6,892
NJR SERVICE COMPANY TO NJR CR&R, INCLUDING NJNG TO COMMERCIAL REALITY & RESOURCES	$ 127	$ 106	$ 53
NJR SERVICE COMPANY TO MIDSTREAM, INCLUDING NJNG TO MIDSTREAM	$ 4,976	$ 4,456	$ 3,768
NJR SERVICE COMPANY TO NJR CLEAN ENERGY VENTURES, INCLUDING NJNG TO NJR CLEAN ENERGY VENTURES	$ 5,821	$ 5,921	$ 5,275
NJR SERVICE COMPANY TO NJR RETAIL COMPANY, INCLUDING NJNG TO NJR RETAIL	$ 224	$ 206	$ 34
Total	$ 71,427	$ 70,161	$ 69,592

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE 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.
SECOND TRIENNIUM

BPU DOCKET NO. QO23120868

CONTAINS CONFIDENTIAL INFORMATION

REDACTED

SCHEDULE NJNG-7

<<ADD DATE>>

To: County Clerks, Municipal Clerks and County Administrators

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF ENERGY EFFICIENCY, BUILDING DECARBONIZATION START UP AND DEMAND RESPONSE 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. SECOND TRIENNIUM	)	**NOTICE OF PETITION** **BPU DOCKET NO. QO23120868**

Pursuant to law, New Jersey Natural Gas Company (the "Company") is providing you with notice of a filing made on December 1, 2023 with the New Jersey Board of Public Utilities for approval of Energy-Efficiency, Building Decarbonization Start Up and Demand Response programs and the associated cost recovery mechanisms. You can download the filing from the Company's website at http://www.njng.com/regulatory/filings.asp

Respectfully,

Andrew K. Dembia
Regulatory Affairs Counsel

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 51

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 51*

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

This service is available to any residential Customer in the territory served by the Company using gas for any domestic purpose. This rate is applicable to individually-metered apartments and to rooming and boarding houses where the number of rental bedrooms is not more than twice the number of bedrooms used by the Customer.

Gas delivered under this schedule may not be used for other than domestic purposes except when such use is incidental to domestic use.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$11.00

Delivery Charge:

Residential Heating

Delivery Charge per therm	$0.97739~~9500~~

Residential Non-Heating

Delivery Charge per therm	$0.92408~~8967~~

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 53

BPU No. 11 - Gas

Superseding Fifth~~Fourth~~ Revised Sheet No. 53

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

This service is available to any residential customer using distributed generation technologies including, but not limited to, microturbines and fuel cells to generate electricity for domestic purposes.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$11.00

Delivery Charge:

November - April	$0.44804~~207~~
May - October	$0.39473~~674~~

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 55

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 55*

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses less than 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision I.2, the Company may, upon application by the Customer, meter the space heating and CAC use separately. Street Lighting Service also will be supplied under this schedule (Special Provision II.1).

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$42.00

Delivery Charge:

Delivery Charge per therm	$0.8682~~8409~~

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 56

BPU No. 11 - Gas

Superseding Fifth~~Fourth~~ Revised Sheet No. 56

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

SPECIAL PROVISIONS

I. *Applicable to All Customers Under This Service Classification*

1. ***Annual Review***
The Company shall review, at least once a year, each GSS Customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service – Large ("GSL") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is greater than or equal to 5,500 therms, the customer will be switched to GSL prospectively.

2. ***Air Conditioning and Pool Heating***
Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.4819~~4820~~) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.3863~~3589~~ per therm, which includes $0.1096 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

Commercial Air Conditioning and Pool Heating ("CAC") customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

Where a CAC Customer uses gas under this service classification in a direct-fired chiller/heater and the heating load is metered through the same meter as the cooling, air conditioning or pool heating load, and further, where the gas used for heating is billed separately, the GSS Customer Charge shall be waived, provided the Customer pays the Customer Charge under its heating service in all twelve (12) months of the year.

3. ***Veterans' Organization Service***
Pursuant to N.J.S.A 48:2-21.41, when natural gas service is delivered to a customer that is a Veterans' Organization, serving the needs of veterans of the armed forces, the customer may apply and be eligible for billing under this Special Provision.

a. Each customer shall be eligible for billing under this Special Provision upon submitting an Application for Veterans' Organization Service under this Service Classification and by qualifying as a "Veterans' Organization" as defined by N.J.S.A. 48:2-21.41 as "an organization dedicated to serving the needs of veterans of the armed forces that: is chartered under federal law, qualifies as a tax exempt organization under paragraph (19) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501 (c)(19), or that is organized as a corporation under the 'New Jersey Nonprofit Corporation Act,' N.J.S.15A:1-1 et seq." Under N.J.S.A. 48: 2-21.41, a qualified Veterans' Organization shall be charged the residential rate for service delivered to the property where the Veterans' Organization primarily operates, if the residential rate is lower than the commercial rate for service at that property.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 57

BPU No. 11 - Gas

Superseding Fifth~~Fourth~~ Revised Sheet No. 57

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

The Customer shall furnish satisfactory proof of eligibility of service under this Special Provision to the Company. Once proof of eligibility is determined by the Company, service under this Special Provision shall begin with the next billing cycle following receipt of the Application.

b. The Customer will continue to be billed on this Service Classification. At least once annually, the Company shall review eligible customers' Customer Charges and Delivery Charges under this Special Provision for all relevant periods. If the comparable Customer Charges and Delivery Charges under Service Classification Residential Service (RS) are lower than the charges under their current Service Classification, a credit in the amount of the difference will be applied to the Customer's next bill.

4. **Metering**

An Automated Meter Reading (AMR) device will not be required for this service. However, the Company reserves the right to install an AMR device at its own expense. Should the Company decide to install an AMR, the Customer shall furnish the necessary infrastructure to support the AMR, including, but not limited to, an electrical supply and phone line, or data plan, for the operation of the device, in an area acceptable to the Company.

When a remote meter reading device is requested by the Customer, it shall be installed at the Customer's expense if the installation is deemed feasible by the Company.

Should the Company decide to install an AMR or a Customer request an AMR, the installation shall be in accordance with Paragraph 6.10 of the Standard Terms and Conditions.

II. *Applicable to All Customers Purchasing Gas Supply Under Rider "A" BGSS*

1. **Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is $0.80777~~7804~~ per therm.

III. *Applicable to All Customers Purchasing Gas Supply from a Third Party Supplier*

1. **Additional Requirements**

Service is subject to the terms and conditions of the Third Party Supplier Requirements section of this Tariff (Service Classification – TPS) and Section 10 of the Company's Standard Terms and Conditions.

TERMS AND CONDITIONS

Service is subject to the Company's Standard Terms and Conditions of this Tariff.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 58

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 58*

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses greater than or equal to 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision I.4, the Company may, upon application by the Customer, meter the space heating and CAC use separately.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$104.00

Demand Charge:

Demand Charge per therm applied to HMAD	$3.41

Delivery Charge:

Delivery Charge per therm	$0.6465~~6192~~

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 59

BPU No. 11 - Gas

Superseding Fifth~~Fourth~~ Revised Sheet No. 59

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE (continued)

SPECIAL PROVISIONS

I. *Applicable to All Customers in this Service Classification*

1. ***Determination of Demand***

The highest monthly average daily usage (HMAD) that occurs in any billing period will be used to calculate the Demand Charge. The HMAD shall be determined based upon the Customer's highest normalized average daily usage for a month in the most recent twenty-four (24) month period. Estimated data may be used when actual data is not available. At least once a year, the Company shall review and modify, if necessary, each GSL customer's HMAD based upon the most recent twenty-four (24) months of billing information. Any modification will be on a prospective basis. The Company reserves the right to determine the HMAD for any Customer by actually metering daily usage.

2. ***Metering***

An Automated Meter Reading (AMR) device with daily meter reads will not be required for this service. However, the Company reserves the right to install an AMR if it believes such a device will provide a more accurate HMAD than the Determination of Demand set forth above. Should the Company decide to install an AMR, the Customer shall furnish the necessary infrastructure to support the AMR, including, but not limited to, an electrical supply and phone line, or data plan, for the operation of the device, in an area acceptable to the Company.

When a remote meter reading device is requested by the Customer, it shall be installed at the Customer's expense if the installation is deemed feasible by the Company.

Should the Company decide to install an AMR or a Customer request an AMR, the installation shall be in accordance with Paragraph 6.10 of the Standard Terms and Conditions.

3. ***Annual Review***

The Company shall review, at least once a year, each GSL customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service - Small ("GSS") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is less than or equal to 4,500 therms, the Customer will be switched to GSS prospectively.

4. ***Air Conditioning and Pool Heating***

Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.2602~~2603~~) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.3863~~3589~~ per therm which includes $0.1096 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

Commercial Air Conditioning and Pool Heating ("CAC") Customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 61

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 61*

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

This service is available to any customer who would otherwise qualify for service under Service Classifications GSS, GSL, IS, or NGV. The Company may require the Customer to provide to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$350.00

Demand Charge:

Demand Charge per therm applied to MDQ	$2.50

Delivery Charge:

Delivery Charge per therm	$0.2289~~2016~~

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 64

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 64*

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

This service is available to any commercial customer using distributed generation technologies including, but not limited to, microturbines and fuel cells.

CONDITIONS PRECEDENT

If the Customer is served by a Third Party Supplier, the Third Party Supplier assumes the responsibility for all delivery requirements. The Company may require the Customer to provide, to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems. The Customer is responsible for payment of any costs if additional facilities, exclusive of metering facilities, are necessary to provide service. The Company reserves the right to limit new customers served under this service, if it determines that service expansion is detrimental to existing firm customers. The Customer must demonstrate that qualifying electric generation equipment has been installed at its location.

MONTHLY RATES

	DGC-Balancing	DGC-FT
Customer Charge:		
Customer Charge per meter per month	$104.00	$104.00
Demand Charge:		
Demand Charge per therm applied to PBQ	$2.35	$2.35
Delivery Charge per therm:		
November - April	$0.3457~~3184~~	$0.2191~~1918~~
May - October	$0.3131~~2858~~	$0.1865~~1592~~
BGSS Charge:		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS. For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 69

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 69*

SERVICE CLASSIFICATION - EGS

ELECTRIC GENERATION SERVICE

AVAILABILITY

This service is available to any existing or new customer who uses greater than or equal to 10,000 therms daily for the sole purpose of generating electricity.

MONTHLY RATES

Customer Charge:

	Without SUT	With SUT
Customer Charge per month	$877.26	$935.38

Demand Charge:

	Without SUT	With SUT
Demand Charge per therm applied to MDQ	$1.5132	$1.6134

Delivery Charge:

	Without SUT	With SUT
Delivery Charge per therm	$0.1377~~1121~~	$0.1467~~1194~~

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, applicable taxes, assessments or similar charges lawfully imposed by the Company. Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E and H and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

NEW JERSEY NATURAL GAS COMPANY

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

This service is available to any residential or commercial customer for the purpose of fueling natural gas vehicles at Company owned and operated compressed natural gas ("CNG") re-fueling facilities ("Company facilities") and at separately metered Customer owned and operated CNG re-fueling facilities ("Customer owned facilities").

CONDITIONS PRECEDENT

The Customer must sign a service agreement which sets forth the vehicles to be served to be eligible for this service.

DEFINITION OF TERM USED HEREIN

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE

Firm sales gas service where Customer who uses Company facilities purchases gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"). Firm sales or transportation gas service where Customer who uses Customer owned facilities purchases gas supply pursuant to the Company's Rider "A" for BGSS or from a Third Party Supplier, respectively.

LICENSING, PERMITS AND LEGAL REQUIREMENTS

Customers installing CNG re-fueling facilities on their premises must meet all applicable licensing, permitting and other legal requirements associated with owning and operating CNG refueling facilities. The failure of the customer to comply with this provision may result in the Company suspending or terminating gas service to such facilities without further liability.

MONTHLY RATES

	Gas Available at Company Facilities	Customer Owned Facilities
Customer Charge:		
Residential Customer Charge per meter per month	N/A	$11.00
Commercial Customer Charge per meter per month	N/A	$104.00
Delivery Charge:		
Delivery Charge per therm	$0.40594332 ($0.542507 per GGE)	$0.43324059 ($0.542507 per GGE)

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 81

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 81*

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

This service is applicable to Commercial and Industrial Customers whose minimum connected load is not less than 150 therms per hour, provided that gas is used only at locations where the Company has 1) adequate distribution facilities and 2) an adequate supply of natural gas. Customers will be required to specify that they have alternate fuel facilities installed in operating condition with an adequate fuel supply, as discussed in Special Provision 1.

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$572.98

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm	$0.19441~~671~~

Customers without Alternate Fuel

Delivery Charge per therm	$0.43524~~079~~

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge applicable shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 99

BPU No. 11 - Gas

Superseding Fifth~~Fourth~~ Revised Sheet No. 99

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

AVAILABILITY

This service is available to any customer who would otherwise qualify for service under Service Classifications RS, GSS, GSL, FT, IS, or NGV and who will utilize natural gas for the purpose of fueling natural gas vehicles at Company owned compressed natural gas re-fueling facilities operated by the Customer on its property ("Host Customer").

Availability of this Service Classification is subject to the terms and conditions approved in BPU Docket No. GR11060361. This Service Classification is closed.

CONDITIONS PRECEDENT

The Host Customer must sign an Agreement with the Company. The Host Customer must provide assurance that it will use initially at least twenty (20) percent of the re-fueling facility's capacity. The Host Customer must agree to provide the general public with reasonable access to a re-fueling facility for purposes of fueling the general public's natural gas vehicles.

DEFINITION OF TERM USED HEREIN

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE

Firm gas service where Host Customer may purchase gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"), from the Company through a contract, or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$104.00

Delivery Charge:

Delivery Charge per therm	$0.6465~~6192~~ ($0.808~~774~~ per GGE)

BGSS Charge:

Monthly BGSS Charge per therm for Sales Customers without a gas supply contract	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 99

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 99*

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

Where service is taken for less than one month, the minimum charge will be prorated.

NEW JERSEY NATURAL GAS COMPANY

First Revised Sheet No. 172

BPU No. 11 - Gas *Superseding ~~Original~~ Sheet No. 172*

RIDER "F"

ENERGY EFFICIENCY - EE

AVAILABILITY

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	EGS	Electric Generation Service
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial	CNG	Compressed Natural Gas

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Energy Efficiency ("*EE")* Rider and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

The EE rate is for recovering authorized expenditures related to the energy ~~-~~efficiency, building decarbonization, and demand response programs as approved in BPU Docket Nos. GO10030225, GR11070425, GO12070640, GR12070641, GO14121412, and GO18030355, (collectively referred to as "SAVEGREEN ~~Energy Efficiency~~ Programs Established 2010-2018"), ~~and~~ GO20090622 ("SAVEGREEN~~Energy Efficiency~~ Programs Established 2021-2024~~Present~~") and GO2023____ ("SAVEGREEN Programs Established 2025-Present").

DETERMINATION OF THE EE

The Company shall file an annual request with the Board for implementation of an EE charge, which shall be applicable to customers on all service classifications to which Rider "F" applies. The EE recovery year is intended to run from October 1st to September 30th of each year.

NEW JERSEY NATURAL GAS COMPANY

Fourth~~Third~~ Revised Sheet No. 173

BPU No. 11 - Gas *Superseding Third~~Second~~ Revised Sheet No. 173*

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

I. Determination of the Rate

The EE rate shall have three~~two~~ components, a~~n~~: SAVEGREEN ~~Energy Efficiency~~ Programs 2010-2018 rate, ~~and an~~ SAVEGREEN ~~Energy Efficiency~~ Programs Established 2021-2024~~Present~~ rate, and SAVEGREEN Programs Established 2025-Present rate which shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy efficiency, building decarbonization, and demand response programs approved by the Board for SAVEGREEN ~~Energy Efficiency~~ Programs 2010-2018, ~~and~~ SAVEGREEN ~~Energy Efficiency~~ Programs Established 2021-2024, ~~Present~~ and SAVEGREEN Programs Established 2025-Present unless modified further by Board Order.

2. An estimate shall be made of the total annual volume of prospective jurisdictional sales of gas (in therms) to NJNG's sales and transportation customers.

3. The prospective costs for SAVEGREEN ~~Energy Efficiency~~ Programs 2010-2018, ~~and~~ SAVEGREEN ~~Energy Efficiency~~ Programs Established 2021-2024,~~Present~~ and SAVEGREEN Programs Established 2025-Present (per paragraph (1)) shall separately be adjusted upward or downward to the extent of the amount of any prior under-recovery or over-recovery to determine the total costs to be recovered and then shall be divided by the estimated total volume of prospective sales (per paragraph (2)), to determine the per unit cost recovery rates. The result shall be carried for four (4) decimal places.

II. Tracking the Operation of the EE

The Company shall calculate carrying costs on the average monthly balances of under-or over-recovery of deferred costs based upon the Company's monthly commercial paper rate. The carrying cost calculation shall be based on the net of tax beginning and end average monthly balance. The carrying costs shall accrue on a monthly basis and shall be rolled into the balance at the end of each EE recovery year.

In accordance with P.L., 1997 c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT"), and when billed to customers exempt from this tax, as set forth in Rider "B", shall be reduced by the amount of such tax included therein.

The EE rate shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications to which Rider "F" applies. The EE rate is as set forth below:

NEW JERSEY NATURAL GAS COMPANY

Fourth~~Third~~ Revised Sheet No. 173

BPU No. 11 - Gas *Superseding Third~~Second~~ Revised Sheet No. 173*

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

SAVEGREEN ~~Energy Efficiency~~ Programs Established 2010-2018	$0.0247
SAVEGREEN ~~Energy Efficiency~~ Programs Established 2021-2024~~Present~~	$0.0247
SAVEGREEN Programs Established 2025-Present –	$0.0273
EE	$0.0767~~0494~~

NEW JERSEY NATURAL GAS COMPANY

Eighth~~Seventh~~ Revised Sheet No. 252
Superseding Seventh~~Sixth~~ Revised Sheet No. 252

BPU No. 11 - Gas

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		0.0090	0.0090	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5791	0.5791	
SUT		0.0384	0.0384	Rider B
After-tax Base Rate		0.6175	0.6175	
CIP		0.0915	0.0915	Rider I
EE		0.076704~~94~~	0.0767~~049~~4	Rider F
Subtotal	a	*0.785775~~84~~*	*0.7857~~758~~4*	
Balancing Charge	b	*0.1266*	*0.1266*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	c	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b+c=d	**0.977395~~00~~**	**0.9773950~~0~~**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.4290**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

Eighth~~Seventh~~ Revised Sheet No. 253
Superseding Seventh~~Sixth~~ Revised Sheet No. 253

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		0.0090	0.0090	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5791	0.5791	
SUT		0.0384	0.0384	Rider B
After-tax Base Rate		0.6175	0.6175	
CIP		0.0382	0.0382	Rider I
EE		0.076704~~94~~	0.07670494	Rider F
Subtotal	a	*0.732470~~51~~*	*0.73247051*	
Balancing Charge	b	*0.1266*	*0.1266*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	c	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b+c=d	**0.924089~~67~~**	**0.92408967**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.4290**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		0.0000	0.0000	Rider D
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		0.0112	0.0079	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		0.0767~~0494~~	0.0767~~0494~~	Rider F
Subtotal	a	*0.2564~~2291~~*	*0.2031~~1758~~*	
Balancing Charge	b	*0.1266*	*0.1266*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	c	0.0650	0.0650	
Delivery Charge (DEL)	a+b+c=d	**0.4480~~4207~~**	**0.3947~~3674~~**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.4290**	**0.4290**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Eighth~~Seventh~~ Revised Sheet No. 255

BPU No. 11 - Gas *Superseding Seventh~~Sixth~~ Revised Sheet No. 255*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		42.00	42.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4944	0.4944	
Pre-tax IIP Base Rate		0.0115	0.0115	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5059	0.5059	
SUT		0.0335	0.0335	Rider B
After-tax Base Rate		0.5394	0.5394	
CIP		0.0605	0.0605	Rider I
EE		0.0767~~049~~4	0.0767~~0494~~	Rider F
Subtotal	a	*0.6766~~649~~3*	*0.6766~~6493~~*	
Balancing Charge	b	*0.1266*	*0.1266*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	c	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b+c=d	**0.8682~~840~~9**	**0.8682~~8409~~**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.4290**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Thirtieth~~Twenty-Ninth~~ Revised Sheet No. 256

BPU No. 11 - Gas *Superseding Twenty-Ninth~~Twenty-Eighth~~ Revised Sheet No. 256*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per month applied to HMAD		3.41	3.41	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.3133	0.3133	
Pre-tax IIP Base Rate		0.0083	0.0083	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.3216	0.3216	
SUT		0.0213	0.0213	Rider B
After-tax Base Rate		0.3429	0.3429	
CIP		0.0353	0.0353	Rider I
EE		0.0767~~049~~4	0.0767~~049~~4	Rider F
Subtotal	a	*0.4549~~427~~6*	*0.4549~~427~~6*	
Balancing Charge	b	*0.1266*	*0.1266*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	c	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b+c=d	**0.6465~~619~~2**	**0.6465~~619~~2**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**$0.4392**	**X**	Rider A

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Total Customer, Total Demand, DEL, and BGS charges are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 257

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 257*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		Transport	Reference
Customer Charge			
Customer Charge per meter per month		350.00	
Demand Charge			
Demand Charge per therm per month applied to MDQ		2.50	
Delivery Charge ("DEL") per therm			
Pre-tax Base Rate		0.0775	
Pre-tax IIP Base Rate		0.0043	Rider D
Total Pre-tax Base Rate		0.0818	
SUT		0.0054	Rider B
After-tax Base Rate		0.0872	
EE		0.0767~~0494~~	Rider F
Subtotal	a	*0.1639~~1366~~*	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0.0245	Rider E
RA		0.0228	Rider C
USF		0.0177	Rider H
Total SBC	b	*0.0650*	
Delivery Charge (DEL)	a+b=c	**0.2289~~2016~~**	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Total Customer, Total Demand, and DEL, charges are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Twenty-Ninth~~Twenty-Eighth~~ Revised Sheet No. 258

BPU No. 11 - Gas *Superseding Twenty-Eighth~~Twenty-Seventh~~ Revised Sheet No. 258*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
Pre-tax IIP Base Rate		0.0025	0.0025	Rider D
Total Pre-tax Base Rate		0.0726	0.0420	
SUT		0.0048	0.0028	Rider B
After-tax Base Rate		0.0774	0.0448	
EE		0.0767~~0494~~	0.0767~~049~~4	Rider F
Subtotal	a	0.1541~~1268~~	0.1215~~094~~~~2~~	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	b	*0.0650*	*0.0650*	
Balancing Charge	c	*0.1266*	*0.1266*	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	**0.3457~~3184~~**	**0.3131~~285~~~~8~~**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**$0.4392**	**$0.4392**	Rider A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Total Customer Charge, Total Demand Charge, DEL, and BGS charges are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 259

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 259*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-FT

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
IIP Pre-tax Base Rate		0.0025	0.0025	Rider D
Total Pre-tax Base Rate		0.0726	0.0420	
SUT		0.0048	0.0028	Rider B
After-tax Base Rate		0.0774	0.0448	
EE		0.0767~~0494~~	0.0767~~0494~~	Rider F
Subtotal	a	*0.1541~~1268~~*	*0.1215~~0942~~*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	b	*0.0650*	*0.0650*	
DGC-FT Delivery Charge (DEL)	a+b=c	**0.2191~~1918~~**	**0.1865~~1592~~**	

For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Total Customer Charge, Total Demand Charge, and DEL rate are presented on customer bills

NEW JERSEY NATURAL GAS COMPANY

Sixth~~Fifth~~ Revised Sheet No. 260

BPU No. 11 - Gas *Superseding Fifth~~Fourth~~ Revised Sheet No. 260*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Electric Generation Service (EGS)

		Without SUT	With SUT	Reference
Customer Charge				
Customer Charge per meter per month		877.26	935.38	
Demand Charge				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0047	0.0047	
SUT		0.0000	0.0003	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	0.07200~~464~~	0.07670~~4~~4	Rider F
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0230	0.0245	Rider E
RA		0.0214	0.0228	Rider C
USF		0.0166	0.0177	Rider H
Total SBC	c	*0.0610*	*0.0650*	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	**0.1377~~1121~~**	**0.1467~~11~~94**	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, and DEL charges are presented on customer bills.

Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E, F, and H and shall not be billed for such charges subject to the Customer's submission of an Annual Certification form.

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

Thirtieth~~Twenty-Ninth~~ Revised Sheet No. 261
Superseding Twenty-Ninth~~Twenty-Eighth~~ Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0494	0.0494	
SUT		0.0033	0.0033	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		0.0767~~049~~4	0.0767~~0494~~	Rider F
Subtotal	a	*0.1294~~102~~1*	*0.1294~~1021~~*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	b	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b=c	**0.1944~~167~~1**	**0.1944~~1671~~**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5658	X	Rider A
BGS	d	**$0.5658**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

Thirtieth~~Twenty-Ninth~~ Revised Sheet No. 262
Superseding Twenty-Ninth~~Twenty-Eighth~~ Revised Sheet No. 262

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2753	0.2753	
SUT		0.0182	0.0182	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		0.0767~~0494~~	0.0767~~0494~~	Rider F
Subtotal	a	*0.3702~~3429~~*	*0.3702~~3429~~*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	b	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b=c	**0.4352~~407~~**	**0.4352~~4079~~**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5658	X	Rider A
BGS	d	**$0.5658**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Thirtieth~~Twenty-Ninth~~ Revised Sheet No. 263

BPU No. 11 - Gas *Superseding Twenty-Ninth~~Twenty-Eighth~~ Revised Sheet No. 263*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Compressed Natural Gas (CNG)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2683	0.2683	
IIP Pre-tax Base Rate		0.0051	0.0051	Rider D
CNG Charge		0.2000	0.2000	
Total Pre-tax Base Rate		0.4734	0.4734	Rider D
SUT		0.0314	0.0314	Rider B
After-tax Base Rate		0.5048	0.5048	
EE		0.0767~~049~~4	0.0767~~0494~~	Rider F
Subtotal	a	*0.5815~~554~~2*	*0.5815~~5542~~*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		0.0177	0.0177	Rider H
Total SBC	b	*0.0650*	*0.0650*	
Delivery Charge (DEL)	a+b=c	**0.6465~~619~~2**	**0.6465~~6192~~**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5658	X	Rider A
BGS	d	**$0.5658**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer, DEL, and BGSS charges are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

ThirtiethTwenty-Ninth Revised Sheet No. 264

BPU No. 11 - Gas *Superseding Twenty-NinthTwenty-Eighth Revised Sheet No. 264*

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				Reference
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		0.0051		Rider D
Total Pre-tax Base Rate		0.2734		
SUT		0.0181		Rider B
After-tax Base Rate		0.2915		
EE		0.07670494		Rider F
Subtotal	a	*0.36823409*		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245		Rider E
RA		0.0228		Rider C
USF		0.0177		Rider H
Total SBC	b	*0.0650*		
Delivery Charge (DEL)	a+b=c	**0.43324059**	**0.542507**	
Compression Charge	d	**0.4958**	**0.620**	
Monthly Basic Gas Supply Charge ("BGS")	e	**0.5658**	**0.707**	Rider A
Total Variable Charge	c+d+e=f	**1.49484675**	**1.869834**	
New Jersey Motor Vehicle Fuel Tax	g		**0.000**	
Federal Excise Fuel Tax *	h		**0.185**	
Federal Excise Fuel Tax Credit *	i		**(0.517)**	
Total Price	f+g+h+i =j		**1.537502**	

*Adjusted to reflect Internal Revenue Service GGE Conversion.

NEW JERSEY NATURAL GAS COMPANY

Thirtieth~~Twenty-Ninth~~ Revised Sheet No. 265

BPU No. 11 - Gas *Superseding Twenty-Ninth~~Twenty-Eighth~~ Revised Sheet No. 265*

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Owned Facilities

				Reference
Customer Charge				
Residential Customer Charge per month		11.00		
Commercial Customer Charge per meter per month		104.00		
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		0.0051		Rider D
Total Pre-tax Base Rate		0.2734		
SUT		0.0181		Rider B
After-tax Base Rate		0.2915		
EE		0.07670~~494~~		Rider F
Subtotal	a	0.36823~~409~~		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0245		Rider E
RA		0.0228		Rider C
USF		0.0177		Rider H
Total SBC	b	*0.0650*		
Delivery Charge (DEL)	a+b=c	**0.43324~~059~~**	**0.542~~507~~**	
Monthly Basic Gas Supply Charge ("BGS")	d	**0.5658**	**0.707**	Rider A
Total Variable Charge	c+d=e	**0.99909~~717~~**	**1.249~~214~~**	

Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.
Customer and DEL charges are presented on customer bills for Firm Transport Gas Service

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Petition for Approval of Energy-Efficiency, Building Decarbonization Start Up and Demand Response Programs and the Associated Cost Recovery Mechanism

Docket No. QO23120868

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on December 1, 2023, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") pursuant to the Board's Orders, In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, et al; Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs ("CEA Order"), BPU Docket Nos. QO19010040, QO19060748, and QO17091004 (June 10, 2020) and In re the Implementation of P.L. 2018, c. 17, The New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re 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; In re: Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated May 24, 2023 ("May 24th Order"). In the Petition, NJNG sought approval to continue and expand its energy-efficiency ("EE") programs offered through NJNG's SAVEGREEN® ("SAVEGREEN") programs to comply with the Clean Energy Act, and to continue cost recovery of the programs. NJNG also sought approval to implement Building Decarbonization Start Up and Demand Response programs. The programs include discounted energy saving measures, grants, financing opportunities, technical assistance, and other resources to encourage energy saving measures and investments in EE improvements by NJNG's residential, commercial, and industrial customers, including low-income to moderate-income customers and multi-family properties. NJNG also requested that the Company be allowed to continue the Board-approved EE Rider, Rider F, which has been in effect since August 1, 2009, for collection of the costs associated with these programs. Those costs include funds for customer incentives and the associated incremental program investments and expenses. NJNG also requested that the carrying costs associated with these programs be allowed. The Company proposed to offer these programs for a period of two and a half years from January 1, 2025, to June 30, 2027, at a total cost of $482.4 million, NJNG also requested that the Company be allowed to recover the costs of the SAVEGREEN program, including a return on and of the investments associated with the program. It is estimated that NJNG would recover a total of approximately $414.2 million from ratepayers from 2023 through 2037. In the Petition, NJNG has requested a contemporaneous change to the EE Rider F rate. The Company requested that the Board approve the implementation of an increase to the after-tax rate of $0.0273 per therm effective January 1, 2025. As compared to the current EE Rider F after-tax rate of $0.0494 per therm, the Company's proposal would result in an overall increase of $27.30 or 1.8 percent on a 1,000-therm annual residential bill. The annual rate impact of the SAVEGREEN program for a typical residential heating customer using 1,000 therms of natural gas per year is expected to average $44.83 per year or 3.0 percent over the 2025–2037 period and is expected to peak at $77.80 in October 2026. The estimated rate impacts to customers for 2025 through 2028 are set forth in the following chart:

NEW JERSEY NATURAL GAS COMPANY
RATE IMPACT

	Jan 25-Sep25	Oct 2025	Oct 2026	Oct 2027	Oct 2028
Typical Annual Bill Impacts					
Residential Non-Heat (200 annual therms)					
Cumulative Increase from Current Bill	$5.46	$10.44	$15.56	$14.02	$12.82
Cumulative % Increase from Current Bill	1.4%	2.6%	3.9%	3.5%	3.2%
Residential Heat (1,000 annual therms)					
Cumulative Increase from Current Bill	$27.30	$52.20	$77.80	$70.10	$64.10
Cumulative % Increase from Current Bill	1.8%	3.5%	5.1%	4.6%	4.2%
General Service Small (1,200 annual therms)					
Cumulative Increase from Current Bill	$32.76	$62.64	$93.36	$84.12	$76.92
Cumulative % Increase from Current Bill	1.6%	3.1%	4.6%	4.1%	3.8%
General Service Large (15,000 annual therms)					
Cumulative Increase from Current Bill	$409.50	$783.00	$1,167.00	$1,051.50	$961.50
Cumulative % Increase from Current Bill	2.0%	3.9%	5.8%	5.2%	4.8%

The proposed EE recovery charge mechanism would operate and be applied in a manner consistent with existing components and processes of the EE Rider applicable to all jurisdictional throughput volumes. Individual customers participating in the SAVEGREEN programs are expected to achieve annual savings on their energy bills.

Pursuant to the EE Rider, NJNG shall submit annual filings for changes to the EE rate. Additionally, the Board has the statutory authority to establish the EE rate at a level it finds just and reasonable pursuant to N.J.S.A. 48:2-21. Therefore, the Board may establish the EE charge at a level other than that proposed by NJNG which would have an impact on a customer's bill.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company's filing.

VIRTUAL PUBLIC HEARINGS
Date: XXX, 2024
Hearing Times: 4:30 pm and 5:30 pm

LOCATION
Zoom Virtual Webinar
Join: https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDllZUIwaElOWDFRZz09
Meeting ID: 245 813 6397
Passcode: 819208
Dial-In Number: +1 646 876 9923

Representatives of the Company, Board's Staff and Rate Counsel will participate in the virtual public hearings.

Members of the public are invited to participate by utilizing Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Public Document Search tool. Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage. https://www.nj.gov/bpu/agenda/efiling/.

New Jersey Natural Gas Company
Andrew K. Dembia, Esq.

NEW JERSEY NATURAL GAS COMPANY
ACCOUNTING ENTRIES

Entry	Acct.	Description	Debit	Credit
		Accounting for NJNG SAVEGREEN Programs		
EE1		To defer program expenditures and O&M		
	182	Program Investment Regulatory Asset	XXX	
	131	Cash		XXX
EE2		To amortize direct program expenditures over 10 years		
	908	Customer Assistance Expenses	XXX	
	182	Program Investment Regulatory Asset		XXX
EE3		Record the Regulatory asset recovery		
	131	Cash	XXX	
	400	Clause Revenues		XXX
	400	Clause Revenues	XXX	
	182	Regulatory Asset		XXX
EE4		To record any over/ under recovery		
	182	Regulatory Asset	XXX	
	407.3	Regulatory Debits	XXX	
	407.4	Regulatory Credits		XXX
	254	Regulatory Liability		XXX
EE5		Record cost of capital on unrecovered balance using NJNG's WACC		
	182	Regulatory Asset	XXX	
	419	Other Income	XXX	XXX
	254	Regulatory Liabilities		XXX
EE6		Record the Regulatory asset recovery On Bill Financing Repayment		
	908	Customer Assistance Expenses	XXX	
	131	Cash		XXX
	182	Regulatory Asset	XXX	
	908	Customer Assistance Expenses		XXX
EE7		Record Recovery of On Bill Financing Repayment		
	131	Cash	XXX	
	908	Customer Assistance Expenses		XXX
	908	Customer Assistance Expenses	XXX	
	182	Regulatory Asset		XXX

MINIMUM FILING REQUIREMENTS FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY PETITIONS UNDER N.J.S.A. 48:3-98.1 AND N.J.S.A. 48:3-87.9 DOCKET NO. QO19010040, QO23030150, & QO17091004			
		I. General Filing Requirements – N.J.S.A. 48:3-98.1	**Location in NJNG's EE filing**
I	a	The utility shall provide a table of contents for each filing.	Table of Contents
I	b	The utility shall provide with all filings, information, and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.	Exhibit P-1 Petition Schedule NJNG-1 Comparative Balance Sheet – 2020, 2021, 2022 Schedule NJNG-2 Comparative Income Statement – 2020, 2021, 2022 Schedule NJNG-3 Balance Sheet (June 2023) Schedule NJNG-4 Statement of Revenue (June 2023) Schedule NJNG-5 Pro-Forma Income Statement (2024-2037) Schedule NJNG-6 Payments to Affiliates (Dec 2021, Dec 2022, June 2023) Schedule NJNG-7 Consolidated Tax Adjustment (2018-2022) Schedule NJNG-8 Notice of Filing to Counties and Municipalities Schedule NJNG-9 Proposed Tariff Sheets Schedule NJNG-10 Draft Public Notice
I	c	All filings shall contain information and financial statements for the proposed program(s) in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the accounts and account numbers that will be utilized in booking the revenues, costs, expenses, and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.	Schedule NJNG-11 Accounting Entries Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary & Projected Bill Impacts Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	d	The utility shall provide supporting explanations, assumptions, calculations, and work papers as necessary for each proposed program and cost recovery mechanism petition filed under N.J.S.A.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-1 SAVEGREEN Investments

		48:3-98.1. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.	Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	e	The filing shall include testimony supporting the petition, including all proposed programs.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-3 Direct Testimony of James M. Corcoran Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit P-5 Program Plan
I	f	For any proposed program, the utility shall be subject to the requirements in this and all subsequent Sections. If compliance with Section V and VI of these requirements would not be feasible for a particular program or sub-program, the utility may request an exemption but must demonstrate why such exemption should be granted. Examples of historical situations that have qualified for exemption include pilot programs, programs that had an educational or policy goal rather than resource acquisition focus, and programs that introduced novel ideas where documentation supporting estimated costs/benefits may not be easily produced.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers Exhibit P-5, Section 3b.i Next Generation Savings Exhibit P-5, Section 3b.ii Building Decarbonization
I	g	If the utility is filing for an increase in rates, charges, etc. or for approval of a program that may increase rates/changes to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.	Schedule NJNG-10 Draft Public Notice
		II. Program Description	**Location in NJNG's EE Filing**
II	a	The utility shall provide a detailed description of each proposed program for which the utility seeks approval, including, if applicable: i. Program description/design ii. Target market segment- including eligible customers, properties, and measures/services- and eligibility requirements and processes iii. Existing incentives iv. Proposed incentive structure or incentive ranges, including incentive payment processes and timeframes v. Customer financing options	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio (i., ii., iii., iv., v., vi., viii., ix., x.) Exhibit P-5, Appendix H Incentive Ranges (iii. and iv.) Exhibit P-5, Section 4h Financing/On-Bill Repayments Description (v.) Schedule AMP-1 Savings Target Schedule (ii.) Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers Exhibit BJB-3 NJNG Energy Savings Target Development Schedule (ii.) Exhibit P-5 Program Plan (i., vii.)

		vi. Contractor requirements and role: The utility shall provide a description of the extent to which the utility intends to utilize employees, contractors, or both to deliver the program(s). The utility shall also provide a description of contractor requirements, including common application elements and training requirements. vii. Estimated program participants, by year viii. Projections for energy savings and associated metrics for each program year relate to the quantitative performance indicators in Section VII. ix. Program budget, by year x. Projected program costs, by year, broken down into the following categories as applicable: • capital cost; • utility administration; • marketing and outreach; • outside services; • incentives (including rebates and low-or no-interest loans); • inspections and quality control; and • evaluation. To the extent that the New Jersey Board of Public Utilities ("Board" or "BPU") directs New Jersey's Clean Energy Program ("NJCEP") to report additional categories, the utility shall provide additional categories, as applicable. Any workforce development and job training costs, health and safety costs, and costs of outreach to community-based organizations shall be shown separately.	Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs (ix., x.) Exhibit P-5, Section 3 Program Descriptions (i., ii., vi.)
II	b	The utility shall provide the following information about the proposed portfolio: i. Quality assurance and control standards and remediation policies: The utility shall provide a detailed description	Exhibit P-5, Section 4c Customer Access to Usage Data (iii.) Exhibit P-5, Section 4a Quality Control and Customer Complaint Resolution (i.) Schedule AMP-1 Savings Target Schedule (vi.)

		of the process(es) for ensuring the quality of the programs and resolving any customer complaints related to the program(s). ii. Plan for workforce development and job training partnerships and pipelines for energy efficiency jobs, including the local, underrepresented, and disadvantaged workers. The utility will also provide a description of how the utility plans to engage with and support participation by minority-, women-, and veteran-owned and other underrepresented businesses to ensure equitable access to contracting opportunities under the proposed programs. iii. Customer access to current and historic energy usage data iv. Total budget summary, including an annual budget summary and joint budgets with partner utilities v. Benefit-cost analysis (as defined under Section V) vi. The utility shall list its forecasted average cost to achieve each unit of energy savings in each sector. vii. Marketing plan: The utility shall provide a description of where and how the proposed portfolio will be marketed or promoted to the sectors served by the utility's customer base, including coordinated customer outreach on core programs with other utilities. This shall include an explanation of how the specific services, along with prices, and energy bill savings for the proposed portfolio, will be conveyed to customers, where available and applicable. The marketing plan shall include a description of any known market barriers that may impact implementation and strategies to address known market barriers.	Exhibit P-5, Appendix E Benefit Cost Analysis (v.) Exhibit BJB-2 Cost Effectiveness Analysis Workpapers (v.) Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit P-5, Section 4b Workforce Development and Job Training (ii.) Exhibit P-5 Program Plan Exhibit P-5, Appendix C Total Budget Summary, including annual budget summary and joint budgets with partner utilities (iv.) Exhibit P-5, Appendix D Forecasted Average Costs to Achieve Each Unit of Energy Savings in Each Sector (vi.) Exhibit P-5, Section 4d Marketing Plan (vii.)
II	c	In areas where gas and electric service territories overlap, the utility shall provide a description of the program structure for coordinated, consistent delivery of programs between the utilities and estimated coordinated budgets and allocation of costs and energy savings between the utilities. The utility shall provide a description of how	Exhibit P-5, Section 5 Consistent Delivery in Overlapping Territories Schedule NJNG-11 Accounting Entries Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-3 Direct Testimony of James M. Corcoran

		the utilities coordinated their program assumptions and other factors that could influence results for each coordinated program.	Exhibit P-5 Program Plan Exhibit P-5, Section 4d Marketing Plan
		III. Additional Filing Information Applicable Only to Renewable Energy Projects	**Location in NJNG's EE Filing**
III	a	The utility shall propose the method for treatment of Renewable Energy Certificates ("RECs"), including solar incentives, or any other renewable energy incentive developed by the Board, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership and use of the certificate revenue stream(s).	N/A – no renewable energy programs proposed
III	b	The utility shall also propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets, including ownership and use of the certificate revenue stream(s). For programs that are anticipated to reduce electricity sales in its service territory, the utility shall quantify the expected associated annual savings in REC, solar incentive, and any other renewable energy incentive costs.	N/A
		IV. Cost Recovery Mechanism	**Location in NJNG's EE Filing**
IV	a	The utility shall provide appropriate financial data for the proposed program(s), including estimated revenues, expenses, and capitalized investments for each of the first three years of operations and at the beginning and end of each year of the three-year period. The utility shall include pro forma income statements for the proposed program(s) for each of the first three years of operations and actual or estimated balance sheets at the beginning and end of each year of the three-year period.	Schedule NJNG-1 Comparative Balance Sheet Schedule NJNG-2 Comparative Income Statement Schedule NJNG-3 Balance Sheet Schedule NJNG-4 Statement of Revenues Schedule NJNG-11 Accounting Entries Schedule NJNG-5 Pro-Forma Income Statement (2024-2037) Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers

IV	b	The utility shall provide detailed spreadsheets of the accounting treatment of the proposed cost recover, including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed program cost recovery method.	Exhibit P-1 Petition Schedule NJNG-11 Accounting Entries
IV	c	The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program(s), including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other mechanisms.	Exhibit P-3 Direct Testimony of James M. Corcoran
IV	d	The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the New Jersey Division of Rate Counsel simultaneous to its submission to the Board.	Exhibit P-1 Petition Schedule NJNG-9 Proposed Tariff Sheets
IV	e	The utility shall provide a rate impact summary by year for the proposed program(s) and a cumulative rate impact summary by year for all approved and proposed programs showing the impact of individual programs, based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. Such rate impacts shall be calculated for each customer class. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers
IV	f	The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program(s), identified by cost segment, consistent with the program cost categories enumerated in Section II(a)(x). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program(s), with all supporting documentation. Embedded costs are costs that are provided for in the utility's base rates or through another rate mechanism. Incremental costs are costs	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers

		associated with or created by the proposed program that are not provided for in the utility's base rates or through another rate mechanism. Incremental costs are costs associated with or created by the proposed program that are not provided for in base rates or another rate mechanism.	
IV	g	The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated annual program costs and revenues for the proposed program(s), including effects upon rate base and pro forma income calculations.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit P-1, Schedule NJNG-5 Pro-Forma Income Statement (2024-2037)
IV	h	The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure, as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-2 Cost of Capital
IV	i	If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility. A utility seeking performance incentives shall provide all supporting justifications and rationales for the incentives, along with supporting documentation, assumptions, and calculations. Utilities that have approved rate mechanisms or incentive treatment from previous cases and are not seeking a modification of such treatment through the current filing are not subject to this requirement.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-2 Cost of Capital
		V. Benefit-Cost Analysis	**Location in NJNG's EE Filing**
V	a	The utility shall conduct a benefit-cost analysis of the programs and portfolio using the most recent New Jersey Cost Test, including its most recent avoided cost methodologies, as a primary test. In addition, the utility shall conduct benefit-cost analysis using the Participant Cost Test, Program Administrator Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test, and Societal Cost	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers

		Test that assesses all program costs and benefits from a societal perspective i.e., that includes the combined financial costs and benefits realized by the utility and the customer as defined in the then-current version of the California Standard Practice Manual. The utility may also provide any additional benefit-cost analysis that it believes appropriate with supporting rationales and documentation.	
V	b	The utility must demonstrate how the results of the tests in Section V(a) support Board approval of the proposed program(s), including how the programs are designed to achieve a benefit-to-cost ratio greater than or equal to 1.0 at the portfolio level when using the New Jersey Cost Test.	Exhibit P-5, Section 4e Evaluation, Measurement, and Verification Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
V	c	Renewable energy programs, workforce development, and job training costs, health and safety measures, and outreach to community-based organizations shall not be subject to a benefit-cost test, but the utility must estimate all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Appendix B Program Budgets and Costs, By Year for all Programs
V	d	The level of energy and capacity savings shall be calculated using the most recent Technical Reference Manual approved by the Board. To the extent that a protocol does not exist or an alternative protocol is proposed for a filed program, the utility must submit a savings methodology for the program or contemplated measure for approval by the Board.	Exhibit P-5, Section 4e Evaluation, Measurement, and Verification Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
V	e	For calculation of energy and capacity savings, as well as for the cost effectiveness calculations, the utility shall apply the applicable net-to-gross ("NTG") ratio and realization rates provided in the current Technical Reference Manual. To the extent that a NTG value does not exist or an alternative NTG value is proposed for a field program, the utility must submit a NTG value for the program or contemplated measure for approval by the Board.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
		VI. Evaluation, Measurement, and Verification ("EM&V)	**Location in NJNG's EE Filing**
VI	a	The utility shall describe the methodology, processes, and strategies for monitoring and improving program and portfolio performance related to the utility's targets established pursuant to the Quantitative	Exhibit P-5, Section 4e Evaluation, Measurement, and Verification Exhibit P-2 Direct Testimony of Anne-Marie Peracchio

		Performance Indicators ("QPIs") in Section VII. The utility shall confirm that these methodologies, processes, and strategies conform with the current New Jersey EM&V guidance documents and standards. The utility shall also provide an EM&V budget consistent with the current New Jersey EM&V guidance documents and standards.	Schedule AMP-1 Savings Target Schedule Exhibit BJB-3 NJNG Energy Savings Target Development Schedule
		VII. Quantitative Performance Indicators: Targets	**Location in NJNG's EE Filing**
VII	a	The utility shall file QPI target values based on the metrics applicable to each program year of the three-year program filing cycle.	Exhibit P-5, Appendix F Quantitative Performance Indicators Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit P-2 Direct Testimony of Anne-Marie Peracchio
VII	b	The utility shall provide a description of how the proposed portfolio achieves the targets established for each utility pursuant to the QPIs outlined in the BPU's most recent Energy Efficiency Framework Order, as applicable for each program year.	Exhibit P-5, Appendix F Quantitative Performance Indicators Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit P-2 Direct Testimony of Anne-Marie Peracchio
		VIII. Reporting Plan	**Location in NJNG's EE Filing**
VIII		The utility shall comply with the reporting requirements as outlined in the BPU's most recent Energy Efficiency Framework Order.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Section 4f Reporting Plan

MINIMUM FILING REQUIREMENTS FOR DEMAND RESPONSE PROGRAMS UNDER N.J.S.A. 48:3-98.1 AND N.J.S.A. 48:3-87.9

DOCKET NO. QO19010040, QO23030150, & QO17091004

			I. General Filing Requirements – N.J.S.A. 48:3-98.1	**Location in NJNG's EE filing**
I	a		The utility shall provide a table of contents for each filing.	Table of Contents
I	b		The utility shall provide with all filings, information, and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.	Exhibit P-5, Section 3b.iii Demand Response
I	c		All filings shall contain information and financial statements for the proposed program(s) in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the accounts and account numbers that will be utilized in booking the revenues, costs, expenses, and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.	Schedule NJNG-11 Accounting Entries Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary & Projected Bill Impacts Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	d		The utility shall provide supporting explanations, assumptions, calculations, and work papers as necessary for each proposed program and cost recovery mechanism petition filed under N.J.S.A. 48:3-98.1. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital

				Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	e		The filing shall include testimony supporting the petition, including all proposed programs.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-3 Direct Testimony of James M. Corcoran Exhibit P-4 Direct Testimony of Brendon J. Baatz
I	f		For any proposed program, the utility shall be subject to the requirements in this and all subsequent Sections. If compliance with Section V and VI of these requirements would not be feasible for a particular program or sub-program, the utility may request an exemption but must demonstrate why such exemption should be granted. Examples of historical situations that have qualified for exemption include pilot programs, programs that had an educational or policy goal rather than resource acquisition focus, and programs that introduced novel ideas where documentation supporting estimated costs/benefits may not be easily produced.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	g		If the utility is filing for an increase in rates, charges, etc. or for approval of a program that may increase rates/changes to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.	Schedule NJNG-10 Draft Public Notice
			II. Program Description	**Location in NJNG's EE Filing**
II	a		EDC DR Programs	Since this entire section is only relevant to the EDCs, no information will be provided.
II	b		GDC DR Programs	

II	b	i	The utility shall provide a detailed description of each proposed program for which the utility seeks approval, including, if applicable: 1) Program description/design, including: (a) Program therm demand reduction goals and curtailment objective(s); (b) Demand response description, including hardware and software used, event triggers, maximum event count, and customer override rules; and (c) Release clauses for customers to discontinue program participation. 2) Target market segment(s) and their priorities – including: (a) Eligible customers; (b) Measures/services; (c) Eligibility requirements and processes; and (d) Methodology to prioritize the procurement customers for DR program participation over distribution system investments. 3) Proposed incentives and/or tariffs (a) How demand reduction performance is measured, including data sources and methodology to calculate baseline, definition of turndown events, and capacity savings; (b) Program design and measurement to minimize rebound effects after a turndown event; (c) Incentives structure and ranges for demand reduction performance achieved, including incentive payment processes and timeframes; and (d) Any mutual exclusivity terms that may be needed for avoiding double counting in newly proposed DR programs.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio (1a) Exhibit P-3 Direct Testimony of James M. Corcoran (5) Schedule JMC-1 SAVEGREEN Investments (5) Exhibit P-5, Section 3b.iii Demand Response (MFR 1a, 1b, 1c, 2a, 2b, 2c, 2d, 3a, 3b, 3c, 3d, 4b, 5, 6, 7) Exhibit P-5, Appendix H Incentive Ranges (3c, 4a) Exhibit P-5, Section 4h Financing / On-Bill Repayments Description (6) Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs (5, 10, 11) Exhibit P-5, Appendix G Key Metrics for Additional Utility-Led Initiatives (1a, 9) Exhibit P-5, Appendix A Program Participants, Energy Savings, by Year for EE, BD, and DR (8)

			4) Qualified equipment supported by incentives, such as smart thermostats: (a) Incentives structure and ranges for the equipment, including incentive payment processes and timeframes; and (b) A description of data and communication standards. If the standard is not an internationally recognized standard, give justification for why. 5) Capital investments, such as IT hardware and infrastructure to support DR. Such investments may be rate-based, but must be justified in the benefit-cost analysis. 6) Customer financing options 7) Contractor requirements and role: The utility shall provide a description of the extent to which the utility intends to utilize employees, contractors, or both to deliver the program(s). The utility shall also provide a description of contractor requirements, including common application elements and training/certification/recertification requirements. 8) Estimated program participants, by market segment each year. 9) Projections for performance metrics for each program year relative to the program's targets or quantitative performance indicators as defined in Section VII. 10) Program budget, by year 11) Projected program costs, by year, broken down into the following categories, as applicable: • Capital cost; • Utility administration; • Marketing and outreach; • Outside services;	

			• Incentives (including rebates and low- or no-interest loans); • Inspections and quality control; and • Evaluation. To the extent that the Board directs New Jersey's Clean Energy Program ("NJCEP") to report additional categories, the utility shall provide additional categories, as applicable.	
II	b	ii	Any workforce development and job training costs, health and safety costs, and costs of outreach to community-based organizations shall be shown separately.	Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs
II	c	i	The utility shall provide the following information and the proposed Demand Response program(s): i) Quality assurance and control standards and remediation policies: The utility shall provide a detailed description of the process(es) for ensuring the quality of the programs and resolving any customer complaints related to the program(s). ii) Plan for workforce development and job training partnerships and pipelines for energy efficiency jobs, including for local, underrepresented, and disadvantaged workers. The utility will also provide a description of how the utility plans to engage with and support participation by minority-, women-, and veteran-owned and other underrepresented businesses to ensure equitable access to contracting opportunities under the proposed programs. iii) Data Transparency 1) To support any evaluation-related work, data should be provided by the utility or state or their program administrator in full and within four weeks of the request. Time extensions may be approved by Staff if they are received	Exhibit P-5, Section 4a Quality Control and Customer Complaint Resolution (i.) Exhibit P-5, Section 4b Workforce Development and Job Training (ii) Exhibit P-5, Section 4c Customer Access to Usage Data (iv) Exhibit P-5, Section 4d Marketing Plan (viii) Exhibit P-5, Section 4e Evaluation, Measurement, and Verification (iii) Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs (v)

			more than a week before the data are due and if a meeting has been held with the Statewide Evaluator team requesting the data to identify if there are adequate substitutes (in the Statewide Evaluator's judgment) for the initially-requested data. 2) Data delivery must use appropriate secure delivery systems. 3) Staff will require regular (at least quarterly) reporting on data requests and their fulfillment status (timeliness, completeness, data quality, etc.) iv) Customer access to current and historic energy usage data from smart meters, including available data fields, access rules, and technology standards v) Total budget summary, including an annual budget summary and joint budgets with partner utilities vi) Benefit-cost analysis (as defined in Section V) vii) The utility shall list its forecasted average cost to achieve each unit of capacity and energy savings in each program. viii) Marketing plan: The utility shall provide a description of where and how the proposed portfolio will be marketed or promoted to the sectors served by the utility's customer base, including coordinated customer outreach on core programs with other utilities. This shall include an explanation of how the specific services, along with prices, incentives, and energy bill savings for the proposed portfolio, will be conveyed to customers, where available and applicable. The marketing plan shall also include a description of any known market barriers that may	Exhibit P-5, Appendix E Benefit Cost Analysis (vi) Exhibit BJB-2 Cost Effectiveness Analysis Workpapers (vi) Exhibit P-4 Direct Testimony of Brendon J. Baatz (vi) Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Appendix D Forecasted Average Costs to Achieve Each Unit of Energy Savings in Each Sector (vii) Note: Re: MFR 2.c.i.ix. The proposed DR program does not anticipate coordinated offering with overlapping utilities.

			impact implementation and strategies to address known market barriers. ix) In areas where gas and electric service territories overlap, the utility shall provide a description of the program structure for coordinated, consistent delivery of programs between the utilities and estimated coordinated budgets and allocation of costs and capacity and energy savings between the utilities. The utility shall provide a description of how the utilities coordinated their program assumptions and other factors that could influence results for each coordinated program.	
			III. Additional Filing Information Applicable Only to DR Programs that are integrated with Renewable Energy Projects[1]	**Location in NJNG's EE Filing**
III	a		The utility shall propose the method for treatment of Renewable Energy Certificates ("RECs"), including solar incentives, or any other renewable energy incentive developed by the Board, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership and use of the certificate revenue stream(s). The utility shall also propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets, including ownership and use of the certificate revenue stream(s). For programs that are anticipated to reduce electricity sales in its service territory, the utility shall quantify the expected associated annual savings in REC, solar incentive, and any other renewable energy incentive costs.	N/A

[1] In July 26, 2023 Order, this is listed as MFR 2b. See July 26, 2023 Order, BPU Docket Nos. QO19010040, QO23030150 & QO17091004.

III	b		The utility shall state how any Net Energy Metering billing treatment would be impacted when a demand response event is called to reduce load behind the meter, specifically for loads that will no longer exceed generation.	N/A
			IV. Cost Recovery Mechanism	**Location in NJNG's EE Filing**
IV	a		The utility shall provide appropriate financial data for the proposed program(s), including estimated revenues, expenses, and capitalized investments for each of the first three years of operations and at the beginning and end of each year of the three-year period. The utility shall include pro forma income statements for the proposed program(s) for each of the first three years of operations and actual or estimated balance sheets at the beginning and end of each year of the three-year period.	Schedule NJNG-1 Comparative Balance Sheet Schedule NJNG-2 Comparative Income Statement Schedule NJNG-3 Balance Sheet Schedule NJNG-4 Statement of Revenues Schedule NJNG-11 Accounting Entries Schedule NJNG-5 Pro-Forma Income Statement (2024-2037) Exhibit P-3, Direct Testimony of James M. Corcoran Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers
IV	b		The utility shall provide detailed spreadsheets of the accounting treatment of the proposed cost recover, including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed program cost recovery method.	Schedule NJNG-11 Accounting Entries

IV	c		The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program(s), including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other mechanisms.	Exhibit P-3 Direct Testimony of James M. Corcoran
IV	d		The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the New Jersey Division of Rate Counsel simultaneous to its submission to the Board.	Exhibit P-1 Petition Schedule NJNG-9 Proposed Tariff Sheet
IV	e		The utility shall provide a rate impact summary by year for the proposed program(s) and a cumulative rate impact summary by year for all approved and proposed programs showing the impact of individual programs, based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. Such rate impacts shall be calculated for each customer class. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers
IV	f		The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program(s), identified by cost segment, consistent with the program cost categories enumerated in Section II(a)(x). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program(s), with all supporting documentation. Embedded costs are costs that are provided for in the utility's base rates or through another rate mechanism.	Exhibit P-3 Direct Testimony of James M. Corcoran Exhibit P-3, JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit P-5, Appendix B Program Budgets and Costs, by Program Year for All Programs

			Incremental costs are costs associated with or created by the proposed program that are not provided for in base rates or another rate mechanism. Customer recovered costs is income received from customers or their agents upon exit from the program or conversion to third party operation.	
IV	g		The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated annual program costs and revenues for the proposed program(s), including effects upon rate base and pro forma income calculations.	Exhibit P-3, JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit P-3 Direct Testimony of James M. Corcoran Schedule NJNG-5 Pro-Forma Income Statement (2024-2037)
IV	h		The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure, as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-2 Cost of Capital
IV	i		If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility. A utility seeking performance incentives shall provide all supporting justifications and rationales for the incentives, along with supporting documentation, assumptions, and calculations. Utilities that have approved rate mechanisms or incentive treatment from previous cases and are not seeking a modification of such treatment through the current filing are not subject to this requirement.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-2 Cost of Capital
			V. Benefit-Cost Analysis	**Location in NJNG's EE Filing**
V	a		The utility shall conduct a benefit-cost analysis of the programs and portfolio using the most recent New Jersey Cost Test,	Exhibit P-4 Direct Testimony of Brendon J. Baatz

			including its most recent avoided cost methodologies, as a primary test. In addition, the utility shall conduct benefit-cost analysis using the Participant Cost Test, Program Administrator Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test, and Societal Cost Test that assesses all program costs and benefits from a societal perspective i.e., that includes the combined financial costs and benefits realized by the utility and the customer as defined in the then-current version of the California Standard Practice Manual. The utility may also provide any additional benefit-cost analysis that it believes appropriate with supporting rationales and documentation.	Exhibit BJB-2 Cost Effectiveness Analysis Workpapers Exhibit P-5, Appendix E Benefit Cost Analysis
V	b		The utility must demonstrate how the results of the tests in Section V(a) support Board approval of the proposed program(s), including how the programs are designed to achieve a benefit-to-cost ratio greater than or equal to 1.0 at the portfolio level when using the New Jersey Cost Test.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
V	c		Renewable energy programs, workforce development, and job training costs, health and safety measures, and outreach to community-based organizations shall not be subject to a benefit-cost test, but the utility must estimate all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs.	Exhibit P-4 Direct Testimony of Brendon J. Baatz
V	d		The level of energy and capacity savings shall be calculated using the most recent Technical Reference Manual approved by the Board. To the extent that a protocol does not exist or an alternative protocol is proposed for a filed program, the utility must submit a savings methodology for the program or contemplated measure for approval by the Board.	Exhibit P-5 Section 4e Evaluation, Measurement, and Verification Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
V	e		For calculation of energy and capacity savings, as well as for the cost effectiveness calculations, the utility shall apply the applicable net-to-gross (“NTG”) ratio and realization rates provided in the current Technical Reference Manual. To the extent that a NTG value does not exist or an alternative NTG	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers

			value is proposed for a field program, the utility must submit a NTG value for the program or contemplated measure for approval by the Board.	
			VI. Evaluation, Measurement, and Verification ("EM&V)	**Location in NJNG's EE Filing**
VI			The utility shall describe the methodology, processes, and strategies for monitoring and improving program and portfolio performance related to the utility's targets established pursuant to the Reporting Plan for Performance Metrics in Section VII. Demand Response program impact methodology shall clearly define the calculation of baseline consumption and demand reduction volumes. Net-to-gross evaluation methods shall be described if the proposed measurement approach is not inherently "direct-to-net," such as measurement that uses a control group. The utility shall confirm that these methodologies, processes, and strategies conform with the current New Jersey EM&V guidance documents and standards. The utility shall also provide an EM&V budget consistent with the current New Jersey EM&V guidance documents and standards.	Exhibit P-5, Section 4e Evaluation, Measurement, and Verification Exhibit P-5, Section 3b.iii Demand Response
			VII. Reporting Plan for Performance Metrics	**Location in NJNG's EE Filing**
VII	a		The utility shall file target values based on key performance metrics applicable to each program year of the three-year program filing cycle.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Appendix G Key Metrics Additional Utility-Led Initiatives Exhibit P-5, Appendix A Program Participants, Energy Savings, by Year for EE, BD, and DR

VII	b		The utility shall provide a description of how the proposed portfolio achieves the targets established for each utility pursuant to the following performance metrics as applicable for each program year: i) Dollars spent per customer enrolled per $ spent ($/participant) by segment for each proposed program; ii) Dollars spent per capacity enrolled ($/Kw) by each segment for each proposed program; iii) Intensity impact (kWh or CO2 during peak event) for each proposed program. The utility shall, based on the program design, define the specific calculation to measure intensity impact; iv) Ratio of number of customer responses to control requests over number of control requests.	Exhibit P-5, Appendix G Key Metrics for Additional Utility-Led Initiatives Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-4 Direct Testimony of Brendon J. Baatz

MINIMUM FILING REQUIREMENTS FOR BUILDING DECARBONIZATION PROGRAMS UNDER N.J.S.A. 48:3-98.1 AND N.J.S.A. 48:3-87.9

DOCKET NO. QO19010040, QO23030150, & QO17091004

		I. General Filing Requirements – N.J.S.A. 48:3-98.1	**Location in NJNG's EE filing**
I	a	The utility shall provide a table of contents for each filing.	Table of Contents
I	b	The utility shall provide with all filings, information, and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.	Exhibit P-5, Section 3b.ii Building Decarbonization
I	c	All filings shall contain information and financial statements for the proposed program(s) in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the accounts and account numbers that will be utilized in booking the revenues, costs, expenses, and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.	Schedule NJNG-11 Accounting Entries Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary & Projected Bill Impacts Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	d	The utility shall provide supporting explanations, assumptions, calculations, and work papers as necessary for each proposed program and cost recovery mechanism petition filed under N.J.S.A. 48:3-98.1. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-3 Direct Testimony of James M. Corcoran Exhibit P-4 Direct Testimony of Brendon J. Baatz Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
I	e	The filing shall include testimony supporting the petition, including all proposed programs.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio

			Exhibit P-3 Direct Testimony of James M. Corcoran Exhibit P-4 Direct Testimony of Brendon J. Baatz
I	f	For any proposed program, the utility shall be subject to the requirements in this and all subsequent Sections. If compliance with Section V and VI of these requirements would not be feasible for a particular program or sub-program, the utility may request an exemption but must demonstrate why such exemption should be granted. Examples of historical situations that have qualified for exemption include pilot programs, programs that had an educational or policy goal rather than resource acquisition focus, and programs that introduced novel ideas where documentation supporting estimated costs/benefits may not be easily produced.	N/A. Not seeking exemption for this program.
I	g	If the utility is filing for an increase in rates, charges, etc. or for approval of a program that may increase rates/changes to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.	Schedule NJNG-10 Draft Public Notice
		II. Program Description	**Location in NJNG's EE Filing**
II	a	The utility shall provide a detailed description of each proposed program for which the utility seeks approval, including, if applicable: i. Program description/design ii. Target market segment- including eligible customers, properties, and measures/services- and eligibility requirements and processes iii. Existing incentives iv. Proposed incentive structure or incentive ranges, including incentive payment processes and timeframes v. Customer financing options vi. Contractor requirements and role: The utility shall provide a description of the extent to which the utility intends to utilize employees, contractors, or both to deliver the program(s). The utility shall also provide a description of contractor requirements, including common application elements and training requirements. vii. Estimated program participants, by year	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Section 3b.ii Building Decarbonization (i, ii, iv, vi) Exhibit P-5, Appendix H Incentive Ranges (iii, iv) Exhibit P-5, Section 4h Financing/On-Bill Repayments Description (v) Exhibit P-5, Appendix A Program Participants, Energy Savings, by year for EE, BD, and DR (vii, viii) Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs (ix, x)

		viii. Projections for energy savings and associated metrics for each program year relate to the quantitative performance indicators in Section VII. ix. Program budget, by year x. Projected program costs, by year, broken down into the following categories as applicable: • capital cost; • utility administration; • marketing and outreach; • outside services; • incentives (including rebates and low-or no-interest loans); • inspections and quality control; and • evaluation. To the extent that the New Jersey Board of Public Utilities ("Board" or "BPU") directs New Jersey's Clean Energy Program ("NJCEP") to report additional categories, the utility shall provide additional categories, as applicable. Any workforce development and job training costs, health and safety costs, and costs of outreach to community-based organizations shall be shown separately.	
II	b	The utility shall provide the following information about the proposed portfolio: i. Quality assurance and control standards and remediation policies: The utility shall provide a detailed description of the process(es) for ensuring the quality of the programs and resolving any customer complaints related to the program(s). ii. Plan for workforce development and job training partnerships and pipelines for energy efficiency jobs, including the local, underrepresented, and disadvantaged workers. The utility will also provide a description of how the utility plans to engage with and support participation by minority-, women-, and veteran-owned and other underrepresented businesses to ensure equitable access to contracting opportunities under the proposed programs.	Exhibit P-5, Section 3b.ii Building Decarbonization (i, ii, vii) Exhibit P-5, Section 4a Quality Control and Customer Complaint Resolution (i) Exhibit P-5, Section 4b Workforce Development and Job Training (ii) Exhibit P-5, Section 4c Customer Access to Usage Data (iii) Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs (iv) Exhibit P-5, Appendix E Benefit Cost Analysis (v)

		iii. Customer access to current and historic energy usage data iv. Total budget summary, including an annual budget summary and joint budgets with partner utilities v. Benefit-cost analysis (as defined under Section V) vi. The utility shall list its forecasted average cost to achieve each unit of energy savings in each sector. vii. Marketing plan: The utility shall provide a description of where and how the proposed portfolio will be marketed or promoted to the sectors served by the utility's customer base, including coordinated customer outreach on core programs with other utilities. This shall include an explanation of how the specific services, along with prices, and energy bill savings for the proposed portfolio, will be conveyed to customers, where available and applicable. The marketing plan shall include a description of any known market barriers that may impact implementation and strategies to address known market barriers.	Exhibit P-5, Appendix D Forecasted Average Costs to achieve each unit of energy savings in each sector (vi) Exhibit P-4 Direct Testimony of Brendon J. Baatz (v) Exhibit BJB-2 Cost Effectiveness Analysis Workpapers (v) Exhibit P-5, Section 4d Marketing Plan (vii)
II	c	In areas where gas and electric service territories overlap, the utility shall provide a description of the program structure for coordinated, consistent delivery of programs between the utilities and estimated coordinated budgets and allocation of costs and energy savings between the utilities. The utility shall provide a description of how the utilities coordinated their program assumptions and other factors that could influence results for each coordinated program.	Exhibit P-5, Section 5 Consistent Delivery in Overlapping Territories
		III. Additional Filing Information Applicable Only to Renewable Energy Projects	**Location in NJNG's EE Filing**
III	a	The utility shall propose the method for treatment of Renewable Energy Certificates ("RECs"), including solar incentives, or any other renewable energy incentive developed by the Board, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership and use of the certificate revenue stream(s).	N/A
III	b	The utility shall also propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets, including ownership and use of the certificate revenue stream(s). For programs that are anticipated to reduce electricity sales	N/A

		in its service territory, the utility shall quantify the expected associated annual savings in REC, solar incentive, and any other renewable energy incentive costs.	
		IV. Cost Recovery Mechanism	**Location in NJNG's EE Filing**
IV	a	The utility shall provide appropriate financial data for the proposed program(s), including estimated revenues, expenses, and capitalized investments for each of the first three years of operations and at the beginning and end of each year of the three-year period. The utility shall include pro forma income statements for the proposed program(s) for each of the first three years of operations and actual or estimated balance sheets at the beginning and end of each year of the three-year period.	Schedule NJNG-1 Comparative Balance Sheet Schedule NJNG-2 Comparative Income Statement Schedule NJNG-3 Balance Sheet Schedule NJNG-4 Statement of Revenues Schedule NJNG-11 Accounting Entries Schedule NJNG-5 Pro-Forma Income Statement (2024-2037) Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-1 SAVEGREEN Investments Schedule JMC-2 Cost of Capital Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers
IV	b	The utility shall provide detailed spreadsheets of the accounting treatment of the proposed cost recover, including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed program cost recovery method.	Schedule NJNG-11 Accounting Entries
IV	c	The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program(s), including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other mechanisms.	Exhibit P-3 Direct Testimony of James M. Corcoran
IV	d	The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was	Exhibit P-1 Petition Schedule NJNG-9 Proposed Tariff Sheets

		served on the New Jersey Division of Rate Counsel simultaneous to its submission to the Board.	
IV	e	The utility shall provide a rate impact summary by year for the proposed program(s) and a cumulative rate impact summary by year for all approved and proposed programs showing the impact of individual programs, based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. Such rate impacts shall be calculated for each customer class. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers
IV	f	The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program(s), identified by cost segment, consistent with the program cost categories enumerated in Section II(a)(x). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program(s), with all supporting documentation. Embedded costs are costs that are provided for in the utility's base rates or through another rate mechanism. Incremental costs are costs associated with or created by the proposed program that are not provided for in the utility's base rates or through another rate mechanism. Incremental costs are costs associated with or created by the proposed program that are not provided for in base rates or another rate mechanism.	Exhibit P-3 Direct Testimony of James M. Corcoran Exhibit P-3, JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit P-5, Appendix B Program Budgets and Costs, by year for all programs
IV	g	The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated annual program costs and revenues for the proposed program(s), including effects upon rate base and pro forma income calculations.	Exhibit P-3, JMC-3 Revenue Requirements Summary and Projected Bill Impact Workpapers Exhibit P-3 Direct Testimony of James M. Corcoran Schedule NJNG-5 Pro-Forma Income Statement (2024-2037)
IV	h	The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure, as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-2 Cost of Capital

IV	i	If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility. A utility seeking performance incentives shall provide all supporting justifications and rationales for the incentives, along with supporting documentation, assumptions, and calculations. Utilities that have approved rate mechanisms or incentive treatment from previous cases and are not seeking a modification of such treatment through the current filing are not subject to this requirement.	Exhibit P-3 Direct Testimony of James M. Corcoran Schedule JMC-2 Cost of Capital
		V. Benefit-Cost Analysis	**Location in NJNG's EE Filing**
V	a	The utility shall conduct a benefit-cost analysis of the programs and portfolio using the most recent New Jersey Cost Test, including its most recent avoided cost methodologies, as a primary test. In addition, the utility shall conduct benefit-cost analysis using the Participant Cost Test, Program Administrator Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test, and Societal Cost Test that assesses all program costs and benefits from a societal perspective i.e., that includes the combined financial costs and benefits realized by the utility and the customer as defined in the then-current version of the California Standard Practice Manual. The utility may also provide any additional benefit-cost analysis that it believes appropriate with supporting rationales and documentation.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers Exhibit P-5, Appendix E Benefit Cost Analysis
V	b	The utility must calculate and track the results of the tests in Section V(a) to analyze and improve program design and performance with the goal of having BD Programs for Triennium 3 that achieve a benefit-to-cost ratio greater than or equal to 1.0 when using the NJCT.	Exhibit P-5, Section 4e Evaluation, Measurement, and Verification Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
V	c	Renewable energy programs, workforce development, and job training costs, health and safety measures, and outreach to community-based organizations shall not be subject to a benefit-cost test, but the utility must estimate all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs.	N/A
V	d	The level of energy and capacity savings shall be calculated using the most recent Technical Reference Manual approved by the Board. To the extent that a protocol does not exist or an alternative protocol is proposed for a filed	Exhibit P-5 Section 4e Evaluation, Measurement, and Verification

		program, the utility must submit a savings methodology for the program or contemplated measure for approval by the Board.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
V	e	For calculation of energy and capacity savings, as well as for the cost effectiveness calculations, the utility shall apply the applicable net-to-gross ("NTG") ratio and realization rates provided in the current Technical Reference Manual. To the extent that a NTG value does not exist or an alternative NTG value is proposed for a field program, the utility must submit a NTG value for the program or contemplated measure for approval by the Board.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit BJB-2 Cost Effectiveness Analysis Workpapers
		VI. Evaluation, Measurement, and Verification ("EM&V)	**Location in NJNG's EE Filing**
VI	a	The utility shall describe the methodology, processes, and strategies for monitoring and improving program and portfolio performance related to developing a full program for Triennium 2. The utility shall confirm that these methodologies, processes, and strategies conform with the current New Jersey EM&V guidance documents and standards or propose modifications and additions as needed for BD Programs. The utility shall also provide an EM&V budget consistent with the current New Jersey EM&V guidance documents and standards. Additionally, the utility shall provide information on data transparency. 1. To support any evaluation-related work, data should be provided by the utility or State or their program administrator in full and within four weeks of the request. Time extensions may be approved by Staff if they are received more than a week before the data are due and if a meeting has been held with the Statewide Evaluator team requesting the data to identify if there are adequate substitutes (in the Statewide Evaluator's judgment) for the initially-requested data. 2. Data delivery must use appropriate secure delivery systems. 3. Staff will require regular (at least quarterly) reporting on data requests and their fulfillment status (timeliness, completeness, data quality, etc.)	Exhibit P-5, Section 4e Evaluation, Measurement, and Verification Exhibit P-2 Direct Testimony of Anne-Marie Peracchio

		VII. Quantitative Performance Indicators: Targets	
VII	a	The utility shall file estimated values for each program year for the following metrics: - Site and source energy savings by fuel (MMBtu) - Site and source lifetime energy savings by fuel (MMBtu) - Site and source annual emissions by fuel (CO2e MT) - Site and source lifetime emissions by fuel (CO2e MT) - Net annual peak demand savings by fuel (electricity and natural gas only) (peak MW or peak-day therm) - CO2 emissions impacts by fuel (CO2e MT) - Levelized cost per metric ton of CO2e (costs levelized over the EUL or AUL, as appropriate, of the measure or project divided by lifetime net CO2e impacts) - Number of distributors and contractors engaged in the program - Number of program participants and installations, overall and for LMI - Number and geographic location of installations The utility shall provide a description of how the proposed portfolio achieves the estimated outcomes.	Exhibit P-4 Direct Testimony of Brendon J. Baatz Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Appendix G Key Metrics for Additional Utility-Led Initiatives
		VIII. Reporting Plan	**Location in NJNG's EE Filing**
VIII		The utility shall comply with the reporting requirements as outlined in the BPU's most recent Energy Efficiency Framework Order.	Exhibit P-2 Direct Testimony of Anne-Marie Peracchio Exhibit P-5, Section 4f Reporting Plan

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY-EFFICIENCY, BUILDING DECARBONIZATION START UP AND DEMAND RESPONSE 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. SECOND TRIENNIUM	**AGREEMENT OF NON-DISCLOSURE OF INFORMATION CLAIMED TO BE CONFIDENTIAL** **BPU DOCKET NO. QO23120868**

It is hereby AGREED, as of the 13th day of September 2023, by and among New Jersey Natural Gas Company ("Petitioner"), the Staff of the New Jersey Board of Public Utilities ("Board Staff") and Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"), who have agreed to execute this Agreement of Non-Disclosure of Information Claimed to be Confidential ("Agreement"), and to be bound thereby that:

WHEREAS, in connection with the above-captioned proceeding before the Board of Public Utilities (the "Board"), Petitioner and/or another party ("Producing Party") may be requested or required to provide petitions, prefiled testimony, other documents, analyses and/or other data or information regarding the subject matter of this proceeding that the Producing Party may claim constitutes or contains confidential, proprietary or trade secret information, or which otherwise may be claimed by the Producing Party to be of a market-sensitive, competitive, confidential or proprietary nature (hereinafter sometimes referred to as "Confidential Information" or "Information Claimed to be Confidential"); and

WHEREAS, the Parties wish to enter into this Agreement to facilitate the exchange of information while recognizing that under Board regulations at N.J.A.C. 14:1-12 et seq., a

request for confidential treatment shall be submitted to the Custodian who is to rule on requests made pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., unless such information is to be kept confidential pursuant to court or administrative order (including, but not limited to, an Order by an Administrative Law Judge sealing the record or a portion thereof pursuant to N.J.A.C. 1:1-14.1, and the parties acknowledge that an Order by an Administrative Law Judge to seal the record is subject to modification by the Board), and also recognizing that a request may be made to designate any such purportedly confidential information as public through the course of this administrative proceeding; and

WHEREAS, the Parties acknowledge that unfiled discovery materials are not subject to public access under OPRA; and

WHEREAS, the Parties acknowledge that, despite each Party's best efforts to conduct a thorough pre-production review of all documents and electronically stored information ("ESI"), some work product material and/or privileged material ("protected material") may be inadvertently disclosed to another Party during the course of this proceeding; and

WHEREAS, the undersigned Parties desire to establish a mechanism to avoid waiver of privilege or any other applicable protective evidentiary doctrine as a result of the inadvertent disclosure of protected material;

NOW, THEREFORE, the Parties hereto, intending to be legally bound thereby, DO HEREBY AGREE as follows:

1. The inadvertent disclosure of any document or ESI which is subject to a legitimate claim that the document or ESI should have been withheld from disclosure as protected material shall not waive any privilege or other applicable protective doctrine for that document or ESI or for the subject matter of the inadvertently disclosed document or ESI if the Producing Party,

upon becoming aware of the disclosure, promptly requests its return and takes reasonable precautions to avoid such inadvertent disclosure.

2. Except in the event that the receiving party or parties disputes the claim, any documents or ESI which the Producing Party deems to contain inadvertently disclosed protected material shall be, upon written request, promptly returned to the Producing Party or destroyed at the Producing Party's option. This includes all copies, electronic or otherwise, of any such documents or ESI. In the event that the Producing Party requests destruction, the receiving party shall provide written confirmation of compliance within thirty (30) days of such written request. In the event that the receiving party disputes the Producing Party's claim as to the protected nature of the inadvertently disclosed material, a single set of copies may be sequestered and retained by and under the control of the receiving party until such time as the Producing Party has received final determination of the issue by the Board of Public Utilities or an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge.

3. Any such protected material inadvertently disclosed by the Producing Party to the receiving party pursuant to this Agreement shall be and remain the property of the Producing Party.

4. Any Information Claimed to be Confidential that the Producing Party produces to any of the other Parties in connection with the above-captioned proceeding and pursuant to the terms of this Agreement shall be specifically identified and marked by the Producing Party as Confidential Information when provided hereunder. If only portions of a document are claimed to be confidential, the producing party shall specifically identify which portions of that document are claimed to be confidential. Additionally, any such Information

Claimed to be Confidential shall be provided in the form and manner prescribed by the Board's regulations at N.J.A.C. 14:1-12 et seq., unless such information is to be kept confidential pursuant to court or administrative order. However, nothing in this Agreement shall require the Producing Party to file a request with the Board's Custodian of Records for a confidentiality determination under N.J.A.C. 14:1-12 et seq. with respect to any Information Claimed to be Confidential that is provided in discovery and not filed with the Board.

5. With respect to documents identified and marked as Confidential Information, if the Producing Party's intention is that not all of the information contained therein should be given protected status, the Producing Party shall indicate which portions of such documents contain the Confidential Information in accordance with the Board's regulations at N.J.A.C. 14:1-12.2 and 12.3. Additionally, the Producing Party shall provide to all signatories of this Agreement full and complete copies of both the proposed public version and the proposed confidential version of any information for which confidential status is sought.

6. With respect to all Information Claimed to be Confidential, it is further agreed that:

(a) Access to the documents designated as Confidential Information, and to the information contained therein, shall be limited to the Party signatories to this Agreement and their identified attorneys, employees, and consultants whose examination of the Information Claimed to be Confidential is required for the conduct of this particular proceeding.

(b) Recipients of Confidential Information shall not disclose the contents of the documents produced pursuant to this Agreement to any person(s) other than their identified employees and any identified experts and consultants whom they may retain in connection with this proceeding, irrespective of whether any such expert is retained specially and

is not expected to testify, or is called to testify in this proceeding. All consultants or experts of any Party to this Agreement who are to receive copies of documents produced pursuant to this Agreement shall have previously executed a copy of the Acknowledgement of Agreement attached hereto as "Attachment 1", which executed Acknowledgement of Agreement shall be forthwith provided to counsel for the Producing Party, with copies to counsel for Board Staff and Rate Counsel.

(c) No other disclosure of Information Claimed to be Confidential shall be made to any person or entity except with the express written consent of the Producing Party or their counsel, or upon further determination by the Custodian, or order of the Board, the Government Records Council or of any court of competent jurisdiction that may review these matters.

7. The undersigned Parties have executed this Agreement for the exchange of Information Claimed to be Confidential only to the extent that it does not contradict or in any way restrict any applicable Agency Custodian, the Government Records Council, an Administrative Law Judge of the State of New Jersey, the Board, or any court of competent jurisdiction from conducting appropriate analysis and making a determination as to the confidential nature of said information, where a request is made pursuant to OPRA, N.J.S.A. 47:1A-1 et seq. Absent a determination by any applicable Custodian, Government Records Council, an Administrative Law Judge, the Board, or any court of competent jurisdiction that a document(s) is to be made public, the treatment of the documents exchanged during the course of this proceeding and any subsequent appeals is to be governed by the terms of this Agreement.

8. In the absence of a decision by the Custodian, Government Records Council, an Administrative Law Judge, or any court of competent jurisdiction, the acceptance by the

undersigned Parties of information which the Producing Party has identified and marked as Confidential Information shall not serve to create a presumption that the material is in fact entitled to any special status in these or any other proceedings. Likewise, the affidavit(s) submitted pursuant to N.J.A.C. 14:1-12.8 shall not alone be presumed to constitute adequate proof that the Producing Party is entitled to a protective order for any of the information provided hereunder.

9. In the event that any Party seeks to use the Information Claimed to be Confidential in the course of any hearings or as part of the record of this proceeding, the Parties shall seek a determination by the trier of fact as to whether the portion of the record containing the Information Claimed to be Confidential should be placed under seal. Furthermore, if any Party wishes to challenge the Producing Party's designation of the material as Confidential Information, such Party shall provide reasonable notice to all other Parties of such challenge and the Producing Party may make a motion seeking a protective order. In the event of such challenge to the designation of material as Confidential Information, the Producing Party, as the provider of the Information Claimed to be Confidential, shall have the burden of proving that the material is entitled to protected status. However, all Parties shall continue to treat the material as Confidential Information in accordance with the terms of this Agreement, pending resolution of the dispute as to its status by the trier of fact.

10. Confidential Information that is placed on the record of this proceeding under seal pursuant to a protective order issued by the Board, an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge, or any court of competent jurisdiction shall remain with the Board under seal after the conclusion of this proceeding. If such Confidential Information is provided to appellate courts for the purposes

of an appeal(s) from this proceeding, such information shall be provided, and shall continue to remain, under seal.

11. This Agreement shall not:

(a) Operate as an admission for any purpose that any documents or information produced pursuant to this Agreement are admissible or inadmissible in any proceeding;

(b) Prejudice in any way the right of the Parties, at any time, on notice given in accordance with the rules of the Board, to seek appropriate relief in the exercise of discretion by the Board for violations of any provision of this Agreement.

12. Within forty five (45) days of the final Board Order resolving the above-referenced proceeding, all documents, materials and other information designated as "Confidential Information," regardless of format, shall be destroyed or returned to counsel for the Producing Party. In the event that such Board Order is appealed, the documents and materials designated as "Confidential Information" shall be returned to counsel for the Producing Party or destroyed within forty-five (45) days of the conclusion of the appeal.

Notwithstanding the above return requirement, Board Staff and Rate Counsel may maintain in their files copies of all pleadings, briefs, transcripts, discovery and other documents, materials and information designated as "Confidential Information," regardless of format, exchanged or otherwise produced during these proceedings, provided that all such information and/or materials that contain Information Claimed to be Confidential shall remain subject to the terms of this Agreement. The Producing Party may request consultants who received Confidential Information who have not returned such material to counsel for the Producing Party as required

above to certify in writing to counsel for the Producing Party that the terms of this Agreement have been met upon resolution of the proceeding.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for Petitioner, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do HEREBY AGREE to the form and execution of this Agreement.

NEW JERSEY NATURAL GAS COMPANY

By:_____
Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By:_____
Steven A. Chaplar, Esq.
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.
DIRECTOR
DIVISION OF RATE COUNSEL

By:_____
Maura Caroselli, Esq.
Deputy Rate Counsel

DATE: 9/18/23

ATTACHMENT 1

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY-EFFICIENCY, BUILDING DECARBONIZATION START UP AND DEMAND RESPONSE 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. SECOND TRIENNIUM	**AGREEMENT OF NON-DISCLOSURE OF INFORMATION CLAIMED TO BE CONFIDENTIAL** **BPU DOCKET NO. QO23120868**

ACKNOWLEDGMENT OF AGREEMENT

The undersigned is an attorney, employee, consultant and/or expert witness for the Division of Rate Counsel or an intervenor who has received, or is expected to receive, Confidential Information provided by New Jersey Natural Gas Company or by another party (Producing Party) which has been identified and marked by the Producing Party as "Confidential Information." The undersigned acknowledges receipt of the Agreement of Non-Disclosure of Information Claimed to be Confidential and agrees to be bound by the terms of the Agreement.

Dated: By:_____

(Name, Title and Affiliation)

NEW JERSEY NATURAL GAS COMPANY

DIRECT TESTIMONY OF ANNE-MARIE PERACCHIO
MANAGING DIRECTOR – MARKETING AND ENERGY EFFICIENCY

I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.

A. My name is Anne-Marie Peracchio and I am the Managing Director of Marketing and Energy Efficiency for New Jersey Natural Gas Company (the "Company" or "NJNG"). My business address is 1415 Wyckoff Road, Wall, New Jersey 07719.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. In 1990, I received a Bachelor of Science degree in Accounting with a double major in Philosophy from the University of Scranton, and in 1997 a Master's of Business Administration from Monmouth University. I previously worked as a Certified Public Accountant in the State of New York. From September 1990 to June 1993, I was employed by KPMG Peat Marwick in various positions within the Audit Department.

In June 1993, I accepted a position with New Jersey Resources Corporation, the parent of NJNG, in the Internal Audit Department and held that position until February 1995 when I accepted a position as a Senior Rate Analyst in the Regulatory Affairs Department of the Company. In July 1997, I was promoted to Manager, Regulatory Affairs and in January 1999, I was promoted to Director, Regulatory Affairs. In December 2006, I was appointed as the Director, Conservation and Affordability until December 2009, when my responsibilities shifted to serve as the Director, Conservation and Clean Energy Policy. In November 2015, my responsibilities were broadened to include both policy and operations for energy-efficiency programs as the Director, Conservation and Clean Energy. I was promoted to the Managing Director, Marketing and Energy Efficiency in September 2021.

Q. WHAT IS YOUR INVOLVEMENT WITH NJNG'S EXISTING ENERGY-EFFICIENCY PROGRAMS?

A. I report directly to the Vice President, Customer Service, Marketing and Energy Efficiency. I am responsible for the development and implementation of the Company's customer conservation programs, pursuant to the New Jersey Board of Public Utility's ("BPU" or "Board") approval of the Conservation Incentive Program ("CIP"), and I manage the efforts of the team who implements the NJNG energy-efficiency program - SAVEGREEN® ("SAVEGREEN"). I also identify opportunities to help drive cultural changes within the organization to support the Company's concerted focus on energy conservation. Most of those programs fall under the Company's Conserve to Preserve® ("CTP") initiative that will be discussed in more detail below. Additionally, I have been and continue to be involved in the development of NJNG's policy positions on a number of energy-related issues and previously supported the State and Local Energy Efficiency Action Network. I have served as a Company representative on a number of committees and task forces for New Jersey's Clean Energy Program™ ("NJCEP"), Sustainable Jersey™, the Consortium for Energy Efficiency ("CEE") and the American Gas Association ("AGA") and currently serve as a member of the Ally Advisory Committee for the American Council for an Energy Efficiency Economy ("ACEEE"). I currently serve as a Board Member for Lead New Jersey and previously served as Chair of the Board of Trustees for Sustainable Jersey. I also play a significant role in the joint utility efforts to coordinate programs, and I am actively involved in all of the New Jersey Joint Utility Committees and the Working Groups run by Board Staff.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS?

A. Yes. I have testified on behalf of NJNG in numerous Regional Greenhouse Gas Initiative ("RGGI") filings as well as Levelized Gas Adjustment proceedings, the precursor to Basic Gas Supply Service ("BGSS"), BGSS cases and other rate related filings before the Board. I also actively participated through numerous stakeholder processes conducted by the Board's Division of Clean Energy over the past 17 years.

Q. PLEASE SUMMARIZE THE BOARD APPROVALS THAT NJNG IS SEEKING THROUGH THIS FILING?

A. NJNG is seeking Board authority for three key areas:

1. To refine and expand its energy efficiency programs for the 30-month Second Triennial (January 1, 2025 through June 30, 2027)[1] with related implementation costs allowed as of the effective date of the Board Order approving this filing, along with costs incurred prior to the Order's effective date to support the timely launch of the program. The programs will continue to be delivered through SAVEGREEN. The portfolio is designed to comply with the requirements of the Clean Energy Act ("CEA") set forth in the June 10, 2020 BPU Order ("CEA Order"), as well as the May 24, 2023[2] ("May 24th Order"), July 26, 2023[3] ("July 26th Order"), and October 25, 2023[4] ("October 25th") BPU Orders. The changes to the programs and additional funding are required to allow NJNG to meet our obligation for our share of the CEA goal specified in the October 25th Order.

[1] The October 25th Order modified the term of the Second Triennial to cover less than a full three-year period.

[2] In re the Implementation of P.L. 2018, c. 17, The New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re 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; In re: Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated May 24, 2023 ("May 24th Order").

[3] In the Matter of the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040; – 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; and – In the Matter of Electric Public Utilities and Gas Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 – Minimum Filing Requirements, BPU Docket No. QO17091004; Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, Order dated July 26, 2023 ("July 26th Order").

[4] 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 25th Order").

2. To implement a Building Decarbonization Start-Up ("BD") program for the Second Triennial with consideration of the guidance provided by the May 24th and July 26th Orders.
3. To implement a Demand Response ("DR") program for the Second Triennial with consideration of the guidance provided by the May 24th and July 26th Orders.

Consistent with the terms of the Orders, NJNG has requested that the Board allow the Company to recover the costs of these programs, including a return on and return of the investments associated with the programs. Additionally, consistent with the guidance on project commitments addressed in the May 24th Order, some expenses are expected to occur after June 30, 2027.

The programs are discussed in significant detail in the Program Plan (Exhibit P-5). The Program Plan provides an overview of each of the proposed programs and addresses the applicable Minimum Filing Requirements ("MFRs"). It is grouped into two distinct sections—Core Utility Programs and Additional Utility-Led Programs. The Additional Utility-Led Programs also address the Company's proposals for BD and DR programs. The remaining, broader MFRs are addressed within supporting testimony and schedules. An overview document indicating where supporting information for each MFR is presented is included as Exhibit P-1 Schedule NJNG-12.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY AND THAT OF OTHER WITNESSES WHO SUPPORT THE COMPANY'S PETITION?

A. In this testimony, I describe how the SAVEGREEN programs will serve the needs of our customers, support trade allies and meet the requirements of the May 24th, July 26th, and October 25th Orders. This includes addressing collaborative utility efforts to refine the Core Programs.

NJNG is also submitting the pre-filed direct testimony of James M. Corcoran, Director of Revenue Requirements for NJNG (Exhibit P-3) (the "Corcoran Testimony") and Brendon J. Baatz, Gabel Associates (Exhibit P-4) (the "Baatz Testimony"). Mr. Corcoran explains the ratemaking aspects of the Company's petition, including projected revenue requirements and customer bill impacts based on the

proposed recovery of the program investments and related costs. Mr. Baatz explains the approach to the Benefit-Cost Analysis ("BCAs"), the Quantitative Performance Indicators ("QPIs") for the proposed portfolio of programs, estimated economic impacts from the program, and related supporting information. NJNG's filing also includes the MFRs established in the May 24th and July 26th Orders. To facilitate the review of each program, NJNG is including a Program Plan (Exhibit P-5) that addresses many of the required MFRs in a consistent format. Attached to and made a part of this filing is Exhibit P-1 Schedule NJNG-12 that lists the MFRs and the location of the requested information within this filing.

II. SAVEGREEN HELPS NEW JERSEY ACHIEVE ITS ENERGY POLICY GOALS

Q. HOW DOES THE SAVEGREEN PROGRAM ALIGN WITH STATE POLICY GOALS?

A. New Jersey has a comprehensive and ambitious suite of energy policy goals established through BPU Orders, the Clean Energy Act, Executive Orders, and the Energy Master Plan, including:

- achieving the energy savings goals of the CEA;
- improving energy affordability, particularly for low- and moderate-income ("LMI") customers, including a focus on these customers who reside in Overburdened Communities ("OBCs");
- creating jobs and growing the clean energy economy;
- reducing greenhouse gas emissions; and
- reducing peak demand

The 1st Triennium energy efficiency programs established the Core programs and allowed for Additional Utility-Led Initiatives to deliver energy savings required by the CEA. Key tactical priorities during this period included a smooth transition of programs that were previously offered by NJCEP, broadening approaches and incentives to reach more LMI customers, establishing a separate Multifamily program, launching new commercial programs, developing a structure to allow utilities to pursue

comprehensive projects by supporting incentives for both electric and gas measures, and beginning to scale programs on trajectory to meet increasing CEA targets. The Utilities addressed all these issues and more and have given thoughtful consideration to how to adjust the proposed portfolio to achieve 2nd Triennium savings goals.

In the 2nd Triennium, added emphasis is being put on reducing emissions, peak demand reduction, energy affordability, and a longer-term view of clean energy programs. These strategic goals require expansions beyond the Core programs, which NJNG has addressed in a series of new approaches in its Utility-Led Initiatives, including BD, DR, and Next Generation Savings programs.

NJNG's SAVEGREEN program has a long history of delivering results and adapting to the changing needs of its customers. The 2nd Triennium SAVEGREEN program was designed to address State policy goals that were established. NJNG's portfolio of proposed programs will continue this success and deliver results needed to ensure New Jersey achieves its energy goals.

Q. HOW DOES NJNG'S BD PROGRAM PROVIDE LOW-COST EMISSIONS REDUCTIONS?

A. NJNG's proposed BD program includes two (2) components whose objectives are to promote efficiency and emissions reductions: Hybrid Heat and District Geothermal Heating

Our approach to Hybrid Heat will maximize efficiencies of existing, reliable infrastructure while minimizing emissions. NJNG is evaluating how electric heat pumps can be used to provide heat during milder temperatures when their performance and efficiency benefits are maximized. By combining the benefits of both electric and gas heating systems, hybrid heat solutions can create a smaller impact on ratepayers than a full decarbonization approach and deliver more carbon emissions reductions than possible with a high efficiency furnace alone. At colder temperatures, high efficiency gas heat systems step in to maintain reliability and avoid costs of building out a winter-peaking electric system to provide the same functionality. Most importantly, it allows many customers not ready or capable to pursue more expensive options to share in the benefits of decarbonization and contribute to New Jersey's carbon emissions reduction.

District Geothermal Heating will deploy a centrally located geothermal heating system to deliver highly efficient heating to multiple end users through a connected network of piping. Leveraging geothermal heat reduces the need for additional fuels and the costs and emissions associated with them. Plus, a district-based approach would allow individual customers to avoid the costs of drilling individual wells. Geothermal district projects are being considered in other jurisdictions to explore and understand installation and operating costs, as well as potential viability as a novel component to decarbonization strategies. NJNG proposes putting New Jersey at the forefront of this technology by advancing a feasibility study to identify a proposed project site and to begin construction if a suitable site is identified. This scope of the feasibility study will include a focus on prioritizing potential sites in OBC areas and/or an area serving a high proportion of LMI customers to bring these benefits to New Jersey's vulnerable populations.

Q. HOW DOES NJNG'S HYBRID HEAT OFFERING ENABLE CUSTOMER CHOICE AND SUPPORT THE EXPANSION OF DECARBONIZATION TECHNOLOGIES?

A. E Source found in its 2021 Residential Electrification Survey[5] that nearly 80% of customers who owned a natural gas furnace prefer to keep natural gas as their fuel source. This independent analysis supports the fact that these customers are unlikely to shift to electric heating. Given this reality, the hybrid heat solution allows customers to continue to benefit from the affordability and reliability of natural gas heating while benefitting from significant savings on their cooling bills and supporting decarbonization efforts. In the absence of this opportunity, this independent analysis indicates most customers would choose to continue to heat their home exclusively with natural gas.

Q. HOW DOES THE DEMAND RESPONSE PROGRAM REDUCE PEAK DEMAND AND IMPROVE ENERGY AFFORDABILITY?

[5] Esource 2021 Residential Electrification Survey. https://www.esource.com/130211h6aq/results-e-source-2021-residential-electrification-survey.

A. The Demand Response ("DR") program will incentivize customers to reduce gas consumption during peak demand periods through a Bring Your Own Thermostat ("BYOT") solution and use of proprietary technology that can help customers who have an Automated Meter Reading ("AMR") device monitor their usage through a smartphone application.

NJNG has proposed a portable solution in which its BYOT customers could be transitioned to an aggregator program without requiring additional hardware. The July 26th BPU Order positions 2nd Triennium DR programs as a learning opportunity for New Jersey, part of a broader effort to "identify the priorities, experimentation, milestones, and timing required to achieve the mission outlined in the DR Guiding Principles." [6] In this spirit, NJNG has included both a more mainstream solution in BYOT and an experimental opportunity in its AMR-enabled technology solution to help shape future opportunities.

These approaches will combine to deliver real, measurable benefits in the 2nd Triennium, and provide invaluable learning opportunities to inform program design for DR in future programs.

Q. HOW DOES THE NEXT GENERATION SAVINGS PROGRAM POSITION NEW JERSEY FOR LONG-TERM SUCCESS IN ENERGY EFFICIENCY?

A. The Next Generation Savings program is designed to help market ready technologies to achieve market transformation through mechanisms deployed by NJNG to help introduce these technologies to customers and contractors. It will lay the groundwork for advancing programs and technologies to support New Jersey's clean energy and climate related goals. Plus, it can help develop new solutions to meet the needs of customers, achieve ambitious goals, and address evolving public policy positions.

This program is the ideal tool to support developing technologies, while allowing New Jersey customers, contractors, operating equipment manufacturers ("OEMs"), and utilities to evaluate technologies firsthand and provide invaluable feedback to the BPU on opportunities and technologies that can shape future programs.

[6] July 26th Board Order, pg 19.

These technologies can both increase energy savings and reduce costs for both participants and ratepayers in the long-term. Investing in the Next Generation Savings program today is an investment in a more cost-effective energy efficiency program for the future.

Q. HOW DO NJNG'S INCENTIVE RANGES SUPPORT ACHIEVING NEW JERSEY'S ENERGY POLICY GOALS?

A. NJNG developed incentive ranges in coordination with the other utilities as discussed later in this testimony. In most cases, these rebates on natural gas equipment are at comparable levels to those currently available in the 1st Triennium programs. It is important to maintain strong incentives given the significant increase in equipment costs as a result of inflationary pressures and supply chain issues.

Rebates are set to cover a portion of the incremental cost to customers to incentivize them to choose energy efficiency equipment over less efficient alternatives and save money over the life of the measure. Reducing incentives would change this calculation for some customers and cause fewer customers to choose the more efficient option. This could have the unintended consequence of increasing greenhouse gas emissions and slowing growth of the clean energy economy.

III. SAVEGREEN'S ALIGNMENT WITH THE CEA ORDER

Q. PLEASE PROVIDE SOME BACKGROUND ON SAVEGREEN'S HISTORY.

A. NJNG has offered energy-efficiency programs to its customers since September 2009. While there have been numerous refinements to SAVEGREEN since that initial BPU approval, most of the programs were originally designed to complement programs offered through NJCEP and leverage utility resources. The 2018 case expanded our portfolio to include additional programs that NJNG implemented completely independent of NJCEP. The July 2009 Order and all subsequent orders have also addressed the recovery of the costs necessary to deliver SAVEGREEN programs to customers, including grants, incentives, incremental operation and maintenance ("O&M") expenses, and investment-related carrying costs and income taxes. Specifically, the Company was authorized to implement the Energy Efficiency ("EE")

Rider to its Tariff, designated as Rider F, which enables cost recovery of SAVEGREEN program offerings. NJNG is currently running programs under the CEA structure pursuant to a BPU Order that was issued on March 3, 2021, including many programs that transitioned from NJCEP administration.

Q. PLEASE DESCRIBE THE UTILITY COORDINATION EFFORTS IN THE DEVELOPMENT OF THE CORE PROGRAMS.

A. The CEA Order expresses a clear directive for the Utilities to work together on the design of the Core Programs. The Utilities had been working collaboratively on program design since the Spring of 2020. The Utilities maintain subcommittees by sector and by topic to delve into detailed discussions regarding measures, incentives, and overall program structure. Over the past year, these committees have continued to address coordination of programs being run during the current triennial in parallel with efforts to refine the new suite of programs that are proposed through this filing.

Q. HOW DO THE UTILITIES SUPPORT COMPREHENSIVE PROJECTS AND MEASURES THAT SAVE ENERGY ON BOTH FUELS?

A. The Utilities took into consideration that customers and contractors would prefer to deal with a single utility for comprehensive projects for the entire process, from the time the application is filed to the final payment of incentives. With that customer and contractor experience in mind, the utilities have designed a Statewide Coordinator ("SWC") system. The SWC serves as a clearinghouse for measures, energy savings and investment that impact more than one utility in situations where gas and electric service territories overlap. NJNG's service territory primarily overlaps with Jersey Central Power and Light Company's ("JCP&L") and Atlantic City Electric Company's ("ACE") service territories but also has a small overlap of less than 100 customers with Public Service Electric and Gas Company ("PSE&G"). The SWC, selected through a competitive procurement process, is a software platform to cross-reference eligible customers, identify the local gas and electric company serving the customer, identify completed and in-progress efficiency projects, and perform independent allocations of energy savings and costs for coordinated program offerings. The SWC system provides a structure for investments and energy savings to be allocated between the Utility that

provides the program services (i.e., "Lead Utility") and the Utility with whom the services were coordinated (i.e., "Partner Utility'). More information on the SWC is presented as Section 5 of the Program Plan (Exhibit P-5).

Q. CAN YOU EXPLAIN MORE ABOUT THE LEAD UTILITY AND PARTNER UTILITY ROLES?

A. The Lead Utility will be the primary contact for any customer or contractor interactions on that project. They will also issue the incentive payment and transmit all necessary information to the SWC to facilitate the allocation of costs and energy savings. The Partner Utility is not intended to be a passive entity. They may be called upon to provide supporting energy usage information to support the project and will need to record the customer's participation in their own system of record for reporting purposes and potential future marketing efforts.

Q. HOW DID THE UTILITIES APPROACH COORDINATED BUDGETS?

A. The Utilities recognize there are extraordinary challenges of trying to predict the level of shared and cross fuel savings, especially when a utility overlaps with multiple partners. Those challenges will be further intensified as the New Jersey Utilities begin to launch BD programs which make it highly uncertain what energy savings an electric distribution company ("EDC") may eventually transfer to a natural gas distribution company ("GDC"). To ensure stability for the market, the Utilities developed a proposal for authorization for each utility to execute up to their full approved budget as a Lead Utility, and to collect the full cost of their investments for their primary fuel and also collect the net amount of any transferred investments with Partner Utilities. The net transfers between the utilities would be positive for some companies, negative for others and equal zero across the state.

Q. HOW DID NJNG APPROACH THE BUDGET FOR THIS FILING?

A: In light of the concerns raised during extended Utility Working Group discussions and the fact that NJNG would likely not have sufficient funding available to support budget requests from our Partner Utilities if the budget adjustment proposal was not approved, NJNG took the conservative approach of estimating the net transfers with our partner

utilities based on the best information NJNG had available to NJNG at the time of the filing. NJNG reserves the right to adjust our budget request if it appears that our estimate of the net transfers may not be sufficient to support Partner Utility needs for investment in measures/projects with natural gas savings in our territory or if there is a significant change in outlook for the budget adjustment proposal.

Q. PLEASE DESCRIBE THE QPIs IN THE JULY 26TH ORDER.

A. The July 26th Order established six (6) QPIs:

1. Annual energy savings;
2. Annual peak demand savings;
3. Lifetime energy savings;
4. Low and Moderate Income and Overburdened Community Lifetime energy savings;
5. Small Business Lifetime Energy Savings; and
6. Cost to Achieve.

Q. HOW HAVE THOSE QPIs BEEN ADDRESSED WITHIN THIS FILING?

A. Mr. Baatz addresses the QPIs. Please refer to the testimony of Brendon Baatz (Exhibit P-4) and Appendix F of the Program Plan (Exhibit P-5) for more information.

Q. DOES NJNG EXPECT TO ACHIEVE THE UTILITY ENERGY TARGETS ESTABLISHED BY THE OCTOBER 25TH ORDER DURING THIS SECOND TRIENNIAL?

A. Yes. NJNG expects to achieve our share of the CEA target goals for all three (3) years of the triennial as established in the October 25th Order. Please refer to Schedule AMP-1 for a comparison to targets.

Q. PLEASE DISCUSS PY4 ENERGY SAVINGS COMPARISON TO TARGET.

A. NJNG believes that targeting this level of energy savings is critical for the following reasons:

- Prior Program Savings: NJNG has a very large Engineered Solutions project in progress that will account for a significant percentage of the annual savings target. There is currently uncertainty whether the project will close

during the Program Year ("PY") 3 extension, PY4, or PY5 due to lingering supply chain issues and the shortened timeframe of PY4 following the October 25th Order. Due to this uncertainty, NJNG has modeled a program that could achieve the PY4 targets in the event this project does not close in the shortened PY4.

- Program Ramp Up: The 6-month extension of PY3 continuing at Triennium 1 program budget levels will cause a change in program ramp up trajectory from initial targets. To ensure NJNG's programs are in a good position to achieve PY5 targets, a fully funded PY4 budget, regardless of any prior program savings, will be necessary. It will also provide more stability for the trade allies that committed to promoting energy efficient solutions to their customers.

Q. HOW WILL THE PROPOSED EE PROGRAMS HELP LOWER ENERGY CONSUMPTION, LOWER CUSTOMER BILLS AND REDUCE LONG-TERM ENVIRONMENTAL IMPACTS OF ENERGY USAGE?

A. The proposed SAVEGREEN portfolio is a comprehensive set of EE, DR, and BD programs intended to provide opportunities for residential, multifamily, and commercial customers to save energy. The programs offer multiple options for customers to save energy through simple equipment upgrades, comprehensive projects, maintenance, and behavior changes. The estimated aggregate lifetime savings is more than 94 million therms.

Q. ARE THE PROPOSED EE, DR, AND BD PROGRAMS COST EFFECTIVE?

A. Yes. The supporting analysis shows that this SAVEGREEN filing is a cost-effective portfolio of programs. The benefits of the program outweigh the costs, as the portfolio scores above a 1.0 on the New Jersey Cost Test (see Exhibit P-4 Baatz Testimony).

Q. HOW WILL THE PROPOSED PROGRAMS HELP MAXIMIZE PEAK DEMAND SAVINGS?

A. Many of the SAVEGREEN programs support whole-house/whole-building approaches, and there has always been an added benefit of reduced demand created by the energy-efficiency investments. For example, seal-up and insulation work results in

energy savings for heating and air conditioning load since the system does not have to compensate for warm/cool air that previously would have escaped.

Additionally, the Company has proposed a DR program with two (2) pathways intended to incentivize customers to reduce gas consumption during peak usage periods. This program is discussed in more detail in Section IV of this testimony. Some of the proposed EE programs include incentives to encourage customers to invest in Smart thermostats, which on a larger scale will provide opportunities for customers to participate in demand response programs.

The estimated peak day demand reduction for both the EE and DR programs is estimated to be 4,241 therms by 2027.

Q. HOW WILL THE PROPOSED PROGRAMS PROVIDE EQUITABLE ACCESS TO ENERGY EFFICIENCY PROGRAMS?

A. Our SAVEGREEN proposal focuses on a number of approaches that can help LMI customers reduce their energy bills. This includes special incentives for the HVAC programs to make the energy efficiency upgrades more accessible; an efficient products program to offer lower cost energy efficiency products that can provide immediate savings and appeal to renters as well as homeowners; waivers for the home energy assessment fee; and our Income Qualified program along with a program that serves the needs of a broad range of multi-family properties by offering multiple program options that should increase their likelihood of participating. NJNG will continue to allow for automatic qualification for these special incentives based upon either designated geographic location (e.g., LMI census tracts, Overburdened communities with low-income designation) or participation in another qualifying program. Additionally, NJNG has also included funding to support engaging community-based organizations in a more direct way so they can be financially compensated for taking on a larger role in outreach. The estimated aggregate lifetime savings for low- and moderate-income customers in PY4 through PY6 is 737,714 MMBtu. This represents approximately 9% of the proposed SAVEGREEN program savings.

Q. HOW DOES THE PERCENTAGE OF LMI IN THE PROPOSED PROGRAMS COMPARE TO THE PERCENTAGE OF RETAIL SALES TO LMI CUSTOMERS AND RESIENTIAL CUSTOMERS RESIDING IN OBCs?

A. Known LMI and residential customers residing in OBCs make up approximately 10% of NJNG's retail sales. Please refer to Schedule AMP-2 for a comparison to EE savings for this sector. SAVEGREEN's LMI savings represent 9% of total program savings. NJNG's slightly lower percentage of savings to this segment of customers reflects market barriers facing this segment which NJNG continues to work to overcome. Additionally, it indicates difficulty modeling these customers' participation outside of defined LMI programs. Further, since some of the programs serving the needs of LMI customers have a lower BCA score, efforts to shift the composition of programs could result in a program that would not be cost-effective and would significantly increase the budget since most programs provide measures at no cost to the participating LMI customer.

Q. HOW WILL THE PROPOSED PROGRAMS HELP SMALL BUSINESS CUSTOMERS?

A. The Company's Direct Install program is designed to generate energy savings opportunities for small business and address common market barriers to participation. The Direct Install program offers a no-cost energy audit which helps businesses identify opportunities they would otherwise not have the expertise or funding to identify. Direct Install also provides on-bill repayment to reduce or eliminate the upfront cost of energy efficiency for small businesses. The incentives are tiered to provide the highest incentives to small businesses with a natural gas load under 5,000 therms per year and a peak electrical demand of up to 100kW. The estimated aggregate lifetime savings for Small Business customers is 309,614 MMBtu. This represents approximately 4% of the proposed SAVEGREEN program savings.

Q. HOW DOES THE PERCENTAGE OF SMALL BUSINESS SAVINGS IN THE PROPOSED PROGRAMS COMPARE TO THE PERCENTAGE OF RETAIL SALES TO SMALL BUSINESS CUSTOMERS?

A. Small Business customers, defined as those on NJNG's General Service – Small rate, make up 5% of NJNG's retail sales. Please refer to Schedule AMP-2 for a comparison to EE savings for this sector. SAVEGREEN's Small Business savings represent 4% of total program savings. This somewhat lower percentage of savings to this segment of customers reflects market barriers facing this segment which NJNG continues to work to overcome. Additionally, it indicates limited data demonstrating these customers' participation outside of defined small business programs.

Q. PLEASE SHARE INFORMATION ABOUT THE COST TO ACHIEVE?

A. Cost to achieve reflects the total EE portfolio costs divided by total portfolio verified lifetime energy savings. The result is a cost per therm by sector. The estimated cost to achieve per our role as a Lead Utility is $1.47 for Residential, $3.04 for Commercial, and $3.79 for Multifamily.

Q. HOW WILL THE PROPOSED PROGRAMS HELP TO ADVANCE A CLEAN ENERGY ECONOMY?

A. The SAVEGREEN programs help advance the clean energy economy by generating significant customer demand for investing in energy efficiency equipment, addressing barriers that limit customer participation (e.g., availability of an On-Bill Repayment ("OBR") program tied to utility credit payment history), expanding the offerings in both the residential and commercial markets, and launching a multifamily program.

NJNG will continue to be an active participant in the Workforce Development ("WFD") Working Group and has proposed a budget to continue to support technical training and complement statewide efforts. Please refer to Section 4b of Exhibit P-5 for more information.

Q. PLEASE SUMMARIZE THE BENEFITS OF THE PROPOSED BD PROGRAM.

A. While the benefits of the BD program are addressed in both the testimony of Brendon Baatz (Exhibit P-4) and Appendix E of the Program Plan (Exhibit P-5), the most important element is that strategies used in this program can help provide real world experience to help inform the State's further consideration of how to make progress

toward longer term decarbonization goals. Over the lifetime of the proposed BD programs, CO2 emissions will be reduced by 1,365 tons.

Q. PLEASE SUMMARIZE THE BENEFITS OF THE PROPOSED DR PROGRAM.

A. Historically, DR programs have been much more common in the electric industry than the natural gas industry. However, New Jersey has not had any robust DR programs for either fuel in recent years. Starting DR programs for both fuels will lead to educating and engaging customers on how they can reduce their energy bills and play a more active role in helping reach clean energy goals by thoughtfully controlling their own usage. NJNG believes that the proposed DR program provides an opportunity to explore innovative strategies that can help reduce demand on the natural gas system at peak periods.

IV. PROPOSED PROGRAMS (MFR II.a)

Q. HOW IS THIS SECTION OF YOUR TESTIMONY ADDRESSING SAVEGREEN PROGRAMS ORGANIZED?

A. The focus of this section of my testimony is a high-level overview of NJNG's proposed programs in three (3) general categories for Core Programs: 1) Residential 2) Commercial and Industrial, 3) Multifamily; and three (3) general categories for Additional Utility-Led Programs: 1) Next Generation Savings, 2) Building Decarbonization Start-Up, and 3) Demand Response. The May 24th Order determined what would be considered Core Programs. I will briefly address each respective program. Significantly more detail is provided in the supporting Program Plan, Exhibit P-5.

Q. PLEASE DESCRIBE THE CORE RESIDENTIAL OFFERINGS.

A. The Core Residential Programs include the Whole Home Program, the Income Qualified Program, the Energy Efficient Products Program, and the Behavioral Program.

- The Whole Home program – this program will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes.

This program reflects a combination of two of the existing approved programs- the Quick Home Energy Check-Up ("QHEC") program and the Home Performance with ENERGY STAR[7] program. The Utilities believe combining these programs will improve the customer experience. It will include the opportunity for customers to have a Home Energy Assessment performed (like the current QHEC but with a more robust option available) and then the opportunity to access incentives for comprehensive projects that are pursued based on the recommendations from the customer's Home Energy Assessment. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, NJNG will offer financing available through an OBR. There is no special incentive for LMI customers through this program because they will be better served through the Income Qualified Program which can provide certain qualifying upgrades at no additional cost.

- The Income Qualified program – this program will be the combination of the current NJCEP Comfort Partners program with the utility-run Moderate Income Weatherization program. This program will provide LMI customers with free home energy assessments and offer certain qualifying energy efficiency upgrades and health and safety measures at no additional cost to participants. The Utilities believe this combination will improve the customer experience and result in administrative efficiencies. Refer to Appendix I of the Program Plan (Exhibit P-5) for more information on the proposed transition.
- Efficient Products – this program will continue to provide incentive for efficient products, including retail products, appliances, HVAC equipment, and appliance recycling.[8] Similar to the current version of this program, it may

[7] In February 2023, the U.S. Department of Energy announced plans to sunset the Home Performance with ENERGYSTAR program. Activity will ramp down over several phases, but the brand will be completely eliminated as of December 31, 2024. Accordingly, the Utilities are not using that term for anything related to the second triennial.

[8] Appliance recycling is part of the core program but will be limited to the EDCs.

leverage a variety of channels, including an online marketplace, downstream rebates to customers, up-front rebates, reduced point-of-sale costs, a midstream or upstream component and a network of trade allies and a collaboration. The program will provide incentives for energy efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other energy efficiency products (e.g., smart thermostats, water saving measures, weatherization items). Measures range in type and price but include both electric and natural gas technologies that improve energy efficiency in the home. The program may include customer opportunities at no up-front cost to engage and introduce customers to energy savings opportunities and achieve energy savings. Up-front rebates will also be offered to reduce initial costs on some purchases. NJNG will offer an OBR to further reduce first cost barriers for select products. NJNG will continue to offer a supplemental incentive and a longer OBR term for LMI customers who purchase HVAC or water heating equipment. This program is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

- The Behavioral program – this program educates and provides customers with granular and easy-to-understand information about their energy use, the usage of their peers, and suggested actionable steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other energy-efficiency programs. Direct mailed and/or electronic home energy reports ("HERs" and "eHERs" respectively; collectively referred to as "HERs") will be the cornerstone of the program and will provide participants with customized, easy to implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. NJNG intends to continue to issue high usage alerts by email to customers when weather patterns and other data indicate their next bill

is trending higher and provide the customer with tips to manage their usage. NJNG will also offer an internet-based home energy self-audit and an online portal will be used to provide customers with usage information, recommendations, tips and links to energy-efficiency programs.

Q. PLEASE DESCRIBE THE CORE COMMERCIAL AND INDUSTRIAL PROGRAM.

A. The Core Commercial and Industrial program is comprised of the Energy Solutions program, Prescriptive and Custom Measures program, and Direct Install program.

- Energy Solutions - The Energy Solutions program is a combination of the current Engineered Solutions and Energy Management programs. It is intended to identify energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance by providing multiple pathways for improvements. Through maintenance, tune-up and retro-commissioning services for existing buildings and through the implementation of energy savings strategies that improve the overall operation and energy performance of buildings and building systems. For larger customers, it may also provide guided consultative service to assist customers in identifying and undertaking large energy-efficiency projects, while requiring no up-front funding from the customer. This may include an in-depth audit of customer facilities as well as a detailed assessment and recommendation of energy-efficiency measures that could be economically installed. Customer incentives will be determined on a project-by-project basis. In addition to the calculated project-by-project incentive, qualifying participants will have the option to pay back the non-incentive portion of the project costs through an OBR.
- Prescriptive and Custom – The Prescriptive and Custom program will promote the installation of high-efficiency electric and/or natural gas equipment, either via the installation of prescriptive or custom measures or projects. This program provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy-efficient products. The program will continue to

support and/or provide downstream approaches for certain measures to ensure the market is properly supported. The program may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors and retailers that sell select energy-efficient products. These measures will incent energy-efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. The type and value of the incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for OBR to further reduce first cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels.

- Direct Install ("DI") - this program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations ("eligible customers") that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. NJNG will also provide an OBR option for qualifying customer for the balance of their project cost.

Q. DOES NJNG INTEND TO HAVE SPECIAL APPROACHES FOR WORKING WITH PUBLIC ENTITIES?

A. NJNG recognizes that public entities have unique procurement requirements which could result in barriers to participation. The Utilities will work with the State to develop and implement an approach that may offer a streamlined experience for these entities that meets their unique requirements.

Q. PLEASE DESCRIBE THE CORE MULTIFAMILY PROGRAM.

A. The Core Multifamily program will provide, in conjunction with the customer, a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy savings measures, comprehensive energy savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, NJNG will offer an OBR for qualifying customers and enhanced incentives for affordable housing properties or properties serving the needs of low- to moderate-income residents.

Q. PLEASE DESCRIBE THE ADDITIONAL UTILITY LED INITIATIVES.

A. The Additional Utility-Led Initiatives are comprised of the following- i) Next Generation Savings, ii) BD, and iii) DR.

Q. PLEASE DESCRIBE THE NEXT GENERATION SAVINGS PROGRAMS.

A. The Next Generation Savings ("NGS") program will develop critical insights that can help the State with longer term strategies for reaching its clean energy and climate related goals. This program is a key step to gain technical and market understanding on installation, performance, and other considerations for new customer energy-efficiency solutions. NGS will support new technologies and approaches that are ready for broader adoption, but need enhanced contractor training, customer incentives, or other key elements to help the marketplace understand the value proposition and implement the measure. It is critical to establish a program like this to ensure that the Utilities and the State will be in a better position to achieve escalating energy savings targets and get new resources out to the market in a timely fashion. While this is an Additional Utility-Led Initiative, the Utilities offering this program plan to collaborate on work and periodically share the results through the Utility Working Group and the BPU's Monthly EE Stakeholder Meetings.

Q. PLEASE DESCRIBE THE BD PROGRAM.

A. The BD program provides energy-efficient solutions for customers with a primary goal of reducing carbon dioxide emissions. It consists of two (2) distinct components- Hybrid Heat and District Geothermal Heating.

Q. PLEASE DESCRIBE THE HYBRID HEAT COMPONENT.

A. Hybrid Heat will promote and provide incentives for the installation of hybrid heat systems. This will include direct incentives and financing for high-efficiency complete hybrid systems, as well as incentives for the installation of a standalone central air source heat pump provided it can be properly paired with a recently installed natural gas furnace. To achieve optimal comfort and efficiency when installing new or replacement equipment, it's critical to perform an accurate Air Conditioning Contractors of America ("ACCA") Manual J load calculation of the house. Only after the loads are understood should the new equipment (furnace and heat pump) be selected, utilizing the ACCA Manual S equipment selection process. The equipment will not perform properly and efficiency will not be maximized if the loads are not matched. NJNG does not intend to include incentives for mini-split systems as part of our BD program.

The BD program will include a strong Evaluation, Measurement, and Verification ("EM&V") component to consider whether larger scale deployment of these types of systems can help the State cost-effectively meet long-term electrification strategies without compromising customer comfort and reliability at the customer and system level. This will include reviewing full installation costs, actual energy savings, bill impacts, emissions impacts (both against prior system and in comparison, to alternatives). It is critical for the State to have more supporting real world information regarding installations in New Jersey and impacts within PJM[9] before long term strategies are locked in to avoid unintended consequences.

In addition, NJNG will pursue direct outreach to customers, trade ally outreach and training to help educate the market about the benefits of hybrid heating.

Q. PLEASE DESCRIBE THE DISTRICT GEOTHERMAL HEATING COMPONENT.

[9] PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states, including New Jersey, and the District of Columbia.

A. The District Geothermal Heating component will support the identification and development of a centrally located geothermal heating system to deliver energy to multiple end users through a connected network of piping. For the initial step, NJNG will retain a technical consultant to identify and review the feasibility for potential sites within our service territory that would fit the desired characteristics to support the installation of a robust geothermal heating district. Considerations for potential sites would include the diversity of load, the geologic characteristics of the site, estimated costs to construct, the potential emissions reductions, potential reduced energy burdens for connected customers, and if possible, the potential to prioritize serving customers in an Overburdened Community or residing in LMI census tracts.

Upon the identification of preferred sites, NJNG would engage an engineering firm to perform the more detailed calculations necessary to evaluate network configurations, equipment standards, proper piping and material use and size, system costs and other project needs. The project would then proceed to a construction phase.

Since most customers would not be familiar with the concept of geothermal heating and cooling, this project would include a strong communication and outreach component to all customers eligible for the network. The construction of system and all central equipment would be covered by this program, but customers may be responsible for a share of the costs of the equipment installed within their own home. NJNG recognizes that if the project site can accommodate LMI or OBC customers that it may be appropriate to cover the full cost of the installed equipment in their residence.

While this project will serve the needs of participating customers, it will also serve to inform the consideration of network geothermal heating districts as a broader strategy for reaching the State's decarbonization goals. NJNG anticipates a robust EM&V approach that will verify the energy savings and emissions benefits from this project but also seek to identify and address implementation barriers and market challenges including lack of awareness and upfront costs, to improve customer experience and reduce energy cost impacts for potential future deployments.

Q. HAS NJNG CONSIDERED A NEW TARIFF CLASSIFICATION FOR CUSTOMERS SERVED BY THE DISTRICT GEOTHERMAL SYSTEM THROUGH THIS FILING?

A. NJNG anticipates that a new rate classification for customers connected to this District Geothermal System would be developed, reviewed and approved through a future proceeding. Given the goals of this BD Start-Up period, which set the foundation for longer term decarbonization approaches, it may be appropriate to use an interim approach to rates and then later refine rate methodologies based on data collected from initial projects.

Q. PLEASE DESCRIBE THE DEMAND RESPONSE PROGRAM.

A. This program would consist of two (2) distinct approaches- BYOT program and another approach that would employ Copper Lab's proprietary technology that will leverage AMR devices already installed within our service territory. Collectively, these approaches will incentivize customers' actions to reduce their energy usage during times of peak usage. NJNG plans to study the results of these programs to help inform what strategies work best to reduce natural gas demand and provide opportunities to create load flexibility through non-pipe alternatives.

For the BYOT approach, NJNG will contract with an industry leading software platform to aggregate smart thermostats that have already been installed in NJNG's service territory (regardless of where the equipment was initially purchased) and will also offer enrollment opportunities for NJNG customers who purchase new thermostats through our online marketplace as part of our EE Products program. This program will allow NJNG to partner with customers who have several different types of smart thermostats to grow an ecosystem that can be utilized for DR. Through this program, NJNG will develop attractive customer incentives and design dispatch strategies that maximize load shed while maintaining customer comfort. NJNG will maximize integration with many of the leading connected device brands to aggregate, monitor and dispatch devices. Through this program, NJNG will gain detailed insight into event performance and device data to accurately determine program effectiveness and consider broader strategies for future triennials.

For the Copper Labs approach, NJNG would contract with Copper Labs to purchase and install a combination of in-home devices and neighborhood level data collectors to enable a customer to access a mobile app that provides rich insight into their usage patterns and allows NJNG to contact customers to encourage them to reduce their energy usage during particular period. Since the underlying meters need to have AMR technology, this approach would be limited to Monmouth County. NJNG intends to work with Copper Labs to prioritize the deployment of the neighborhood level collectors in either LMI census tracts or OBC areas. NJNG proposes to provide the in-home devices to customers at no additional cost and offer an initial incentive to customers who fully set up the mobile app, regardless of whether they are served through an in-home device or a neighborhood level collector. EM&V would review customer engagement, performance during events, and any unique findings between the two approaches.

Q: HOW DOES THE PROPOSED DEMAND RESPONSE PROGRAM ACHIEVE TARGETS ESTABLISHED BY THE PERFORMANCE METRICS IN THE JULY 26TH BOARD ORDER?

A: The values depicted in Exhibit P-5, Appendix G reflect the company's best estimate of what could be achieved for the stated performance metrics if program is approved as proposed.

V. PROCEDURAL ELEMENTS (MFR II.B.ii, VI. AND VIII.)

Q. DOES THE FILING ADDRESS YOUR PLANNED APPROACH TO EM&V?

A. Yes. NJNG recognizes the importance of EM&V to ensure that ratepayer funded programs are effective, to look for opportunities to improve performance and to ensure New Jersey is collectively on track to meet policy goals. NJNG has been an active participant in the EM&V Working Group and is following the guidance for reviewing the programs in use for the current triennial. NJNG has included an appropriate budget to meet the current EM&V guidelines for the proposed programs for the 2nd Triennial.

Refer to Section 4e of the Program Plan (Exhibit P-5) for more information regarding the approach to EM&V.

Q. DOES THE FILING ADDRESS YOUR PLANNED APPROACH TO REPORTING?

A. Yes. NJNG recognizes the importance of timely and transparent reporting to support the BPU's oversight of the management of our energy efficiency programs. NJNG has been an active participant in the EM&V Working Group and is following the reporting requirements for the programs in use for the current triennial. Refer to Section 4f of the Program Plan (Exhibit P-5) for more information regarding the approach to reporting.

Q. DOES THE FILING ADDRESS YOUR PLANNED APPROACH TO WORKFORCE DEVELOPMENT?

A. Yes. NJNG recognizes the importance of timely and transparent reporting to support the BPU's oversight of the management of our energy efficiency programs. This Workforce Development program provides technical training to help candidates earn certifications from the Building Performance Institute ("BPI"). It also includes some classes to improve the skill set of existing HVAC workforce employees. NJNG intends to continue this approach and partner with community organizations that are successful in winning any State grants to provide wrap-around services during the 2nd Triennial. NJNG will also explore the potential to develop another training site within our service territory. Please refer to Section 4b of the Program Plan (Exhibit P-5) for more information.

VI. MARKET BARRIERS (MFR II.b.vii)

Q. HOW DO THE SAVEGREEN PROGRAMS ADDRESS MARKET BARRIERS TO PROMOTING ENERGY EFFICIENCY?

A. Through the SAVEGREEN programs, NJNG is able to address the primary market barriers of program awareness and financing options. It continues to be crucial that New Jersey residents are made aware of opportunities for saving energy and that more HVAC contractors are engaged in promoting and properly installing high-efficiency

equipment and other whole house measures. Through the marketing efforts incorporated within this filing and ongoing in the SAVEGREEN programs, the Company provides an active channel for promoting not only the benefits of energy efficiency, but also the sources through which various programs can be obtained. This work serves to broaden customers' awareness of viable approaches toward saving energy and, as a result, potentially saving on energy costs. And, by working closely with contractors, NJNG further encourages those entities to also promote and make available energy-efficient solutions to all customers.

It is also important to overcome the financial barriers that customers face when making decisions about the installation of high-efficiency HVAC equipment. Through the OBR, NJNG ensures that customers who pay their utility bills on a timely basis have access to financing regardless of their credit scores or traditional screening ratios. The availability of additional incentives and the OBR help overcome the financial barriers that deter many customers from taking that extra step of purchasing and installing high-efficiency equipment. Within this filing, NJNG is proposing to continue a higher level of incentives to make participation even more accessible for LMI customers, including streamlined administration for customers residing in OBCs.

Several of NJNG's residential programs also help provide customers who are not ready for HVAC upgrades with lower cost options that can provide immediate energy savings and help keep them interested in efforts to reduce their energy bills.

Additional discussion of market barriers and planned strategies to address them is included in the Marketing Plan which is included as Schedule 4d in the Program Plan (Exhibit P-5).

VII. QUALITY CONTROL STANDARDS, REMEDIATION, AND RESOLUTION OF CUSTOMER COMPLAINTS (MFR II.b.i.)

Q. PLEASE DESCRIBE THE PROCESS FOR QUALITY CONTROL STANDARDS AND REMEDIATION.

A. Similar to our approach in the 1st Triennial, NJNG intends to secure a third-party implementer to lead quality control functions for all our residential and small

commercial programs. NJNG will require this entity to meet industry standards for inspections. Further, the Utilities will continue discussions on consistent approaches to quality control and contractor remediation for all Core Programs and share information regarding contractors that are not meeting quality standards to ensure remediation and coaching efforts may improve their performance. Larger commercial projects in the Energy Solutions program include a more detailed Commissioning Agent to ensure the project is performing in accordance with expectations.

Q. PLEASE DESCRIBE THE PROCESS NJNG INTENDS TO EMPLOY TO RESOLVE ANY POTENTIAL CUSTOMER COMPLAINTS.

A. NJNG will continue to utilize the dispute resolution process agreed to by Board Staff and Rate Counsel in the prior SAVEGREEN Stipulation of Settlement that was approved by the BPU Staff in the July 2015 Order. NJNG will promptly address any customer complaints related to the programs through existing customer relations procedures within the Company. Most customer calls will come directly into the SAVEGREEN Department since that phone number is on all correspondence and promotional materials. Additionally, any calls about the programs that come into the NJNG Call Center will be transferred to SAVEGREEN employees for initial resolution. In all instances, NJNG will make every effort to resolve a complaint informally at the outset. For concerns that cannot be resolved within the SAVEGREEN Department, the matter will be moved to the NJNG Consumer Advocate for further investigation and resolution. If those efforts fail, the complaint would be referred to the BPU Division of Customer Assistance.

For disputes between NJNG and a contractor or supplier, resolution will be in accordance with the relevant contract provisions in place at that time.

More information on both Quality Control and Customer Complaint resolution, including a flow-chart depicting the process that was approved by the BPU in its prior SAVEGREEN settlement with Staff and Rate Counsel, is presented in Section 4a of the Program Plan (Exhibit P-5).

VIII. COORDINATION WITH OTHER FUNDING SOURCES

Q. HOW WILL THE FUNDING FOR SAVEGREEN INTERFACE WITH ANY POTENTIAL FEDERAL FUNDS MADE AVAILABLE FOR ENERGY-EFFICIENCY PROGRAMS?

A. Subject to restrictions set forth in any applicable law, NJNG will utilize any funds or credits received from governmental sources that are directly related to SAVEGREEN to offset the respective program costs, thus reducing the impact on customers. If funding or credits from any state or federal action becomes available to NJNG through the State of New Jersey, a County or Municipality for project reimbursement, those funds or credits directly applicable to work related to a SAVEGREEN program will be used to benefit customers by offsetting the costs for which recovery is sought, to the extent permitted by law. However, this will not apply if there is a clear directive that the supplemental funding from state or federal sources is not intended to displace existing programs. There is no information currently available regarding the state's plans to implement Sections 50121 (Home Efficiency Rebates) and 50122 (Home Electrification and Appliance Rebates) from the Inflation Reduction Act to determine exactly how such funds might be applied if the programs are braided.

Q. HAS NJNG CONSIDERED HOW TO DEAL WITH CUSTOMERS THAT ARE SERVED BY A MUNICIPAL UTILITY IN THE DELIVERY OF THE COMPREHENSIVE PROGRAMS?

A. NJNG recognizes that NJCEP has historically served the needs of these customers using Federal funding from the State Energy Programs. As discussed in recent Utility Working Group meetings, NJNG is supportive of working directly with NJCEP to help our customers who are served by municipal utilities to access incentives for their high efficiency electric equipment.

Q. IS THE COMPANY SEEKING ANY EXEMPTIONS FROM THE MFRs?

A. Yes. NJNG is seeking an exemption from Benefit-Cost Analysis for our NGS program and for our DR program.

The NGS program is designed to help advance technologies that are ready for market adoption but need additional support for broader market acceptance. The investments made under this program are intended to explore technologies and

strategies that may be able to play a bigger role in securing cost-effective energy savings in future triennials. As a result of not being able to fully define specific technologies or strategies at the time of this filing, it is not possible to quantify the potential savings for this program. MFR I.f. provides for such an exemption and specifically cites "programs that introduced novel ideas where documentation supporting estimated costs/benefits may not easily be produced" as an example of qualifying exemption. This program clearly falls within the boundaries of what qualifies for an exemption.

The DR program is also appropriate to exempt from this requirement because of the uncertainty of the benefits for residential gas demand programs. While there have been a few pilots of residential gas demand programs at other natural gas utilities, there is not yet a strong pool of independently verified data to help develop an informed estimate of the benefits. Since the benefits cannot easily be produced, this program should also qualify for an exemption.

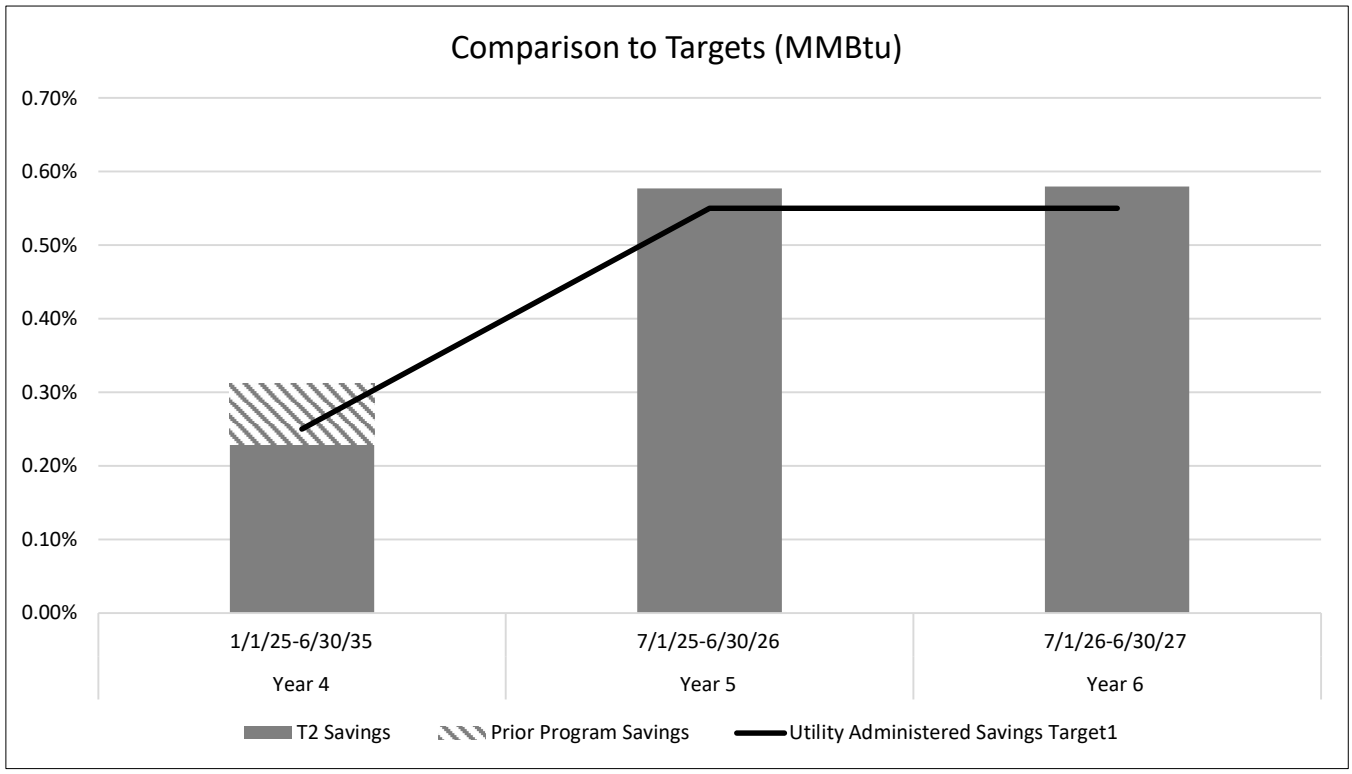
Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?

A. Yes, it does. I reserve the right to supplement my testimony should the need arise.

Overview of Energy Savings Targets

Program Year		Year 4	Year 5	Year 6
Dates	**ref**	**1/1/25-6/30/35**	**7/1/25-6/30/26**	**7/1/26-6/30/27**
Utility Administered Savings Target[1]	a	0.25%	0.55%	0.55%
T2 Savings	b	0.23%	0.58%	0.58%
Prior Program Savings	c	0.08%	-	-
Total Savings	d=b+c	0.31%	0.58%	0.58%

[1] PY4 target is 50% of PY4 from October 25th Board Order due to 6 month program year.



LMI and Small Business Retail Sales

LMI and OBC Customers as a Percentage of NJNG Retail Sales

Retail Sales for November 2022 - October 2023

Total Retail Sales	647,388,585	therms
LMI and/or OBC Retail Sales[1]	67,157,666	therms
LMI/OBC Retail Sales %	10%	

[1] LMI and/or OBC defined as customers meeting either criteria below:
Received Payment Assistance in 12 month period of November 2022 - October 2023
Resides in an Overburdened Community

Small Business Customers as a Percentage of NJNG Retail Sales

Retail Sales for November 2022 - October 2023

Total Retail Sales	647,388,585	therms
Small Business Retail Sales[2]	35,599,651	therms
Small Business Retail Sales %	5%	

[2] Small Business defined as NJNG's GSG-Small rate class

NEW JERSEY NATURAL GAS COMPANY

DIRECT TESTIMONY OF JAMES M. CORCORAN
DIRECTOR – REVENUE REQUIREMENTS

Q. Please State your name, affiliation and business address.

A. My name is James M. Corcoran and I am the Director – Revenue Requirements for New Jersey Natural Gas Company ("NJNG" or "Company"). My business address is 1415 Wyckoff Road, Wall, New Jersey 07719.

Q. Please describe your education and experience.

A. As Director - Revenue Requirements, I perform the calculation of revenue requirements for NJNG's base rates as well as cost recovery riders.

I received a Bachelor of Science degree in Accounting from Seton Hall University. In May 2010, I received a Master's of Business Administration - Finance from Seton Hall University. I was employed by the State of New Jersey – Board of Public Utilities ("BPU" or "Board") beginning in July 1986 as an Accountant-Trainee and over a twenty-year career moved into various Analyst positions of increased responsibility. In March 2007, I accepted a Senior Regulatory Analyst position at Public Service Electric and Gas Company with responsibilities that included preparing the requisite testimony and financial schedules for various rate recovery mechanisms. In August 2007, I was promoted to the position of Principal Staff Regulatory Analyst and, in August 2011, I was promoted to the position of Revenue Requirements Manager.

I joined NJNG in July 2014 as the Manager – Revenue Requirements. In January 2018, I was promoted to the position of Director - Revenue Requirements. My

responsibilities include supporting the Regulatory Affairs department with the preparation of testimony regarding all rate recovery matters. I also participate on behalf of NJNG in the New Jersey Resources financial reporting committee.

Q. Have you previously testified in regulatory proceedings?

A. Yes. I have submitted Direct Testimony before the Board in NJNG's base rate cases (BPU Docket No. GR21030679, BPU Docket No. GR19030420, BPU Docket No. GR15111304); the Company's Infrastructure Investment Program (BPU Docket No. GR19020278) and NJ Reinvestment in System Enhancement cost recovery petition (BPU Docket No. GR15050638). I have also submitted Direct Testimony in NJNG's Societal Benefit Clause proceedings from 2018- 2020. In addition, I have provided testimony on behalf of PSEG Power, LLC in a rate matter proceeding before the Connecticut Public Utilities Regulatory Authority in PURA Docket No. 12-07-17.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony describes the rate and revenue requirement aspects of NJNG's request to continue offering, with modifications, energy efficiency programs previously approved by the BPU and offer additional programs provided through NJNG's SAVEGREEN®™ Program ("SAVEGREEN").[1] Ms. Anne-Marie Peracchio describes NJNG's proposal to offer programs for a two-and-one-half year beginning January 1, 2025, in her pre-filed testimony, Exhibit P-2. In my pre-filed testimony, I provide estimates of the annual revenue requirements and operation and maintenance

[1] The BPU approved NJNG's energy-efficiency programs in Docket Nos. EO09010056, GO09010057 (July 2009), GO10030225 (September 2010), GR11070425 (January 2012), GR12070640 (June 2013), GO14121412 (July 2015 and June 2016), and QO19010040 and GO20090622 (March 2021).

expenses associated with the energy-efficiency investments and on-bill repayment ("OBR") plan incentives described by Ms. Peracchio. Lastly, I provide an assessment of the estimated bill impacts associated with NJNG's proposals.

My testimony supports a number of the current Minimum Filing Requirements ("MFRs") established by the BPU in Orders dated May 24, 2023 and July 26, 2023 and required for energy-efficiency and conservation program proposals.

Q. Are you supporting any schedules that accompany your testimony?

A. Yes. I am sponsoring the following schedules, which will be explained later in my testimony:

Schedule JMC-1	SAVEGREEN Investments
Schedule JMC-2	Cost of Capital
Schedule JMC-3	Revenue Requirements Summary and Projected Bill Impact

SAVEGREEN 2023 – Tri-2 Revenue Requirement Workpapers

Q. What is the total budget requested for Triennial 2?

A. The Company is requesting a total budget of $482.44 million, which includes NJNG's estimate of electric investments that will be transferred to our partner utilities, i.e. Jersey Central Power & Light Company ("JCP&L"), Public Service Electric & Gas ("PSE&G"), and Atlantic City Electric Company ("ACE"). This request also includes a high-level estimate of investments that NJNG anticipates that JCP&L, PSE&G, and ACE will bill to NJNG for gas measures that they have installed as the Lead Utility.

Q. Are the estimates of transfers from JCP&L, PSE&G, and ACE to NJNG reliable?

A. Due to recent changes to the term of Triennial 2 and associated targets, the amounts anticipated to be billed to NJNG from JCP&L, PSE&G, and ACE are very high-level estimates subject to significant fluctuation. I reserve my right to reflect any known changes to these amounts during the pendency of this proceeding.

Q. What are the components included in the revenue requirements that are associated with the SAVEGREEN programs proposed by the Company?

A. The proposed energy efficiency, building decarbonization start-up and demand response programs as described in Ms. Peracchio's testimony incorporate investments and OBR incentives. The SAVEGREEN revenue requirement components vary with the type of incentive provided to customers. The direct investments result in rate base related revenue requirements including return on net investment, income taxes and amortization expense. The applicable rate base incorporates reductions for accumulated deferred income taxes attributable to timing differences between the tax and book amortization expense. The provision of energy efficiency and building decarbonization OBRs results in revenue requirements including return on net investment and income tax expense, but not amortization expense given that, over time, customers repay the financing received from the Company. Additionally, the Company includes operations and maintenance ("O&M") expense associated with the SAVEGREEN revenue requirements. The determination of SAVEGREEN revenue requirements in this filing is consistent with previous BPU approvals of SAVEGREEN programs.

Q. Please describe how the Company is treating the revenue requirements associated with overlapping territory rebates and OBR?

A. The Lead Utility will determine the appropriate investment that will be allocated to the gas distribution company (NJNG) and the electric distribution company (JCP&L, PSE&G, or ACE). When NJNG is the Lead Utility, the Company will reflect a reduction in investment when NJNG remits their portion to the respective electric distribution company. When NJNG is the Partner Utility, the Company will reflect an increase in investment when the respective electric distribution company remits its appropriate portion to the Company.

Regarding OBRs, the utilities have agreed that the Lead Utility will retain the financing aspects of the programs. Any related energy savings will be transferred to the respective Partner Utility.

Q. Please describe the factors that most strongly influence the level of revenue requirements associated with the SAVEGREEN programs.

A. The unit investment costs of the individual program measures and the number of participants are the two (2) factors that most significantly affect the level of SAVEGREEN revenue requirements associated with these programs. In addition, the length of time over which the investments are amortized and the incremental O&M costs necessary to implement the SAVEGREEN program influence the total revenue requirements.

Q. What are the participant levels associated with each of the Company's proposed programs?

A. The participant levels for each of the programs are presented in Schedule BJB-2 accompanying the pre-filed Direct Testimony of Brendon J. Baatz, Exhibit P-4.

Q. Please describe the time period for amortization of the investments in SAVEGREEN rate base.

A. Consistent with the BPU's CEA Order, the Company will amortize direct investments provided to customers over ten (10) years for each respective program beginning with the month that the investment is recorded. For tax purposes, the investments will be recognized as an expense and amortized over one (1) year. The timing difference between book and tax amortization periods is properly recognized in the calculated revenue requirements through deferred tax reductions to the rate base associated with the programs.

Q. What is the projected rate base associated with the proposed SAVEGREEN 2023 Program?

A. The rate base relied upon for revenue requirement purposes reflects the net investment in SAVEGREEN and the net balance associated with OBRs. The rate base by program by year is provided in Schedule JMC-1 through 2037, which is when the program investments have been fully amortized.

Q. How are return on investment and income taxes calculated?

A. Consistent with cost recovery for current BPU-approved SAVEGREEN programs, the Company is proposing to include a regulated rate of return on the energy-efficiency rate base as part of the proposed revenue requirements. The capital structure and rate

of return are provided in Schedule JMC-2 and reflect the rates authorized by the BPU in the Company's most recent base rate case, Docket Nos. GR21030679 & GR21030680. The associated income tax rates reflect current federal and New Jersey income tax rates.

Q. What are the estimated O&M costs associated with the 2023 SAVEGREEN programs?

A. NJNG prepared estimates of the anticipated costs associated with administering the SAVEGREEN programs, consistent with prior BPU-approved cost recovery. The projections reflect the Company's experience administering the existing programs in previous years, including the incremental employees performing the required work. O&M costs associated with the proposed programs are incurred during years that incentives are provided to customers and are expected to average approximately $6.7 million per year over the program term.

Q. Have you prepared a summary of net revenue requirements associated with the SAVEGREEN Investments?

A. Yes. Schedule JMC-3 presents a summary of the projected revenue requirements for the SAVEGREEN 2023 program by year. The actual revenue requirements will depend on the level of participation by customers in each year. However, Schedule JMC-3 is presented on the basis of the maximum revenue requirement impact to customers for the term of the program, including the close-out period. Schedule JMC-3 also presents annual bill impacts, assuming full participation at the proposed levels, for each year based on the projected net revenue requirements presented in Schedule JMC-3. The bill impacts are provided separately for various NJNG customer classes.

For residential heating customers, the bill impacts average $44.83 annually over the recovery period from 2025 through 2037. Within this filing, the electronic SAVEGREEN 2023 – Tri-2 Revenue Requirement Workpapers provide specific revenue requirement calculations.

Q. Is NJNG proposing to establish an energy efficiency recovery rate for the new program at the present time?

A. Yes. NJNG is proposing to establish an energy efficiency recovery rate for this specific program, which will become part of Rider F, coincident with the effective date of the program of January 1, 2025, based on the Company's projections. The rate will be trued-up in annual cost recovery filings. The impact of the proposed January 1, 2025 rate is an increase of $27.30, or 1.8 percent, to a residential heat customer using 1,000 therms annually.

Q. Does this conclude your testimony?

A. Yes, it does. I reserve the right to supplement my testimony should the need arise.

New Jersey Natural Gas
SAVEGREEN 2023 Program

SAVEGREEN Investments

Fiscal Year	**Jan. 25-Sept. 25**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Investments							
Gross Investment	$ 65,219,501	$ 168,790,557	$ 245,101,085	$ 245,101,085	$ 245,101,085	$ 245,101,085	$ 245,101,085
Accumulated Amortization	$ (2,556,045)	$ (14,710,890)	$ (36,677,315)	$ (61,187,423)	$ (85,697,532)	$(110,207,640)	$ (134,717,749)
Deferred Taxes	$ (6,466,539)	$ (30,032,038)	$ (51,437,625)	$ (51,698,130)	$ (44,808,339)	$ (37,918,547)	$ (31,028,756)
Total	**$ 56,196,917**	**$ 124,047,629**	**$ 156,986,145**	**$ 132,215,532**	**$ 114,595,215**	**$ 96,974,898**	**$ 79,354,581**
OBRP							
OBRP Loans	$ 59,141,055	$ 149,099,996	$ 217,219,934	$ 217,219,934	$ 217,219,934	$ 217,219,934	$ 217,219,934
Customer Repayments	$ (3,305,219)	$ (18,361,016)	$ (45,540,387)	$ (75,894,242)	$(106,248,097)	$(136,601,952)	$ (166,955,807)
Total	**$ 55,835,836**	**$ 130,738,980**	**$ 171,679,547**	**$ 141,325,692**	**$ 110,971,837**	**$ 80,617,982**	**$ 50,264,127**
TOTAL NET INVESTMENT	**$ 112,032,753**	**$ 254,786,608**	**$ 328,665,692**	**$ 273,541,224**	**$ 225,567,052**	**$ 177,592,880**	**$ 129,618,707**

New Jersey Natural Gas
SAVEGREEN 2023 Program

SAVEGREEN Investments

Fiscal Year	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Investments						
Gross Investment	$ 245,101,085	$ 245,101,085	$ 245,101,085	$ 245,101,085	$ 245,101,085	$ 245,101,085
Accumulated Amortization	$ (159,227,857)	$ (183,737,966)	$ (208,248,074)	$ (230,202,138)	$ (242,557,401)	$ (245,101,085)
Deferred Taxes	$ (24,138,964)	$ (17,249,173)	$ (10,359,381)	$ (4,188,094)	$ (715,030)	$ 0
Total	**$ 61,734,264**	**$ 44,113,947**	**$ 26,493,630**	**$ 10,710,854**	**$ 1,828,655**	**$ (0)**
OBRP						
OBRP Loans	$ 217,219,934	$ 217,219,934	$ 217,219,934	$ 217,219,934	$ 217,219,934	$ 217,219,934
Customer Repayments	$ (194,168,333)	$ (210,256,316)	$ (211,837,299)	$ (213,254,393)	$ (214,193,723)	$ (217,219,934)
Total	**$ 23,051,601**	**$ 6,963,618**	**$ 5,382,635**	**$ 3,965,541**	**$ 3,026,211**	**$ -**
TOTAL NET INVESTMENT	**$ 84,785,865**	**$ 51,077,564**	**$ 31,876,264**	**$ 14,676,395**	**$ 4,854,866**	**$ (0)**

New Jersey Natural Gas
SAVEGREEN 2023 Program

Weighted Average Cost of Capital

	Percent	Embedded Cost	Weighted Cost	Pre-Tax Cost
Long-Term Debt	46.00%	3.60%	1.66%	1.66%
Common Equity	54.00%	9.60%	5.18%	7.21%
Total	100.00%		6.84%	8.87%

New Jersey Natural Gas
SAVEGREEN 2023 Program

Summary of Revenue Requirements and Projected Bill Impacts

Fiscal Year	Jan. 25-Sept. 25	2026	2027	2028	2029	2030	2031
Rebate Revenue Requirements							
Amortization	2,556,045	12,154,845	21,966,424	24,510,109	24,510,109	24,510,109	24,510,109
Income Taxes	463,515	1,914,706	3,068,612	2,871,915	2,486,566	2,129,399	1,772,232
Return	1,564,094	6,461,015	10,354,776	9,691,038	8,390,710	7,185,480	5,980,250
Total	**$ 4,583,654**	**$ 20,530,565**	**$ 35,389,812**	**$ 37,073,062**	**$ 35,387,384**	**$ 33,824,987**	**$ 32,262,591**
On Bill Repayment Programs Revenue Requirement							
Income Taxes	458,791	1,973,073	3,289,196	3,146,698	2,531,420	1,916,142	1,300,865
Return	1,548,153	6,657,973	11,099,119	10,618,271	8,542,067	6,465,863	4,389,660
Total	**$ 2,006,945**	**$ 8,631,046**	**$ 14,388,315**	**$ 13,764,969**	**$ 11,073,487**	**$ 8,382,006**	**$ 5,690,524**
Operation & Maintenance Expense	6,606,947	7,669,469	5,846,823	-	-	-	-
TOTAL REVENUE REQUIREMENTS	**$ 13,197,545**	**$ 36,831,080**	**$ 55,624,950**	**$ 50,838,030**	**$ 46,460,871**	**$ 42,206,993**	**$ 37,953,115**
Throughput (Therms)	**515,540,912**	**751,926,417**	**762,402,587**	**773,393,577**	**773,393,577**	**773,393,577**	**773,393,577**
Rate per Therm	$ 0.0256	$ 0.0490	$ 0.0730	$ 0.0657	$ 0.0601	$ 0.0546	$ 0.0491
SUT	0.0017	0.0032	0.0048	0.0044	0.0040	0.0036	0.0033
	$ 0.0273	**$ 0.0522**	**$ 0.0778**	**$ 0.0701**	**$ 0.0641**	**$ 0.0582**	**$ 0.0524**
Typical Annual Bill Impacts							
Residential Non-Heat	200 Annual Therms						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ 5.46	$ 4.98	$ 5.12	$ (1.54)	$ (1.20)	$ (1.18)	$ (1.16)
SAVEGREEN % Incremental Increase/(Decrease)	1.4%	1.3%	1.3%	-0.4%	-0.3%	-0.3%	-0.3%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 5.46	$ 10.44	$ 15.56	$ 14.02	$ 12.82	$ 11.64	$ 10.48
SAVEGREEN % Cumulative Increase from Current Bill	1.4%	2.6%	3.9%	3.5%	3.2%	2.9%	2.6%
Residential Heat	1,000 Annual Therms						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ 27.30	$ 24.90	$ 25.60	$ (7.70)	$ (6.00)	$ (5.90)	$ (5.80)
SAVEGREEN % Incremental Increase/(Decrease)	1.8%	1.6%	1.7%	-0.5%	-0.4%	-0.4%	-0.4%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 27.30	$ 52.20	$ 77.80	$ 70.10	$ 64.10	$ 58.20	$ 52.40
SAVEGREEN % Cumulative Increase from Current Bill	1.8%	3.5%	5.1%	4.6%	4.2%	3.9%	3.5%
General Service Small	1,200 Annual Therms						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ 32.76	$ 29.88	$ 30.72	$ (9.24)	$ (7.20)	$ (7.08)	$ (6.96)
SAVEGREEN % Incremental Increase/(Decrease)	1.6%	1.5%	1.5%	-0.5%	-0.4%	-0.3%	-0.3%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 32.76	$ 62.64	$ 93.36	$ 84.12	$ 76.92	$ 69.84	$ 62.88
SAVEGREEN % Cumulative Increase from Current Bill	1.6%	3.1%	4.6%	4.1%	3.8%	3.4%	3.1%
General Service Large	15,000 Annual Therms						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ 409.50	$ 373.50	$ 384.00	$ (115.50)	$ (90.00)	$ (88.50)	$ (87.00)
SAVEGREEN % Incremental Increase/(Decrease)	2.0%	1.9%	1.9%	-0.6%	-0.4%	-0.4%	-0.4%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 409.50	$ 783.00	$ 1,167.00	$ 1,051.50	$ 961.50	$ 873.00	$ 786.00
SAVEGREEN % Cumulative Increase from Current Bill	2.0%	3.9%	5.8%	5.2%	4.8%	4.3%	3.9%

New Jersey Natural Gas
SAVEGREEN 2023 Program

Summary of Revenue Requirements and Projected Bill Impacts

Fiscal Year	2032	2033	2034	2035	2036	2037
Rebate Revenue Requirements						
Amortization	24,510,109	24,510,109	24,510,109	21,954,063	12,355,264	2,543,684
Income Taxes	1,415,065	1,057,899	700,732	354,685	107,083	7,207
Return	4,775,021	3,569,791	2,364,561	1,196,854	361,344	24,321
Total	**$ 30,700,194**	**$ 29,137,798**	**$ 27,575,402**	**$ 23,505,602**	**$ 12,823,691**	**$ 2,575,213**
On Bill Repayment Programs Revenue Requirement						
Income Taxes	704,754	270,696	74,601	31,669	9,493	638
Return	2,378,134	913,441	251,734	106,864	32,034	2,151
Total	**$ 3,082,888**	**$ 1,184,137**	**$ 326,335**	**$ 138,533**	**$ 41,527**	**$ 2,789**
Operation & Maintenance Expense	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL REVENUE REQUIREMENTS	**$ 33,783,082**	**$ 30,321,935**	**$ 27,901,737**	**$ 23,644,135**	**$ 12,865,219**	**$ 2,578,002**
Throughput (Therms)	**773,393,577**	**773,393,577**	**773,393,577**	**773,393,577**	**773,393,577**	**773,393,577**
Rate per Therm	$ 0.0437	$ 0.0392	$ 0.0361	$ 0.0306	$ 0.0166	$ 0.0033
SUT	0.0029	0.0026	0.0024	0.0020	0.0011	0.0002
	$ 0.0466	**$ 0.0418**	**$ 0.0385**	**$ 0.0326**	**$ 0.0177**	**$ 0.0035**
Typical Annual Bill Impacts						
Residential Non-Heat						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ (1.16)	$ (0.96)	$ (0.66)	$ (1.18)	$ (2.98)	$ (2.84)
SAVEGREEN % Incremental Increase/(Decrease)	-0.3%	-0.2%	-0.2%	-0.3%	-0.8%	-0.7%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 9.32	$ 8.36	$ 7.70	$ 6.52	$ 3.54	$ 0.70
SAVEGREEN % Cumulative Increase from Current Bill	2.3%	2.1%	1.9%	1.6%	0.9%	0.2%
Residential Heat						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ (5.80)	$ (4.80)	$ (3.30)	$ (5.90)	$ (14.90)	$ (14.20)
SAVEGREEN % Incremental Increase/(Decrease)	-0.4%	-0.3%	-0.2%	-0.4%	-1.0%	-0.9%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 46.60	$ 41.80	$ 38.50	$ 32.60	$ 17.70	$ 3.50
SAVEGREEN % Cumulative Increase from Current Bill	3.1%	2.8%	2.5%	2.2%	1.2%	0.2%
General Service Small						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ (6.96)	$ (5.76)	$ (3.96)	$ (7.08)	$ (17.88)	$ (17.04)
SAVEGREEN % Incremental Increase/(Decrease)	-0.3%	-0.3%	-0.2%	-0.3%	-0.9%	-0.8%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 55.92	$ 50.16	$ 46.20	$ 39.12	$ 21.24	$ 4.20
SAVEGREEN % Cumulative Increase from Current Bill	2.8%	2.5%	2.3%	1.9%	1.0%	0.2%
General Service Large						
SAVEGREEN 2023 Incremental Increase/(Decrease)	$ (87.00)	$ (72.00)	$ (49.50)	$ (88.50)	$ (223.50)	$ (213.00)
SAVEGREEN % Incremental Increase/(Decrease)	-0.4%	-0.4%	-0.2%	-0.4%	-1.1%	-1.1%
SAVEGREEN 2023 Cumulative Increase from Current Bill	$ 699.00	$ 627.00	$ 577.50	$ 489.00	$ 265.50	$ 52.50
SAVEGREEN % Cumulative Increase from Current Bill	3.5%	3.1%	2.9%	2.4%	1.3%	0.3%

NEW JERSEY NATURAL GAS COMPANY

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF BRENDON J. BAATZ
BPU DOCKET NO.

I. INTRODUCTION

Q. Please state your name, business address, and position.

A. My name is Brendon J. Baatz and my business address is 417 Denison Street, Highland Park, New Jersey, 08904. I am presently employed as a Senior Vice President at Gabel Associates, Inc., an energy, environmental, and public utility consulting firm.

Q. Please summarize your professional experience and educational background.

A. I have been employed with Gabel Associates since March of 2018. While at Gabel Associates, I have worked for a range of public and private clients on various issues in the utility industry. The issues include retail and wholesale electric rate design, renewable energy project cost benefit analysis, and electric vehicle utility policy. I have also worked extensively on energy efficiency ("EE") program design, policy, and cost benefit analysis for several clients, including gas and electric utilities.

Prior to my employment with Gabel Associates, I managed the utility program at the American Council for an Energy Efficient Economy ("ACEEE"). There I focused on various issues related to utility-sector EE programs, including efficiency program design, state policies, and regulatory issues affecting EE, including electric and gas rate design. While at ACEEE, I published numerous reports on EE programs and policy, and also regularly spoke at conferences on related issues. I also testified in various proceedings on these issues during that time.

Prior to my employment with ACEEE, I was employed with the Federal Energy Regulatory Commission ("FERC"). During my employment with FERC, my primary responsibilities were the review and analyses of electric utility cost of service studies in wholesale transmission and electric power rate cases. I also worked on other litigated issues while at FERC including but not limited to transmission capacity reservation rights, municipal power contracts, and formula rate structure and protocols. Prior to my employment with FERC, I held positions with the Maryland Public Service Commission ("PSC") as an energy analyst and the Indiana Office of Utility Consumer Counselor ("OUCC") as a utility analyst. While at the Maryland PSC, I worked on the EmPOWER Maryland programs focusing on program design, avoided cost development, and other policy issues. While working at the OUCC, I testified on a variety of utility issues including but not limited to rate design, renewable energy credit compensation, and utility petitions for construction. I also represented the agency in several oversight boards for utility EE programs.

I hold a Master of Public Affairs degree from Indiana University Bloomington and a Bachelor of Science in political science from Arizona State University. I have continued my education through attendance of various seminars and conferences. I have also completed formal training in rate design, cost of service, depreciation, and other utility regulatory matters.

My resume is also attached as Schedule (BJB)-1.

Q. Have you previously testified before the New Jersey Board of Public Utilities?

A. Yes. I previously testified in Docket Nos. QO19010040, GO20090622, EO20090620, GR18080860, and GR20070503.[1]

Q. What is the purpose of your direct testimony in this case?

A. The purpose of my testimony is to support the Petition filed by New Jersey Natural Gas Company ("NJNG") to establish and implement EE programs pursuant to the Clean Energy Act[2] and the Board of Public Utilities ("BPU" or "Board") Orders Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs.[3] I am supporting cost effectiveness for the proposed programs and the calculation of the Quantitative Performance Indicators.

Q. Are you sponsoring any exhibits in connection with your direct testimony?

A. Yes. I am presenting the following schedules, which have been prepared under my direction and supervision and are accurate and complete to the best of my knowledge and belief. These schedules contain information responsive to the Minimum Filing Requirements ("MFRs") as referenced in the MFR Index attached to the Petition as Schedule NJNG-12 and as approved by the Board in its July 26, 2023 Order.[4] The schedules attached include:

(a) Schedule (BJB)-1 – Baatz Resume;

(b) Schedule (BJB)-2 – Benefit-Cost Analysis Workpapers (confidential);

(c) Schedule (BJB)-3 - Energy Use Reduction Targets; and

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[1] Both cases were compliance filings for the Elizabethtown Gas energy efficiency programs.

[2] P.L. 2018, c. 17, (codified at N.J.S.A. 48:3-87.8 et al.). pub.njleg.gov/bills/2018/PL18/17_.PDF.

[3] New Jersey Board of Public Utilities. *Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs.* Docket Nos. QO19010040, QO23030150, and QO10791004. July 26, 2023 and October 25, 2023.

[4] *Ibid.*

(d) Schedule (BJB)-4 – Summary of Avoided Emissions.

II. COST EFFECTIVENESS ANALYSIS OF NJNG EE PROGRAM PLAN

Q. Did you conduct cost effectiveness analysis of the program portfolio in the NJNG Plan?

A. Yes. I prepared the benefit-cost analysis ("BCA") which calculates and details the results of the six (6) tests prescribed in the MFRs as required by the Board. This entailed developing a model which analyzed measure-specific details and computed the estimated costs and savings of each program for use in the New Jersey Cost Test ("NJCT"), the Total Resource Cost ("TRC") test, the Participant Cost test ("PCT"), the Program Administrator Cost ("PAC") test, the Ratepayer Impact Measure ("RIM") test, and the Societal Cost test ("SCT"). This testimony presents the methodology and results of the six (6) BCA tests for the period of January 1, 2025 through June 30, 2027 (Program Year ("PY")4, PY5, and PY6). These results allow the BPU to evaluate the performance of the program offerings during this time period.

Q. Please describe the BCA tests required by the Board's MFRs.

A. In the July 26th Order, the Board updated the EE MFRs. Section V.a. of Appendix A (p. 46) in the updated MFRs, states:

> The utility shall conduct a benefit-cost analysis of the programs and portfolio using the most recent New Jersey Cost Test, including its most recent avoided cost methodologies, as a primary test. In addition, the utility shall conduct benefit-cost analysis using the Participant Cost Test, Program Administrator Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test, and Societal Cost Test that assesses all program costs and benefits from a societal perspective i.e., that includes the combined financial costs and benefits realized by the utility and the customer as defined in the then-current version of the California Standard Practice

Manual. The utility may also provide any additional benefit-cost analysis that it believes appropriate with supporting rationales and documentation.[5]

Each test listed above is designed to provide a different perspective on the cost-effectiveness of the proposed programs. The six (6) cost effectiveness tests prescribed by the Board provide the following perspectives for decision makers:

- New Jersey Cost Test – The New Jersey Cost Test is the primary cost effectiveness test for EE programs in New Jersey. The test measures net costs of the program as a resource option based on total costs, similar to the Total Resource Cost Test, but also includes additional benefits to address specific state policy considerations in New Jersey, like the social cost of avoiding harmful emissions.
- Societal Cost Test – The Societal Cost Test measures the net costs of a program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. The Societal Test differs from the TRC test in that it includes the effects of societal impacts such as environmental impacts to the economy, excludes tax credit benefits, and uses a different (societal) discount rate.
- Total Resource Cost Test – The Total Resource Cost Test measures the net costs of a program as a resource option based on the total costs, including both the participant and the utility costs of the program.
- Participant Cost Test – The Participant Cost Test is the measure of the quantifiable benefits and costs from the perspective of program participants. Since many customers do not base their decision to participate in a program entirely on

[5] Attachment A, July 26, 2023 Order, Docket Nos. QO19010040, QO23030150, and QO17091004.

quantifiable variables, this test is not a complete measure of the benefits and costs of a program to a customer.

- Program Administrator Cost Test – The Program Administrator Cost Test measures the net costs of a program as a resource option based on the costs incurred by the program administrator or utility (including incentive costs) and excluding any net costs incurred by the participant. The benefits are similar to the TRC benefits. Costs include the total program costs. This test measures the net economic impact of investing in EE programs from the perspective of the utility.
- Ratepayer Impact Measure Test – The Ratepayer Impact Measure test measures what happens to customer rates due to changes in utility revenues and operating costs caused by the program.

In aggregate, these tests provide the Board with multiple viewpoints of the benefits and costs associated with the programs.

Q. Please describe your approach to assessing cost effectiveness using the six tests described above.

A. I completed all six (6) tests using guidance from the Board's Order adopting the updated New Jersey Cost Test, which was a component of the July 26th Board Order, and the

California Standard Practice Manual.[6][7] The July 26th Board Order provided specific guidance on how to estimate costs and benefits of programs, including assumptions on line losses and discount rate, for the New Jersey Cost Test. I applied the Board's guidance on the development of specific benefits and costs to all tests conducted.

Q. Did you evaluate all the programs being proposed using the six BCA tests required in the MFRs?

A. Yes, I evaluated program cost effectiveness for all six (6) tests. The results of this analysis are presented in Exhibit P-5, Appendix E. The supporting workpapers for this analysis are shown in Schedule (BJB)-2.

Q. Please summarize your conclusions.

A. The NJNG program portfolio is cost effective, exceeding a 1.0 on the portfolio level under the NJCT, indicating positive net benefits. Customers are also expected to save significant money on bills, which I've estimated to exceed $170 million over the life of the programs. The portfolio also produces significant environmental benefits. I estimate that the energy savings produced by the Company's Plan will reduce carbon dioxide ("CO_2") emissions by 691,733 tons, sulfur dioxide ("SO_2") emissions by 34 tons, and nitrogen oxide ("NO_X")

[6] In the Matter of the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040; – 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; and – In the Matter of Electric Public Utilities and Gas Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 – Minimum Filing Requirements, BPU Docket No. QO17091004; Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, Order dated July 26, 2023 ("July 26th Order").

[7] California Public Utilities Commission. 2001. *California Standard Practice Manual: Economic Analysis of Demand-Side Programs and Projects*. cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy_-_Electricity_and_Natural_Gas/CPUC_STANDARD_PRACTICE_MANUAL.pdf

emissions by 526 tons.[8] The displacement of these emissions will avoid human health and environmental harms, providing additional benefits to customers. The portfolio also will provide significant economic development benefit to local communities and across New Jersey through the delivery of programs and customer bill savings.

Q. Did you calculate the Quantitative Performance Indicators ("QPI") for the portfolio?

A. Yes. An overview of all QPI metrics is provided in Appendix F to the Company's Program Plan. I relied on guidance from the BPU to calculate all QPIs, which are based on Lead Utility metrics, as prescribed in the May 24th Order. The supporting workpaper for my calculation of QPI 1, Net Annual Energy Savings (Source MMBtu), is shown in Schedule (BJB)-3.

III. BENEFIT-COST ANALYSIS ASSUMPTIONS

Q. What types of benefit-cost analyses did you prepare?

A. I prepared analysis for each of the six (6) BCA tests required by the Board's MFRs.

Q. What methodology did you use to undertake these calculations?

A. I relied on the methodology prescribed by the July 26th Board Order.

Q. Please describe the program benefits.

A. The following sections describe the benefits and calculation approach:

1. Avoided Wholesale Electric Energy Costs

The avoided wholesale electric energy costs benefit represents the wholesale electric market purchases that would be avoided as a result of reductions in energy usage associated with the programs.

2. Avoided Electric Ancillary Services Costs

[8] The results of the emissions avoided analysis are shown in Schedule BJB-3.

The avoided electric ancillary services costs benefit represents the wholesale electric ancillary service market purchases that would be avoided as a result of reductions in energy usage associated with the programs.

3. Avoided Wholesale Electric Capacity Costs

The avoided wholesale electric capacity costs category captures the wholesale reduction in PJM[9] capacity as a result of the reductions in electric demand associated with the programs.

4. Avoided Wholesale Natural Gas Costs

The avoided wholesale natural gas costs category captures wholesale natural gas market purchases that would be avoided as a result of reduction in energy usage associated with the programs.

5. Avoided T&D Costs

The avoided electric transmission and distribution costs is meant to capture the value of reduced investment in transmission and distribution infrastructure as a result of energy and demand savings. Natural gas avoided distribution costs were not included.

6. Avoided Retail Electric and Natural Gas Costs

The avoided retail electric and natural gas cost categories captures the actual bill savings to participants of the programs. A key benefit of EE is reduced consumption by participants which results in reduced utility costs.

7. Customer Rebates and Incentives

[9] PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states, including New Jersey, and the District of Columbia.

The customer rebate and incentive cost category capture the direct rebate incentives provided to participants of the programs. Depending on perspective, customer rebates and incentive costs can either be a benefit to a program (to participants) or a cost to programs (to the utility and ultimately, ratepayers). This benefit is only realized in the participant cost test, as that test singles out the experience of a participant in the programs.

8. Avoided Emissions Damages

The avoided emissions damages category captures the economic value (also known as the avoided social cost) of reductions in CO_2, NO_x, and SO_2. EE programs displace power plant emissions, which reduce human health and environmental harms, also known as damages. Despite its real and quantifiable impact, I did not include any other criteria for air pollutants or greenhouse gases. This benefit was quantified in accordance with the NJCT guidance provided in the July 26th Board Order. The avoided emissions impacts (in tons) are shown in Schedule (BJB)-4.

9. Non-Energy and Low-Income Adders

I applied the following adders as outlined in the NJCT guidance in the July 26th Board Order:

- Energy DRIPE – 5% of avoided wholesale electric energy costs
- Capacity DRIPE – 5% of avoided wholesale capacity costs
- Natural gas DRIPE – 5% of avoided wholesale natural gas supply costs
- Non energy benefits – 15% of avoided wholesale energy costs
- LMI non energy benefit – applied to 30% wholesale energy costs

Q. Please describe the program costs considered in the benefit-cost analysis.

A. The program costs include:

1. Incremental Measure Costs

The incremental cost category captures the incremental cost of participating in the programs. This cost is calculated based upon the difference between the efficient measure costs assumed to install EE technologies and processes and the base measure cost assumed that a participant would otherwise pay without access to the proposed program. Incremental measure cost data was sourced from the Rutgers avoided cost study.[10]

2. Participant Costs

The participant cost category captures the incremental cost of participating in the programs paid by participants. This category includes both incremental costs paid by participants for the non-subsidized portion of EE costs, as well as loan repayments for programs offering financing.

3. Program Administration Costs

The program administration cost category captures the cost of administering the EE programs by NJNG. These include costs for marketing, outside services, utility administration, inspections and quality control, and evaluation. These costs were developed based on NJNG's previous experience delivering similar programs and guidance from the Board in the July 26th Board Order.

4. Customer Rebate and Incentives Cost

The customer rebate and incentive cost category captures the direct rebate incentives provided to participants of the programs. These costs were developed through a

[10] New Jersey X2218 Incremental Measure Cost Study Phase 1 –Memo Accompanying IMC Spreadsheet. njcleanenergy.com/files/file/BPU/2023/Energy%20Efficiency%20Triennium%202%20Incremental%20Measurement%20Costs%20Memo%20(2023).pdf.

coordinated approach with other New Jersey utilities, but also based on existing programs in New Jersey and other jurisdictions for similar measures.

5. Utility Lost Revenues

An associated cost is the reallocated distribution costs category which captures the value of any distribution costs being avoided by participants that must be collected from the balance of ratepayers. These are not direct program costs and represent the transfer between existing ratepayer subsectors. This cost is also known as lost utility costs or lost revenues.

Utility lost revenues were calculated based upon the individual rate charges which currently contribute to supporting distribution costs. In addition, the utility lost revenues also include tariff surcharges and riders which do not contribute to distribution costs but would likely be reallocated to ratepayers at large. Utility lost revenues do not include any supply related costs, as New Jersey's electric and natural gas utilities are deregulated, and avoided supply costs resulting from EE are not borne by ratepayers.

Q. Did you exclude any costs for the purposes of cost effectiveness testing?

A. Yes. Consistent with the guidance from the July 26th Order, I did not include any costs associated with health and safety measures in LMI programs, Workforce Development, and outreach to community-based organizations in program-specific or portfolio level cost effectiveness testing. I also excluded the program level results from Demand Response and Next Generation Savings from the portfolio level results consistent with the requested exemption for these programs which is addressed in the testimony of Anne-Marie Peracchio (Exhibit P-2).

Q. Is the Building Decarbonization Start-Up program cost effective?

A. Yes. The Building Decarbonization program, including both the Hybrid Heat and Geothermal District Heating components, is cost-effective, scoring a 1.6 on the NJCT, and has been included in the portfolio-level results. The July 26th Order did not require the Building Decarbonization program to be cost-effective, but the Company will be required to track results.

Q. What assumptions did you use for measure-level energy savings?

A. My primary source to estimate measure level savings is the New Jersey 2023 Triennial Technical Resource Manual for 2024 Filings ("NJ TRM"), which was released with the May 24th Board Order and included in the July 26th Board Order.

Q. Did you exclude any benefits for the purposes of benefit-cost analysis?

A. Yes. As prescribed by the NJCT order, I did not include any quantified benefit for avoided natural gas distribution costs. This is a significant benefit of energy efficiency programs. If this benefit was forecasted using the same methodology as approved by the Board for the first triennium, it would have added an additional $35 million in benefits in net present value terms.

Additionally, there would be benefits from the workforce development, community-based organization, and health and safety expenditures that were excluded from the benefit cost analysis, in accordance with May 24th Board Order. Health and Safety expenditures allow the Company to complete LMI projects that might not move forward outside the program. Community-based organizations may assist the Company to access extremely hard to reach customers. Finally, workforce development programs support the development of a clean energy economy, create green career pathways, and develop qualified contractors allowing the Company to implement the programs.

IV. CONCLUSIONS

Q. Please summarize your testimony and recommendations to the Board.

A. The NJNG SAVEGREEN Program Plan is a cost-effective portfolio of EE programs that achieve the state policy goals. The programs provide energy savings opportunities to all customers in the NJNG service territory and ensure LMI customers have the opportunity to realize program benefits. The portfolio puts NJNG on a trajectory to meet their share of the program year five energy savings target mandated in the Clean Energy Act, as specified by the October 25, 2023 Order.

The BCA shows that the NJNG program portfolio is cost effective under the New Jersey Cost Test with a benefit cost ratio exceeding 1.0. These results indicate that the programs will provide significant benefits to all NJNG customers, while improving environmental quality and stimulating economic development. I recommend the Board approve the NJNG program portfolio as proposed.

Q. Does this conclude your testimony?

A. Yes. However, I reserve the right to update my testimony in the future.

Brendon J. Baatz **(231) 282-0585 | brendon@gabelassociates.com**

Professional Experience

Gabel Associates Inc. Highland Park, NJ
Senior Vice President 2018-Present

- Support and advise clients on a variety of energy and regulatory issues including retail and wholesale electric rate design, energy efficiency policy and program design, cost benefit analysis, resource planning, and renewable energy project development.
- Provide ongoing consulting services to multiple gas and electric utilities on energy efficiency program design, cost benefit analysis, avoided cost development, strategic guidance, and program delivery in New Jersey.
- Advise various wholesale energy market clients, including power plant project developers and operators on regulatory issues such as retail ratemaking, wholesale ratemaking, RTO governance, FERC rulemakings, and other relevant issues.
- Provide technical expert testimony for various clients in regulatory matters before state energy commissions. Have testified in Arizona, Colorado, Indiana, Maryland, Montana, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, and Washington D.C

American Council for an Energy-Efficient Economy Washington, D.C.
Senior Manager, Utilities Program 2014-2018

- Led ACEEE's efforts related to utility sector energy efficiency programs. Served as project manager and lead author for research projects involving utility sector energy efficiency programs, business models, best practices, rate design, and other topics.
- Provided technical assistance for utilities and other energy efficiency implementation partners such as state government agencies on best practice program design and policy.
- Filed testimony and formal comments before state regulatory commissions on issues related to energy efficiency programs, integrated resource planning, rate design, and other issues related to the best practices and policies for implementing energy efficiency.

Federal Energy Regulatory Commission Washington, D.C.
Energy Industry Analyst 2013–2014

- Served as a technical expert in litigated cases before the Federal Energy Regulatory Commission on behalf of the FERC trial staff. Issues examined included: wholesale energy rates, transmission rates, Open Access Transmission Tariff interpretation, transmission capacity rights, cost allocation for various customer classes, formula rate mechanics and protocols, electric cost of service, interruptible load, rate design, and regional transmission organization functionality and governance.

Maryland Public Service Commission Baltimore, MD
Energy Analyst 2012–2013

- Reviewed and analyzed utility filings for EmPOWER Maryland statewide energy efficiency, conservation, and demand response programs. Presented results of research before the Commission. Worked closely with the Agency energy efficiency evaluation contractor to develop evaluation policies that reduced costs for Maryland ratepayers while ensuring integrity of the evaluation process.

Indiana Office of Utility Consumer Counselor — Indianapolis, IN
Utility Analyst — 2011–2012

- Served as a technical expert witness in utility cases before the Indiana Utility Regulatory Commission on behalf of utility ratepayers in the State of Indiana. Developed agency position through analyses of relevant utility applications, petitions, testimony, schedules, and exhibits. Served as agency representative in collaborative demand side management oversight boards for electric and gas utilities.

Education

Master of Public Affairs, Environmental Policy Analysis, Indiana University Bloomington, 2010

BS, Political Science and Sociology, Arizona State University, 2007

Selected Research Publications

B. Baatz, G. Relf, and S. Nowak. 2018. The Role of Energy Efficiency in a Distributed Energy Future. The Electricity Journal, Vol. 31, Issue 10. doi.org/10.1016/j.tej.2018.11.004.

B. Baatz, J. Barrett, and B. Stickles. 2018. Estimating the Value of Energy Efficiency to Reduce Wholesale Energy Price Volatility. Washington, DC: ACEEE. aceee.org/research-report/u1803.

B. Baatz, G. Relf, and M. Kelly. 2017. Consequences of Large Customer Opt Out: An Ohio Example. The Electricity Journal, Vol. 30, Issue 9. doi.org/10.1016/j.tej.2017.10.002.

B. Baatz. 2017. Rate Design Matters: The Intersection of Residential Rate Design and Energy Efficiency. Washington, DC: ACEEE. aceee.org/research-report/u1703.

B. Baatz and J. Barrett. 2017. Maryland Benefits: Examining the Results of EmPOWER Maryland through 2015. Washington, DC: ACEEE. aceee.org/research-report/u1701.

B. Baatz and A. Gilleo. 2016. Big Savers: Experiences and Recent History of Program Administrators Achieving High Levels of Electric Savings. The Electricity Journal, Vol. 29, Issue 8. doi.org/10.1016/j.tej.2016.09.009.

B. Baatz. 2015. Everyone Benefits: Practices and Recommendations for Utility System Benefits of Energy Efficiency. Washington, DC: ACEEE. aceee.org/everyone-benefits-practices-and-recommendations.

S. Nowak, B. Baatz, A. Gilleo, M. Kushler, M. Molina, and D. York. 2015. Beyond Carrots for Utilities: A National Review of Performance Incentives for Energy Efficiency. Washington, DC: ACEEE. aceee.org/beyond-carrots-utilities-national-review.

Selected Expert Witness Regulatory Cases

Public Service New Mexico; New Mexico Public Regulation Commission (Case No. 22-00270-UT). June 23, 2023. Client: Western Resource Advocates. Issues: time of use rate design, distribution plant cost classification, and San Juan abandonment refund.

Arizona Public Service Company; Arizona Corporation Commission (Docket No. E-01345A-22-0144). June 5, 2023. Client: Southwest Energy Efficiency Partnership and Western Resource Advocates. Issues: wholesale energy market formation, demand side management cost recovery, various rider proposals.

Southwestern Public Service Company; New Mexico Public Regulation Commission (Case No. 22-00286-UT). April 21, 2023. Client: Coalition for Clean Affordable Energy. Issue: energy assistance program.

Tucson Electric Power Company; Arizona Corporation Commission (Docket No. E-01933A-22-0107. January 11, 2023. Client: Southwest Energy Efficiency Partnership and Western Resource Advocates. Issues: securitization, demand side management cost recovery, time of use rate structure, various rider proposals.

Northwestern Energy; Montana Public Service Commission (Docket No. 2022.07.078). December 19, 2022. Client: Human Resource Council District XI, Natural Resources Defense, and NW Energy Coalition.

Covanta Energy; Federal Energy Regulatory Commission (Docket Nos. ER-22-965-002, 996-002, 967-002, 968-002). February 1, 2022. Client: Covanta. Issue: reactive power ratemaking.

Ohio Power Company; Public Utilities Commission of Ohio; April 20, 2021 (Case No. 20-585-EL-AIR). Client: Ohio Environmental Council. Issue: energy efficiency programs.

Atlantic City Electric Company; New Jersey Board of Public Utilities; September 25, 2020 (Docket No. QO10010040). Client: Atlantic City Electric Company. Issue: cost benefit analysis and program design support for three-year energy efficiency plan.

New Jersey Natural Gas Company; New Jersey Board of Public Utilities; September 25, 2020 (Docket No. GO20090622). Client: New Jersey Natural Gas Company. Issue: cost benefit analysis for three-year energy efficiency filing.

Jersey Central Power and Light; New Jersey Board of Public Utilities; September 25, 2020 (Docket No. EO20090620). Client: Jersey Central Power and Light. Issue: cost benefit analysis for three-year energy efficiency filing.

Elizabethtown Gas; New Jersey Board of Public Utilities; July 31,2020 (Docket No. GR20070503). Client: Elizabethtown Gas. Issues: cost benefit analysis for energy efficiency true up filing.

Tucson Electric Power Company; Arizona Corporate Commission (Docket No. E- 01933A-19-0028); October 11, 2019. Client: Southwest Energy Efficiency Partnerships Issues: performance-based ratemaking, energy efficiency program cost recovery, time of use rate design, electric vehicle rate design.

Black Hills Colorado Electric; Public Utilities Commission of Colorado (Proceeding No. 18A-0676E), January 22, 2019. Client: Pueblo County, Colorado. Issue: time of use pilot proposal, low-income bill analysis.

Oklahoma Gas and Electric Company; Oklahoma Corporate Commission (Cause No. PUD 201800140); April 22, 2019. Client: Oklahoma Energy Results. Issues: prudence of environmental cost recovery for aged coal units, integrated resource planning assessment.

Lancaster Solid Waste Management Authority; Federal Energy Regulatory Commission (Docket No. ER19-342); November 14, 2018. Client: Lancaster Solid Waste Management Authority. Issue: reactive power ratemaking.

Elizabethtown Gas; New Jersey Board of Public Utilities (Docket No. GR18080860); August 8, 2018. Client: Elizabethtown Gas. Issues: cost benefit analysis for energy efficiency true up filing.

Duquesne Light Company; Pennsylvania Public Utility Commission (Docket R-2018-3000124); June 25, 2018. Client: Keystone Energy Efficiency Alliance, Natural Resources Defense Council, and Clean Air Council. Issues: submetering for multifamily buildings, time of use rates, rate design.

Tucson Electric Power Company; Arizona Corporate Commission (Docket No. E- 01933A-15-0322); June 24, 2016. Client: Southwest Energy Efficiency Partnerships Issues: rate design, prepaid electricity.

PECO Electric Company; Pennsylvania Public Utility Commission (Docket R-2015-2468981); June 23, 2015. Client: Keystone Energy Efficiency Alliance, Natural Resources Defense Council, and Clean Air Council. Issues: rate design, revenue decoupling.

PPL Electric Corporation; Pennsylvania Public Utility Commission (Docket R-2015-2469275); June 23, 2015. Client: Keystone Energy Efficiency Alliance, Natural Resources Defense Council, and Clean Air Council. Issues: rate design, revenue decoupling.

Northern Indiana Public Service Company; Indiana Utility Regulatory Commission (Cause 44012); October 20, 2011. Representing Indiana Office of Utility Consumer Counselor. Issues: environmental control upgrades, alternate scenario economic analysis.

Indianapolis Power and Light Company; Indiana Utility Regulatory Commission (Cause 43623 DSM-5); April 26, 2012. Representing Indiana Office of Utility Consumer Counselor. Issue: energy efficiency performance incentive reconciliation.

Indianapolis Power and Light Company; Indiana Utility Regulatory Commission (Cause 44018); August 22, 2011. Representing Indiana Office of Utility Consumer Counselor. Issue: renewable energy feed in tariff design.

Indiana Michigan Power Company; Indiana Utility Regulatory Commission (Cause 44034); August 12, 2011. Representing Indiana Office of Utility Consumer Counselor. Issue: renewable energy credit benefit allocation.

Indiana Gas Company, Inc. and Indiana Gas and Electric Company; Indiana Utility Regulatory Commission (Cause 44019); May 20, 2011. Representing Indiana Office of Utility Consumer Counselor. Issue: revenue decoupling.

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE 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.
SECOND TRIENNIUM

BPU DOCKET NO. QO23120868

CONTAINS CONFIDENTIAL INFORMATION

REDACTED

EXHIBIT BJB-2

New Jersey Natural Gas
Energy Efficiency Program Filing
Energy Use Reduction Targets

	PY 4	PY 5	PY 6
Period	Jan 25 - June 25	July 25 - June 26	July 26 - June 27
3-Yr Avg Sales Baseline (MMBtu)	70,723,968	71,336,699	74,756,924
Utility Savings Target (%)	0.49%	0.55%	0.55%
Utility Savings Target (MMBtu)*	173,274	392,352	411,163
Projected Savings (MMBtu)	221,108	411,798	433,313
Achieved Goal	128%	105%	105%

*PY4 target for 6 month period is 50% of annual goal.

New Jersey Natural Gas
Energy Efficiency Program Filing
Emissions Avoided Results Summary

Emissions Reductions

Subprogram	CO_2 Emissions Reduction (tons)	SO_2 Emissions Reduction (tons)	NOx Emissions Reduction (tons)
Res - Behavioral	24,318	-	19
EE Products	252,982	2	198
Income Qualified	42,627	3	32
Whole House	40,743	2	31
Demand Response Programs	830	-	1
Building Decarbonization Programs	34,152	(2)	28
Next Generation Savings	-	-	-
Multi-family	44,878	3	34
Prescriptive/Custom	7,276	-	6
Energy Solutions for Business	97,049	11	70
Direct Install	146,876	15	107
Workforce Development	-	-	-
CBO Outreach	-	-	-
Total	**691,733**	**34**	**526**

SAVEGREEN
Program Plan

New Jersey Natural Gas

12/01/2023

1. Table of Contents

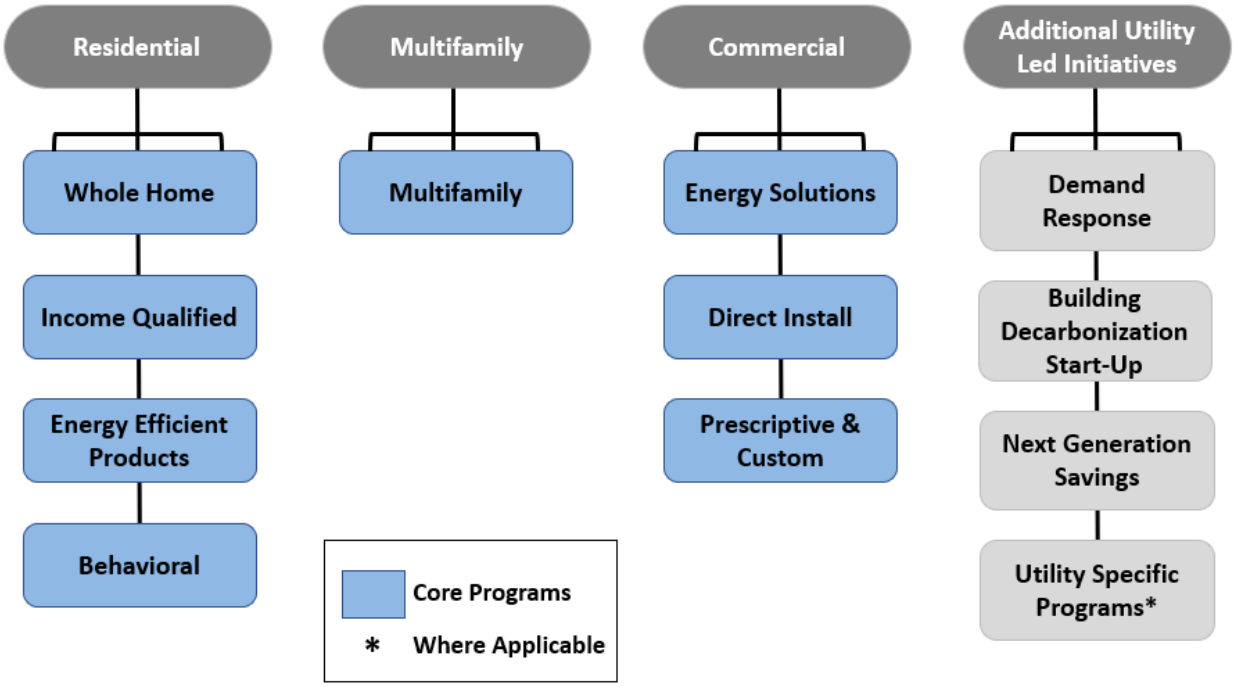
2. Introduction

This Program Plan was developed to address New Jersey Natural Gas Company's ("NJNG" or the "Company") plan for the delivery of Energy Efficiency, Building Decarbonization Start-up and Demand Response programs that NJNG proposes to offer for Triennium Two which will cover the two-and-a-half-year period from January 1, 2025 to June 30, 2027.

Due to the coordinated nature of the core energy efficiency programs, NJNG, along with the other New Jersey investor-owned Utilities, have developed consistent Program Descriptions (MFR II.) that cover the program-specific MFRs (MFR II.a.i. - II.a.vi.) for all of the core programs. Accordingly, all of the information presented in Section 3a (Core Programs) is consistent information across all of the Utility filings. Utility-specific information regarding those programs, which aligns with the requirements of MFRs II.a.vii. - II.a.x. is presented in the associated supporting Appendices, which match in format, but provide different information for each Utility.

The program templates for the Additional Utility-Led Initiatives (Section 3b of this program plan) follow a consistent format but contain Utility-specific proposals, with the exception of the Next Generation Savings program which also provides consistent information across the Utilities (in addition to a consistent format).

The graphic below demonstrates the organization of the programs. As discussed above, all programs noted in blue as core have consistent Program Descriptions within each Utility's program plan. The Next Generation Savings Program also has a consistent Program Description. The descriptions for all other programs are Utility-specific.



In addition, some information contained in the Portfolio Information section (Section 4) is consistent, while the remaining subsections are Utility-specific. The following subsections contain consistent information across all of the Utilities:

- 4e: Evaluation, Measurement and Verification (MFR VI.)
- 4f: Reporting Plan (MFR VIII.)
- 4g: Overburdened Community Standardization

Sections 4a-4d and Section 4h each present information specific to each Utility. If provided, additional sections within Section 4 are Utility-specific.

Additionally, Section 5: Consistent Delivery in Overlapping Territories (MFR II.c.) is consistent among the Utilities.

As noted above, all of the appendices are formatted similarly and in the same order, but present Utility-specific information, with the exception of Appendix I: Comfort Partners Transition Plan which are consistent for all Utilities. Appendix H: Incentive Ranges is formatted similarly but has some variation due to differences in Utility-specific program proposals.

3. Program Descriptions

3a. Core Programs

As discussed in the introduction, all core Program Descriptions (covering MFR II.a.i. - II.a.vi.) are consistent among each Utility's Program Plan.

3a.i Residential Sector

The core Residential Sector programs are described below and include:

- Whole Home
- Income Qualified
- Energy Efficient Products
- Behavioral

3a.i.1 Whole Home Program

Program Description (MFR II.a.i)

The Whole Home Program consists of two (2) main components:

1. A home energy assessment; and
2. Incentives and financing options to encourage the customer to pursue the recommended upgrades.

The home energy assessment is intended to provide residential customers with an understanding of opportunities to save energy. The home energy assessment will serve as a comprehensive review and may combine the direct installation of standard energy saving measures with the identification of a full-range of potential additional opportunities. The assessment may include various diagnostic testing such as blower door testing and provide the option to have assessors install a smart thermostat during the visit.

The home energy assessment may be in person or may leverage videoconferencing software and therefore be virtual or hybrid. The home energy assessments may also target the identification of specific opportunities that may align with other Utility programs, including those measures identified in Additional Utility-Led Initiatives.

All assessors will have the necessary qualifications, although these may vary based on the technical needs of the assessment type.

Utilities will strive to prescreen interested customers to determine if they appear to be eligible for the Income Qualified program which can provide substantial energy efficiency improvements at no additional cost to participants. Customers that are identified as eligible for the Income Qualified program will be served directly through that program. However, the Utilities recognize that this income eligibility may be determined at a later point and will work to ensure those customers move to treatment under that program to access the no-cost benefits.

During the visit, the assessor will perform a walk-through of the customer's home with the customer to identify opportunities to save energy. The assessors may identify health and safety issues observed and may perform more detailed diagnostic tests on the home. Other opportunities for energy savings may also be offered including making referrals to other energy efficiency programs and for program opportunities based on the needs for that premise and the customer's interest in pursuing additional upgrades. This may also include directly proceeding to address weatherization needs and other opportunities, referring to trade allies who are able to support measures offered in other programs, including Additional Utility-Led Initiatives, or sharing information about the products and incentives available under other programs.

Although the program may provide a variety of types of assessment options and additional opportunities in order to best suit the varying needs of its customers, it will promote a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this program must have an initial home energy assessment. To ensure the upgrades

are accessible to customers, there will be financing available to eligible customers through either an On-Bill Repayment ("OBR") or access to financing with similar terms.

This program is designed to review the entire status of a home, including equipment and building envelope to achieve deeper energy savings.

Target Market or Segment (MFR II.a.ii.)

The Whole Home program will be available to all single-family and single-family attached (1 - 4 unit properties) electric and/or natural gas customers served by at least one of the participating investor-owned Utilities in New Jersey. Standard energy efficiency measures installed during that visit may include, but not be limited to, LED bulbs, energy and water saving showerheads, kitchen faucet aerators, bathroom faucet aerators, gaskets, power strips and other energy saving measures. All participants will receive a report that outlines the findings during the appointment and summarizes the measures received, the recommendations made and the incentives available.

In addition, some Utilities may implement an online portal for contractors for cases where the assessments do not directly identify a specific scope of work. Should the customer so choose, their assessment can be posted on their lead Utility's contractor portal. This portal allows contractors to view customers' assessments and provide an estimate on recommended upgrades and provides customers easy access to participating contractors.

Potential measures incentivized through this program include, but are not limited to, insulation, air sealing, smart thermostats, HVAC and water heating. If the customer proceeds with follow-up work within this Whole Home program, the scope of work is required to include air sealing and any necessary building envelope improvements (e.g. insulation) and any required health and safety repairs.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

The Utilities will provide the home energy assessment to their interested customers. Utilities may provide the home energy assessment at no additional cost or for a fee, which may be discounted for certain customers or for promotional periods to drive activity. The home energy assessment may include the direct installation of standard energy efficiency measures that are appropriate for their home. Participating customers may also benefit from receiving energy efficiency conservation tips, recommendations for additional opportunities and referrals to other energy efficiency programs based upon the opportunities identified for their home.

Utilities will provide incentives to encourage customers to implement the measures recommended during their assessment. Incentives will be designed to optimize participation through the program and facilitate an easy participation process. The Utilities may also provide incentives to contractors related to job completion.

Refer to Appendix H, for the Summary of the Existing and Proposed Incentive Ranges for this program. The Utilities and/or third-party implementation contractors will strive to complete consumer or contractor payments within 60 days following completion of contractor work,

submission of complete and required paperwork and completion of program requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.v.)

There is no need for a financing component for the home energy assessment. OBR or access to financing with similar terms will be available to eligible customers for recommended measures installed.

Refer to Section 4h of this Program Plan, for the Summary of Proposed Financing for the comprehensive solutions pursued under this program.

Contractor Requirements & Role (MFR II.a.vi.)

The Utilities will administer and oversee this program and may select a third-party implementation contractor to manage delivery of this program. Customers who are already working with an approved Whole Home contractor can have the home energy assessment performed directly by that contractor.

The Utilities' staff and/or their implementers will oversee all aspects of the program, including training, engagement, and quality assurance/quality control ("QA/QC"). There will be a significant focus on developing, training and growing a qualified trade ally network. This will include trade ally training sessions, workshops, opportunities to become approved contractors and participate in Utility-led workforce development initiatives. Utility staff and/or third-party implementation contractors may maintain a close relationship with trade allies to ensure consistent program delivery experience and high customer satisfaction.

Trade allies will consist of companies employing trained professionals to complete whole home and a wide range of energy-saving projects. In order to facilitate trade ally access to participants, Utilities or the third-party implementation contractor will maintain a list of companies and professional services where customers can find local trade allies based on geography and other criteria.

The Utilities will encourage all participating trade allies to also look for opportunities to promote measures from the Residential Efficient Products program, such as home appliances (e.g., clothes washers) to increase energy savings and leverage those incentives.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3a.i.2 Income Qualified Program

Program Description (MFR II.a.i.)

The Income Qualified Program provides an opportunity for low- and moderate-income customers to receive energy efficiency measures and upgrades at no cost to participate. This program would condense the Moderate Income Weatherization programs currently run as Additional Utility-Led Program with the Comfort Partners program, currently run as a Co-Managed Program through New Jersey's Clean Energy Program. For the first six months of the Second Triennium, Comfort Partners would continue to operate under the existing structure but be included under Utility budgets as a Clean Energy Act Program and the Utilities would refine detailed plans for a transition to be effective in Fiscal Year ("FY") 26. See Appendix I, for more information on the proposed Plan for the transition. For ease of review, this template will address the plans for the condensed Income Qualified program.

As a part of this program, eligible customers will have a comprehensive energy assessment of their home, which may include direct install measures (such as showerheads, faucet aerators, LED bulbs, power strips, etc.) and/or weatherization measures (insulation, air sealing and duct sealing) and energy education. Customers may also be eligible to receive installation, repairs or replacement of water heating, heating and/or cooling systems. Health and safety measures may also be addressed to enable energy efficiency improvements.

During the assessment, in addition to the installation of measures, the program will offer energy education to better understand participants' usage patterns and practices, along with behavioral suggestions to improve the way they use energy in their home. The assessment may include various diagnostic testing such as blower door testing. Based on the assessment recommendations, the participant may also be given the opportunity for additional building envelope measures (such as air sealing and building insulation) to be installed.

The home energy assessment may also target the identification of specific opportunities that may align with other Utility programs, including those measures identified in Additional Utility-Led Initiatives.

Target Market or Segment (MFR II.a.ii.)

The Income Qualified Program will be available to income-qualified customers served by at least one (1) investor-owned Utility in New Jersey. Eligibility for these enhanced incentives may be determined based on screening an individual customer, categorical eligibility (which may vary for low- and moderate-income customers) or special screening if the physical location is within the boundaries of a LMI census tract, an Overburdened Community ("OBC"), or any other agreed upon designation by the Board. Please refer to Section 4g of this Program Plan, for more information on special treatment for OBC customers. Qualifying guidelines may be adjusted based on updates to federal or state guidelines.

In addition to single family dwellings, the Income Qualified program can serve multifamily buildings between 2-8 units. Furthermore, all 9 unit or larger multifamily buildings will be directed to the Utilities' Multifamily Program.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

The customer may receive no-cost energy efficiency measures and upgrades with a per project guideline and health and safety expense protocol. The program will be designed to provide a greater level of benefits for low-income customers. Refer to Appendix H, for the Summary of Proposed Incentive Ranges for this program.

The Utilities and/or the third-party implementation contractors will strive to complete contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork and completion of program requirements, such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.v.)

All services provided under this program are at no cost to the customer to participate, so financing is not relevant.

Contractor Requirements & Role (MFR II.a.vi.)

Utility staff and/or third-party implementation contractors will oversee all aspects of the program, including contractor training and engagement, quality assurance and fulfillment of program services. The home energy assessment and efficiency improvements will be conducted by Utility staff, third-party implementation contractors and/or program contractors. The Utilities and/or third-party implementation contractors will oversee their staff and subcontractors and engage contractors to educate them on the program benefits to reliably complete the home assessments and install energy efficient equipment and improvements for participating customers. The Utilities and/or third-party implementation contractors will also verify the eligibility of customers and will maintain a close relationship with contractors to ensure a consistent program delivery experience.

Contractors will consist of companies employing qualified professionals who are able to complete assessments and energy-saving projects.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3a.i.3 Energy Efficient Products Program

Program Description (MFR II.a.i.)

This program will promote the installation/replacement of energy efficient electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, which may include an online marketplace, downstream rebates to customers including, but not limited to, in-store or online, up-front rebates, reduced point of sale costs, a midstream or upstream component and a network of trade allies. These sales channels may also be leveraged to promote Additional Utility-Led Initiatives. The Utilities may provide incentives for energy efficient heating and cooling equipment, water heating equipment, appliances and smart thermostats, as well as other energy efficiency products and for appliance recycling. OBR or access to financing with similar terms will be available for select products.

The program may:

- Provide incentives for products that reduce energy use in the home and information about other programs that encourage the installation of high efficiency equipment. Provide upstream and/or midstream incentives to retailers and/or distributors.
- Continue to support and/or provide downstream approaches for certain measures.
- Provide online or other channels for customers that include, but are not limited to, online and in-store eligibility options to acquire select energy efficient products.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Recognize unique barriers that income qualified customers face and employ strategies to address those barriers, including no-cost measures and/or enhanced incentives where appropriate.
- Encourage customers to recycle inefficient appliances.

This program will increase adoption of energy efficient equipment and products by harnessing the unique Utility-customer relationship to positively impact the entire sales process surrounding efficient equipment, from education and awareness of customers, engagement with trade ally contractors and equipment distributors and retailers, to OBR or access to financing with similar terms for select products.

Utility staff and/or a third-party implementation contractor(s) may assist with the administration, oversight and delivery of the program. Activities may include efforts to raise awareness of the program, ongoing refinements to the list of eligible measures, validating customer eligibility and processing incentives and conducting outreach to and securing partnerships with retailers, wholesalers, distributors, manufacturers and trade allies to ensure all customers are able to easily purchase energy efficient products and equipment through the program. Customer engagement and sales channels may include:

- **Post-Purchase (Downstream) Rebates**: Rebates made available to customers after they have made their purchase. Applications may be available online or in stores to submit either electronically or in hard copy with proof-of-purchase.

- **Midstream or Upstream Rebates:** The Utilities may pursue a midstream or upstream rebate component to encourage the purchase of certain efficient equipment. The Utilities may work with retail partners (such as Home Depot, Lowes, etc.), distributors or manufacturers to ensure that measures are available throughout the State.
- **Point of Sale Rebates**: Prescriptive rebates made available at the point of sale for select products.
- **Online Marketplace:** The online marketplace is an easy-to-use source for the purchase of efficient products and services. Participants can browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant rebates. The marketplace may also include non-incentivized items that can help drive traffic, increase uptake in incentivized measures and expose customers to other Utility and/or State offered clean energy programs.
- **Appliance Recycling:** Rebates will be provided to customers for recycling qualifying, inefficient, operating appliances.[1] Offering an incentive for the drop-off or pick-up and removal of an appliance prevents the appliance from being maintained as a second unit or transferred to another customer. In addition, periodic events may be offered at centralized drop-off locations where customers can drop off qualified inefficient operating appliances. The program may also target appliance retailers for participation or offer bulk appliance recycling.
- **Trade Allies:** A network of trade allies created to promote the program. The trade ally network may consist of qualified installation contractors, plumbers, electricians and other trade service professionals who meet all applicable statewide requirements for performing the respective service (e.g., HVAC license, insurance requirements). Trade allies will be able to leverage the program and offer customers rebates through their normal course of business.
- **Efficient Product Kits:** Kits to introduce and promote energy efficiency technologies that can be easily installed in a customers' home. Similar to the Online Marketplace, the kits can act as a gateway to other programs by including energy efficiency and conservation education and promotional materials for other program opportunities. Where appropriate, the Utilities may partner with foodbanks, schools, community organizations and new customers, and participate in energy assistance outreach events to deliver the kits.

Regardless of the delivery mechanism, the Utilities will take steps to ensure customers are made aware of Utility engagement in helping to offset upfront costs of the efficient products.

Target Market or Segment (MFR II.a.ii.)

The target market for this program will be all electric and/or natural gas customers served by at least one investor-owned Utility in New Jersey. The program is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major residential end-use categories, and can be easily promoted to program allies, trade allies and customers via rebates. Examples of technologies incentivized through this program include heating/cooling equipment, water heating equipment, electronics, appliances, smart thermostats, water saving measures, weatherization items, pre-packaged kits and other efficient products. The program will also

[1] Appliance recycling program only applies to electric distribution companies ("EDC") at this time.

promote the retirement, recycling and replacement of old refrigerators, freezers and other inefficient appliances.

The Utilities may offer enhanced incentives for LMI customers. Eligibility for these enhanced incentives may be determined based on screening an individual customer, categorical eligibility (which may vary for low- and moderate-income customers), or special screening if the physical location is within the boundaries of a low-income or moderate-income census tract, an OBC, or any other agreed upon designation by the Board. Please refer to Section 4g of this Program Plan, for more information on special treatment for OBC customers. Qualifying guidelines may be adjusted based on updates to federal or state guidelines.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

The Utilities propose to provide a range of incentives depending on the measure, subject to changes based upon customer response and marketplace changes over the plan period. Incentives will vary depending on the specific product, the incremental cost of the high-efficiency technology and the product maturity in the marketplace. Refer to Appendix H, for the Summary of Existing and Proposed Incentive Ranges for this program.

Incentives will be available in several ways. Strategies may include:

- Mail-in applications available from the retailer, the program website, or directly from contractors;
- Online rebate forms;
- Point of Sale, Marketplace or In-Store at the time of purchase;
- Special sale events in retail stores;
- Manufacturer buy down to retailer;
- Midstream or upstream incentives to retailers, distributors or manufacturers; and
- Partnerships with community groups, schools and/or non-profit organizations.

In instances where incentives are not immediate, the Utilities will strive to complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork and completion of program requirements, such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.v.)

OBR or access to financing with similar terms will be available to eligible customers for select measures.

Refer to Section 4h of this Program Plan, for the Summary of Proposed Financing for this program.

Contractor Requirements & Role (MFR II.a.vi.)

The Utilities and/or third-party implementation contractors will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with

the program vision, eligible efficient products, rebates and ways to participate. Additionally, the Utility and/or third-party implementation contractors may engage trade allies, including local HVAC, electrical, plumbing and other contractors to educate them on program benefits and build a trade ally network which will install energy efficient equipment for participating customers. The electric Utility and/or third-party implementation contractors may engage with transportation services to pick-up and provide recycling services for old, working appliances. The Utility and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods and both program ally and trade ally availability. The Utility and/or third-party implementation contractors will be responsible for the management of the online marketplace.

By allowing participants to select a trade ally they are comfortable with for select products, the program reduces barriers to entry related to knowledge of energy efficiency confidence in assessments and measure installation. The Utilities will perform customer satisfaction and other quality assurance and quality control activities to monitor, ensure program and verify quality standards are met.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3a.i.4 Behavioral Program

Program Description (MFR II.a.i.)

The Residential Behavioral program educates and provides customers with easy-to-understand information about their energy use, the usage of their peers and suggested actionable steps to generate awareness and motivate customers to achieve energy savings through behavioral changes and engagement with other energy efficiency programs. Direct mailed and/or Electronic Home Energy Reports ("HERs" and "eHERs," collectively "HERs") will be the cornerstone of the program and will provide participants with customized, easy to implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. Depending upon the availability of metering data and their program design, the Utilities may issue usage and/or other bill alerts by email or other means.

The program may also offer an internet-based home energy self-audit to all residential customers. This audit assists customers to better understand their energy usage and opportunities for energy savings.

An online portal may be used to provide customers with usage information, recommendations, tips and links to other available energy efficiency programs. The Utilities may utilize the information gathered from various program offerings to not only gain a better understanding of the residential customer base, but also assist in making smart decisions moving forward with the energy efficiency programs.

The Utilities may share other energy efficiency program participation information with their respective Behavioral vendor. Incorporating participation feedback into the program on a prospective basis can improve the customer experience and potentially lead to higher engagement (e.g., build higher confidence in relevance of energy saving advice) and participation in other energy saving programs.

Target Market or Segment (MFR II.a.ii.)

The program will provide HERs to residential customers to whom sufficient usage data is available and the vendor can cost effectively provide the service and maintain an appropriate control group. This number will be reviewed periodically and may be modified to enhance cost-effective energy savings. The online energy audit may be available to all residential customers per Utility. The HERs and online audit may offer tailored recommendations to reduce their energy consumption.

The program targets residential customers potentially including market rate, LMI and multifamily customers. These customers receive customized energy saving tips and other program opportunities available to them including income qualified programs.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

There is no cost to participate for customers. Customer incentives to increase engagement may be explored by some Utilities.

Customer Financing Options (MFR II.a.v.)

Since there is no cost for participating customers, there is no need for a financing component.

Contractor Requirements & Roles (MFR II.a.vi.)

The Utilities will utilize a third-party provider and/or Utility staff to provide the services under this program. The Utilities' HERs vendors will distribute HERs to residential customers at no-cost to the participant. Customers will also have access to online functionality provided under the program that all customers can easily utilize to update their profile, see additional tips on how to save energy, complete the online audit tool and review their usage over a period of time.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3.a.ii Commercial & Industrial Sector

The core Commercial & Industrial Sector programs are described below and include:

- Energy Solutions;
- Prescriptive & Custom; and
- Direct Install.

3.a.ii.1 Energy Solutions Program

Program Description (MFR II.a.i.)

The Energy Solutions Program is designed to address the needs of commercial or industrial customers that are interested in comprehensive energy efficiency solutions. This program recognizes that a broad range of approaches is needed to help commercial and industrial customers identify, develop and complete multiple measures to comprehensive projects to save energy and meet other business objectives based on their unique circumstances. Accordingly, this program will include three distinct pathways to help the customers assess their opportunities, provide financial incentives and provide technical assistance services to encourage and support them to take actions. These three pathways include:

1. Engineered Solutions Tier 1 will provide tailored comprehensive energy efficiency support on projects that require significant auditing, technical support and engineering work. Incentives will be offered to encourage these customers to invest in energy efficiency. Engineered Solutions Tier 1 will provide guided consultative service throughout delivery to support customers in identifying and undertaking large energy efficiency projects, while requiring no up-front funding from the customer.

   Through Tier 1, customers will be provided with an in-depth audit of their facilities as well as a detailed assessment and recommendation of energy efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through a repayment plan. Through this pathway, larger participants in market segments that have typically been underserved, such as, but not limited to, Municipal, University, School and Hospital ("MUSH") customers, are able to achieve greater energy savings.

2. The Engineered Solutions Tier 2 pathway will provide tailored energy efficiency assistance to commercial and industrial customers in identifying and undertaking larger energy efficiency projects.

   Through Tier 2, customers may be provided with an in-depth audit of their facilities to identify cost effective energy efficiency measures that could be economically installed. Customers would also have the option of using contractors who are familiar with the facilities to initiate projects. Under Tier 2, customers have the option to utilize their own engineering & installation contractors. This program will also be open to approved trade allies that meet the program participation requirements. Utilities or their implementor will complete a detailed review of the project to ensure it meets program requirements. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through a repayment plan.

   Tailored assistance services may include audits and additional technical support which will be made available and included in the project cost on an as needed basis.

3. The Energy Management pathway will target energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance through maintenance, tune-up, retro-commissioning, monitoring-based commissioning, and virtual commissioning services and through the implementation of energy savings measures and strategies that improve the overall operation and energy performance of buildings and building systems. Strategic energy management engagement may be utilized to establish on-going relationships with customers that can be leveraged to introduce other applicable energy efficiency programs in order to achieve more energy savings for the customer. This pathway complements the Prescriptive and Custom program and the other pathways within this program which targets capital equipment replacement or process improvement investments by improving the energy performance of a building through maintenance, tune-up, adjustment and optimization of the systems within the building and the implementation of complementary energy savings measures. This pathway supports ongoing building energy performance by using retro-commissioning and strategic energy management strategies, which supports continued energy performance. By implementing these measures, customers also receive ancillary benefits, including improved occupant comfort, lower maintenance costs and extended equipment life. This pathway includes focus on specific energy efficiency measures and management practices that can be categorized as follows:

Building Operations

Building Operations measures provide multiple services for a customer to implement building tune-up and maintenance services. These measures are designed to focus on midsize commercial and industrial customers and include the following:

- HVAC Tune-Up: Provides for a tune-up of HVAC systems and includes but not limited to the following services:
    - Refrigeration charge correction (if needed);
    - Cleaning evaporator and condenser coils;
    - Filter changes;
    - Boiler tune-up;
    - Furnace tune-up;
    - Verification of proper operation of fans and motors; and
    - Other minor repairs to refrigerant lines and coils.

- Building Tune-Up: Provides a path for customers to implement a Building Tune-Up that will focus on the adjustment and calibration of building systems and controls, diagnostic testing and the installation of other complimentary measures that enhance building energy performance and savings. Also includes application of controls to optimize operation of building systems and building operation training for applicable personnel.

Retro-Commissioning ("RCx")

RCx measures provide a comprehensive assessment of a customer's commercial/industrial building by using a prescribed planning process that includes a building audit, development of an action plan for the building and development of a Measurement and Verification ("M&V") plan to ensure the optimum ongoing performance of the building and building systems. A comprehensive assessment of a commercial/industrial building using a prescribed planning and implementation process, including:

1. Audit Phase – Customer confirms intent to participate in the pathway and registers with one of the Utilities. Customer and/or the customer's consultant completes the required level of an American Society of Heating, Refrigerating and Air Conditioning Engineers ("ASHRAE") audit based on the complexity of the facility, develops a retro-commissioning implementation plan, including project timelines and plan to implement audit-identified operation and maintenance measures. There may be opportunities to complete this phase without a full ASHRAE-level audit.
2. Setup Phase - Contracted services to implement the plan are verified, long-term monitoring and reporting is developed and initiated, and a project plan is implemented by the customer.
3. M&V Phase - Savings verification and rebate payment from implementation of the plan is completed.

   Typical RCx services include, but are not limited to:

   - Optimizing chiller and boiler operations to better match building load conditions;
   - Reducing ventilation in over-ventilated areas;
   - Fixing ventilation dampers that are open when they should be closed or vice versa;
   - Decreasing supply air pressure setpoint and system rebalancing; and
   - Aligning zone temperature setpoints to match the building's actual operating schedule.

Monitoring Based Commissioning ("MBCx")

MBCx offers monitoring software paired with a building's energy management system to identify energy savings opportunities and optimize building performance and energy efficiency. Contracted services will alert the customer when equipment is not operating as expected using fault parameters and will work with the customer to correct ongoing issues and make improvements wherever possible. Planning and implementation typically includes, but is not limited to:

1. Assessment and qualification of a building energy management system. Assess Utility bills and facility to recognize potential for energy savings.
2. Customer agrees to have contracted services utilize eligible software with diagnostics and other functionality through a monitoring service contract.

3. MBCx is designed to:

    - Maximize potential incentives with a deeper dive into a building's overall performance.
    - Monitor and identify cost savings opportunities.
    - Benefit from a continuous process to improve comfort and optimize energy usage.
    - Maximize the operational efficiency of buildings.

Virtual Commissioning ("VCx")

VCx provides eligible customers with an initial analysis of their building's energy performance by using interval meter and or advanced metering infrastructure ("AMI") usage data, and modeling to identify and recommend potential energy efficiency measures and behavioral and/or operational changes to improve a building's overall energy performance. A unique benefit of VCx is the ability to perform analytical prospecting, and target customers remotely using data driven analysis, modelling and/or artificial intelligence ("AI"). Targeted customers are engaged and individually reviewed to verify the opportunity, develop customized recommendations and quantify savings potential. The analysis can also foster participation in the Utility's other programs by identifying and encouraging customers to implement other energy efficiency opportunities. The VCx process can also utilize benchmarking and peer comparison metrics to help determine energy performance to identify facilities that are underperforming. This offering uses continuous engagement, monitoring, reporting and periodic reviews of customer's energy usage to ensure that implemented measures or changes have been successfully completed.

Strategic Energy Management ("SEM")

The SEM component of this program is designed to optimize energy consumption for larger C&I customers through long-term management of major energy using systems. SEM provides a holistic approach that is focused on management of existing systems and processes (including behavior), as well as tracking and benchmarking performance to identify and evaluate energy optimization efforts. SEM is a long-term effort typically focused on developing and executing an energy management strategy. This strategy is formulated through a series of site and/or remote visits and interviews with building owners and staff to specifically develop a Strategic Energy Management Plan ("SEMP") for the customer's facility. The SEMP will be reviewed with the customer by the Utility and/or its third-party implementation contractor on a scheduled basis. This plan may include:

- Revisions or improvements to an existing Building Automation System or the addition and initiation of the use of a Building Automation System to monitor and control the buildings components and systems. The implementation or improvements to a system or the review of an existing system can include the proper training for building operators to achieve maximum efficiency.

- Development of a maintenance plan for existing building components and/or systems to identify best practices in building performance and an interactive monitoring of system components by both staff and sponsoring Utilities.
- Ongoing engagement to track energy usage and performance, assist with planning energy efficiency projects and interact with facility personnel to adopt energy efficiency strategies and behaviors.
- Utilizing other program offerings, including Prescriptive/Custom measures, Building Operations, RCx and VCx.
- Using building modeling and benchmarking to compare customer's usage and performance to cohort of similar facilities and VCx to track energy usage and performance over time.
- Application of whole building energy modeling tools that can model buildings for both operational and capital improvements.
- Scheduling of attendance of customer personnel to attend educational workshops, webinars and group/individual training sessions with cohorts of facility managers (e.g., building operations training).

Customers can participate by application to the program or may be contacted directly by program personnel. Customers can participate individually or in a cohort with other customers in the same industry. The cohort would allow customers to share best practices amongst each other as each customer goes through the SEM program lifecycle. A customer would still be treated as an individual unique project within the cohort. The program will retrieve customer demographics and obtain customer agreement for the services to be provided and facilitate ongoing customer engagement. The Utilities and/or a third-party implementation contractor will develop application forms for this program that will guide applicants through eligibility guidelines, terms and conditions and general program information requirements. In addition, the program will provide applications in web-ready formats to ensure participants and potential customers have easy access to the forms.

The Utilities recognize that public entities have unique procurement requirements which could result in barriers to participation. The Utilities will work with the State to develop and implement an approach that may offer a streamlined experience for these entities that meets their unique requirements.

Target Market or Segment (MFR II.a.ii.)

C&I customers who are seeking comprehensive advisory, operational, technical and data analysis engagement-based energy solutions located within the Utilities' service territories are eligible to participate in this program. The measures included in this program may include, but are not limited to, HVAC, building envelope, lighting, controls and other building systems, energy efficiency and energy consuming equipment.

Engineered Solutions, Tier 1 and 2 targets customers who need tailored energy efficiency support to help identify, develop and undertake energy efficiency projects.

Regarding the Energy Management pathway, these strategies are generally appropriate for specific segments as described below:

- Building Operations and VCx measures target existing commercial buildings and may be particularly relevant for small to medium building types that utilize traditional building systems and controls.
- RCx and MBCx target existing commercial buildings and are particularly relevant for medium to large building types utilizing a building energy management system.
- SEM targets existing large to very large commercial and industrial customers and building types and is particularly relevant to customers with significant energy use who commit to on-going participation and engagement across the organization including various levels of management and decision making.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

Incentives for the Engineered Solutions Tier 1 pathway will provide a 100% incentive for an up-front audit, the specific audit level will be determined on a project-by-project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, the Utilities will buy-down the simple payback of the recommended energy efficiency project cost for approved measures by up to six (6) years, with the resulting payback not less than three (3) years. After the project incentive buy-down, the remaining project costs may be funded by the program with participants repaying the balance of the project costs through a repayment plan.

Incentives for the Engineered Solutions Tier 2 pathway will provide incentives for both technical assistance services and other project costs determined on a project-by-project basis using a cost effectiveness tool up to 60% of project cost.

In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through a repayment plan.

Tailored assistance support services may include Design, Construction Administration, Commissioning, M&V and other technical support which will be made available and included in the project cost on an as needed basis.

Incentives for the Energy Management pathway are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows:

- **HVAC Tune-Up:** Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units.
- **Building Tune-Up:** Incentives that cover up to 80% of the project cost and up to 70% of the cost to attend qualified BOC training up to $1000 per person.
- **Retro-Commissioning:** Incentives to cover up to 100% of the initial cost to perform the required ASHRAE level audit. The total project incentive will be capped at up to 70% of the project cost. The customer may also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit.
- **Monitoring-based Commissioning, Virtual Commissioning:** Incentives to cover up to 100% of the cost of integration of third-party hardware and software. Utilities may also implement a performance-based model with an implementation contractor where the Utility only pays for delivered and verified energy savings.

- **SEM** : The Utility or third-party implementation contractor may perform an engineering assessment of the customer's facility to develop a SEMP or the customer may choose to utilize a consultant of their choosing to perform an engineering assessment to develop the SEMP. Customers who utilize a consultant will receive an incentive to cover up to 100% of the initial cost of the engineering assessment. A tiered incentive structure for customer engineering assessment may be utilized based upon square footage of a customer's facility. The SEMP will identify short, medium and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering that the measures are attributed.

Refer to Appendix H, for the Summary of the Existing and Proposed Incentive Ranges for this program.

The Utilities will strive to complete customer contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork and completion of program requirements, such as necessary field inspections (if required).

Customer Repayment Options (MFR II.a.v.)

Refer to Section 4h of this Program Plan, for the Summary of Proposed Repayment for this program.

Contractor Requirements & Role (MFR II.a.vi.)

The Utilities will administer the Energy Solutions program and may also choose to select a third-party to manage delivery of this program. The Utilities will oversee and coordinate on the program offering. The Utilities may utilize qualified trade allies and/or contractors to undertake the services required to deliver this program. The Utilities may also utilize the qualified trade allies to assist in the outreach, marketing and trade ally coordination. Participants may contract with the installation trade allies selected through a competitive solicitation process, or their own preferred contractors if allowed by the pathway, to provide program services.

The Engineered Solutions pathway delivery will typically occur in the following steps (the Engineered Solutions Tier 2 pathway may provide selected services, but not all, as determined on a project-by-project basis):

- **Audit:** The Utilities shall assess the required level of an ASHRAE audit to perform, based on the complexity of the facility and the potential energy efficiency measures; an investment grade audit may not be required for all facilities. The Utilities will then select a program trade ally to perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. The lead Utility will then review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project.
- **Engineering Analysis of Project:** Based on the audit results and customer feedback, an engineering analysis may be required. The lead Utility will conduct a screening of the

payback and project cost effectiveness and recommend the selected energy efficiency measures for the project. The lead Utility will review the project with the customer for customer agreement on the approved project and coordinate as necessary.

- **Engineering Design and Bid Package Preparation:** The engineering trade ally hired by the lead Utility will initiate the design of the selected energy efficiency measures for the approved project. In addition, this trade ally will also prepare a Scope of Work and bid package documents which the customer could use to put out a Request for Proposal ("RFP") to obtain installation cost estimates for the approved project.
- **Scope of Work/Contractor Bids:** The customer will issue a Scope of Work and the bid package documents to obtain competitive bids to install selected energy efficiency measures for the approved project. The lead Utility, the program engineering trade ally and the customer will review and evaluate the bids/costs received, and the customer will make the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness.
- **Measures Installation and Inspections:** The partnering Utilities and the program engineering trade ally, acting as construction administration agent, will monitor project progress and will release project funds based on the following payment structure:
    - **Stage 1: Project Contracting Stage -** The first progress payment of up to 30% of the installation cost can be issued to the customer to initiate the project.
    - **Stage 2: Construction Stage -** A pre-defined series of monthly progress payments totaling up to 50% of total project commitment can be issued.
    - **Stage 3: Project Completion and Commissioning -** When the project is 100% complete, a final inspection and final project true-up will be performed; remaining progress payments will be issued.

The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.

The progress payment schedule described above is designed to ensure that customers can pay their installation contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by the lead Utility and the trade ally engineering firm with updates to the partner Utility as appropriate.

The Utilities will select qualified program trade allies to undertake all services associated with the program. The Utilities will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods and program trade ally and installation contractor availability and provide suggestions for improvement. The installation contractor(s) will adhere to the project specifications recommended by the Utilities and the program engineering trade ally and set forth between the installation contractor and the customer.

For Energy Management, the Utilities will perform overall administration and oversight of the pathway and may also choose to select third-party implementation contractors to manage delivery of this pathway. The Utilities' staff and/or third-party implementation contractors will oversee all aspects of the pathway. The Utilities and/or third-party implementation contractors will be

responsible to administer, promote and provide the pathway to customers including staffing, processes ensuring quality and other controls supporting successful program implementation. The Utilities' staff and/or third-party implementation contractors will conduct the marketing, management and implementation aspects of this pathway.

The Utilities' staff and/or third-party implementation contractors will select qualified program trade ally and/or contractors to undertake all program services, as required. Installation and maintenance trade allies must adhere to the project specifications developed by the Utility and/or third-party implementation contractors. The Utilities will leverage their existing and/or develop a network of engaged trade allies, including local construction, electrical, plumbing and other contractors, to educate them on program benefits and assist with building an approved trade ally network which will reliably maintain and install energy efficient equipment for participating customers.

The Utilities' staff and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods and program trade ally availability and provide suggestions for improvement.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3a.ii.2 Prescriptive & Custom Program

Program Description (MFR II.a.i.)

The Prescriptive and Custom Measures program will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities' commercial and industrial ("C&I") customers, either via the installation of prescriptive or custom measures or projects. The program provides prescriptive-based incentives to C&I customers to purchase and install energy efficient products. The program will continue to support and/or provide downstream approaches to ensure the market is properly supported. The program may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors and retailers that sell select energy efficient products. These measures will incentivize energy efficient lighting, appliances, heating and cooling equipment and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for a repayment plan to further reduce upfront costs. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls;
- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors and their distributors to increase market demand; and
- Ensure the participation process is clear and simple.

Prescriptive incentives will increase adoption of energy efficient equipment by harnessing the Utilities' unique customer relationships to positively impact the entire sales process surrounding efficient equipment. The process includes education and awareness with customers, engagement with trade ally contractors and equipment distributors, and repayment plan opportunities for the high efficiency equipment.

The program also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial and other non-residential customers that are non-standard, variable or not captured by prescriptive incentives. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment to retrofit or upgrade specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in variable or specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency measures are more variable or complex than prescriptive equipment.

Potential participants may be required to submit an application for pre-approval to confirm measure or project eligibility and reserve funding. The Utilities and/or implementation contractors

will develop electronic rebate application forms that will guide applicants through eligibility guidelines, program requirements, terms and conditions and general information. In addition, the Utilities and/or implementation contractors will provide applications in web-ready formats to ensure participants have easy access to the forms. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports the Utilities' program management because it communicates projects that are in the pipeline. If accepted and pre-approved by the Utilities, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre- and post-inspection to validate energy savings. Approved measures or projects may also be eligible for a repayment plan.

Target Market or Segment (MFR II.a.ii.)

The Prescriptive and Custom Measures Program will be available to all C & I and other non-residential customers located within the Utilities' service territories. This program is focused on promoting the sale and installation of efficient electric and/or natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates or more complex custom rebates. Potential technologies incentivized through prescriptive measures include energy efficient lighting, appliances, heating and cooling equipment and food service equipment, among other efficiency measures. Customers pursuing custom incentives will generally be customers with more complex needs and non-standard or variable efficiency opportunities and typically include building types such as light/heavy industrial, manufacturing, data and distribution centers, among others.

Existing and Proposed Incentive Ranges (MFR.II.a.iii.) (MFR II.a.iv.)

The Utilities propose to provide a range of incentives depending on the measure type, subject to changes based upon customer response and economic and market conditions over the plan period. Incentives will vary depending on factors including but not limited to the specific product, the incremental cost of the high-efficiency technology and the product maturity in the marketplace.

Refer to Appendix H, for the Summary of the Existing and Proposed Incentive Ranges for this program.

In instances where incentives are not immediate, the Utilities will strive to complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork and completion of program requirements such as necessary field inspections (if required).

Customer Repayment Options (MFR II.a.v.)

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a repayment plan. Refer to Section 4h of this Program Plan, for the Summary of Proposed Repayment for this program.

Contractor Roles & Requirements (MFR II.a.vi)

The Utilities may outsource some, or all, of the implementation of this program to an implementation contractor who would be responsible for defined functions, which could include administration, marketing, application processing and documentation regarding purchased products and processing incentives and rebates. The Utilities will perform overall administration and oversight of the program. To maximize customer participation and streamline the customer experience, the Utilities will use their strong customer and marketplace relationships to support multiple implementation strategies to achieve program goals.

- **Trade Allies:** The Utilities and/or the implementation contractor will target trade allies to promote the energy efficiency opportunities and incentives to their clients. Preserving this downstream approach will ensure that customers and trade allies are properly supported. Trade allies will be able to leverage the program and offer customers rebates through their normal course of business. By developing relationships with trade allies, the program will develop a broad reach across the marketplace and solicit feedback to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms may include:
    - Design, engineering, and controls firms;
    - Building energy managers;
    - HVAC distributors, contractors, and retail providers;
    - Food service retailers and service providers;
    - Commercial lighting retailers, distributors and wholesalers; and
    - Electricians and electrical contractors.

- **Retail:** The Utilities' program staff and/or the implementation contractor field representatives may work with retailers and distributors that directly target C&I customers to inform them of the participation process and available equipment incentives. The Utilities and/or implementation contractor may also provide support and assistance to retailers or distributors to support identification and promotion of qualifying energy efficient products. This may also include training and instruction to participating retailers and distributors about the Utilities' application forms. The Utilities may provide opportunities for commercial customers to purchase energy efficient equipment through an online marketplace.
- **Midstream:** The Utilities and/or the implementation contractors may promote a midstream component for specific equipment types to encourage purchase of efficient equipment via directly marking down the cost of the efficient equipment at the point of sale. Midstream rebates encourage market transformation and wider availability of efficient equipment. The Utilities anticipate offering midstream point of sale discounts across numerous equipment types, which may include, but not limited to LED lighting, HVAC and food service equipment. Efficient products that are rebated via a midstream approach will not be eligible for incentives in any other Utility energy efficiency program. The Utilities and/or implementation contractor will also provide support and assistance to distributors to support identification and promotion of qualifying energy efficient products. This will also include training and instruction to participating

distributors, as well as enrollment of distributors to participate in midstream program offerings.

- **Digital:** The program will be marketed directly to C&I customers on the Utilities' websites where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, rebate applications and incentives across all efficient equipment types and end-uses. The Utility may also offer the direct purchase of eligible equipment through their website or an online marketplace.
- **Targeted Customer Outreach:** Utility staff may choose to reach out directly to large business and commercial customers to develop relationships with energy and facilities managers, operations staff and procurement personnel. Program staff can help facilitate completion of rebate applications and serve as a direct resource to these customers, providing technical support and assisting customers in identifying efficiency opportunities.
- **Technical Customer Assistance:** An important element of the Prescriptive and Custom Program is the availability of technical support. The Utilities and/or implementation contractor will provide technical support to customers on the application of the energy efficiency measures and technologies included in this program, including supporting measure or project identification, developing energy savings calculations and assessing measure or project economics as required.

M&V for measures or projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after measure or project implementation to determine savings and incentive amounts.

A comprehensive contractor agreement, containing information about equipment certification (such as DLC lighting, etc.), licensing, insurance requirements, etc. will be developed and provided to all participating contractors.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3a.ii.3 Direct Install Program

Program Description (MFR II.a.i.)

The Direct Install program is focused on providing the installation of efficiency measures for small to medium-sized businesses, non-profit organizations, municipalities, schools and faith-based organizations ("eligible customers") that typically lack the time, knowledge or financial resources necessary to investigate and pursue energy efficiency. The program is designed to provide eligible customers with easy investment decisions for the direct installation of multiple measures to comprehensive energy efficiency projects. The program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The program will also provide a repayment plan to the customer. The no-cost energy assessment mitigates the time constraints and knowledge barriers while the reduced project costs and repayment options mitigate cost barriers and assist participants in making decisions, which otherwise would be time-consuming and potentially difficult to justify. The Direct Install program plays an important role in the marketplace because private providers of energy efficiency services typically do not target smaller customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small to medium-sized businesses, non-profit organizations, municipalities, schools and faith-based organizations are often underserved, and the program fills an important gap by targeting, promoting and delivering efficiency services to these customers directly.

The energy assessment will be provided to customers at no-cost and will offer recommendations on energy efficiency measures to reduce the customer's energy usage and costs. Standard energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation and energy savings.

The program will also focus on the smaller customers within the eligible customer segments. The Utilities anticipate portions of the program to be directed at restaurants, small offices, convenience stores and other small independent businesses that often are left behind in energy efficiency programs. Through a number of delivery mechanisms, the Utilities will ensure that all eligible business types are able to participate in this program.

The Utilities recognize that public entities have unique procurement requirements which could result in barriers to participation. The Utilities will work with the State to develop and implement an approach that may offer a streamlined experience for these entities that meets their unique requirements.

Target Market or Segment (MFR II.a.ii.)

The Utilities will seek to address the most cost-effective measures but will also address all measure retrofits that would comprise a cost-effective project. Examples of end-use categories covered by the program include lighting, HVAC, controls, refrigeration, food service, motors, low-flow devices, building envelope improvements, pipe wrap and domestic hot water equipment. The program will be divided into three tiers of eligibility, determined by the customer's individual facility peak electrical demand over the last 12 months.

- Tier 1
    - Will serve the smallest of the eligible customer base: all customers with an average annual individual facility peak electrical demand of up to 100 kW and an average annual natural gas load of up to 5,000 therms;
- Tier 2
    - All customers with an average annual individual facility peak demand of up to 300 kW or average annual natural gas load of 40,000 therms that are located within an Urban Enterprise Zone ("UEZ"), Opportunity Zone, OBC; or
    - All customers with an average annual individual facility peak demand of up to 300 kW or an average annual natural gas load of 40,000 therms that are owned or operated by a local government, K-12 public schools, or that are non-profits categorized as 501(c)3; and
- Tier 3
    - All customers with an average annual individual facility peak electrical demand of 101 - 300 kW or an average annual natural gas load of 5,001 therms to 40,000 therms.

The eligibility requirements listed above may be adjusted in coordination among the Utilities to improve customer access, participation and program performance based on economic and market conditions.

Existing and Proposed Incentive Ranges (MFR II.a.iii. and MFR II.a.iv.)

Each tier of the program will encompass many of the same benefits, including a turnkey solution for eligible customers, which requires no up-front investment. The initial site visit, energy assessment and installation of recommended energy efficiency measures are provided at no initial cost to participants. The Utilities propose to provide an incentive level of up to 80% of the project costs to promote the completion of comprehensive projects while maintaining overall program cost effectiveness.

For Tier 1 customers the program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan.

For Tier 2 customers, program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan. Customers located in an UEZ, Opportunity Zone, OBC or other geographic area as designated by the BPU may also qualify, as will those owned or operated by a local government or K-12 public schools, or non-profits categorized as 501(c) 3 or 501(c) 19.

Tier 3 will serve the larger segment of eligible customers, with an individual facility average annual peak electrical demand of 101 - 300 kW or 5,001 therms to 40,000 therms over the past 12 months. Incentives up to 70% of the total project cost will be offered with the participating customer repaying the balance not covered through the incentive either in a lump sum or through a repayment plan.

Utilities may impose a dollar cap on the incentives for all tiers.

Refer to Appendix H, for the Summary of Existing and Proposed Incentives for this program.

Customer Repayment Options (MFR II.a.v.)

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a repayment plan.

Refer to Section 4h of this Program Plan, for the Summary of Proposed Repayment for this program.

Contractor Requirements & Role (MFR II.a.vi.)

The Direct Install Program interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site energy assessment to identify energy efficiency retrofit opportunities. Standard energy savings measures may also be installed at no cost at the time of the energy assessment for eligible Tier 1 customers, to support customer engagement, participation and energy savings. Following the energy assessment, participants are provided with a report assessing the site and recommending additional measures that could further improve the energy efficiency of the facility.

Based on the results of the energy assessment report, the program will offer to pay a percentage of the project cost to install the recommended energy efficiency measures. The program may also provide a repayment plan, to the customer (and/or landlord) for their portion of the project cost. Utility staff and/or third-party implementation contractors will provide turnkey solutions to eligible customers with the initial site visit, energy assessment and installation of recommended efficiency measures at no initial cost to participants. The Utility will ensure this completed on time and to specifications. This approach frees up the participant, who may not have the time or resources to dedicate to project identification, development and implementation. The distinction between Tier 1, 2 and 3 eligibility criteria will ensure that eligible customers, even those that are the smallest and often overlooked, receive ample focus.

The participating contractors will perform the energy assessments and installations, working with the Utilities and/or the implementation contractors oversight to undertake all construction and installation work identified in the energy assessment process.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3a.iii Multifamily Sector

The core Multifamily sector program is described below and includes:

- Multifamily

3a.iii.1 Multifamily Program

Program Description (MFR II.a.i.)

This program addresses multifamily structures with three or more units. As such, there can be significant variation in the types of structures served under this program ranging from residential-type dwellings with three units to large garden apartment complexes to multi-story high rise buildings. To meet the specific needs of each customer, the Multifamily program will provide, in conjunction with the customer, a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments and a suite of efficiency and building decarbonization offerings ranging from simple to deep energy retrofits targeting all end uses. In addition, the Multifamily Program may provide OBR or access to financing with similar terms and enhanced incentives for income-qualified customers and affordable housing properties.

The Multifamily program will seek to work with each customer to determine and package the best energy savings opportunities based on the needs and interests of the customer, with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multifamily program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy savings measures where possible to help encourage program participation. The assessment will also identify additional energy savings opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy savings in a cost-effective manner. Examples of these factors include, but are not limited to:

- Building size;
- Number of units;
- If the facility is being served by a central plant;
- If there are individual heating and cooling units;
- If there are building envelope/weatherization opportunities;
- Application review with a potential virtual site inspection or telephone interview with property management; and
- An on-site pre-scoping audit may be performed.

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard and comprehensive energy saving measures, comprehensive building wide efficiency and other possible measures. The measures within the project plan may align with the terms and conditions of the Utilities' respective applicable residential and/or commercial and industrial program offerings, where appropriate, and may include multifamily-specific terms, conditions, incentives and offerings. Therefore, the project plan can include prescriptive measures with set energy savings and/or custom projects with savings on a project basis. The incentives for the measures may not match the incentives in other programs, as the multifamily sector has higher barriers to overcome. Discussions with customers may also target

the identification of specific opportunities that may align with other Utility programs, including measures provided in Additional Utility-Led Initiatives.

Target Market or Segment (MFR II.a.ii.)

All multifamily buildings with three (3) or more units that are served by at least one (1) investor-owned Utility are eligible to participate. The program targets multifamily property owners, property managers, and residents, who, because of the building owner-tenant relationship, have always had difficulty investing in energy efficiency equipment. The Utilities will also target outreach to income qualified occupants and owners of multifamily buildings who are eligible for enhanced incentives.

Eligibility for these enhanced incentives can be automatic based upon the type of property that can be identified as serving income qualified customers, such as those with an affordable housing designation (e.g., New Jersey Housing and Mortgage Financing Agency qualified, Housing Authorities) or identifiable by a physical location (e.g. census tract, Overburdened Communities with a low-income characteristic). The Utilities reserve the right to align with categorical eligibility of federal and state energy efficiency programs for income eligibility. The program may refer prospective customers to income qualified program(s) as appropriate.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

The measures of the Multifamily program are a comprehensive combination of potential program components. Depending on the needs of the customer, different program components may be provided to them. Incentives for some measures may align with the existing incentive offerings for other program offerings, however the program has the flexibility to offer different incentive levels.

See Appendix H, for existing and proposed incentive ranges for each of the potential program components that Utilities may offer as part of their Multifamily Program.

Customer Financing Options (MFR II.a.vi.)

Refer to Section 4h of this Program Plan, for the Summary of Proposed Financing.

The Multifamily program may provide OBR or access to financing with similar terms and enhanced incentives for income qualified customers and affordable housing properties.

Contractor Requirements & Roles (MFR II.a.vi.)

The Multifamily program will be delivered in coordination between both the Lead Utility and the Partner Utility (where applicable) and/or qualified third-party implementation contractor(s) with experience delivering similar programs. Because of the unique and varied nature of the multifamily market program representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the program. The program will assist customers as necessary to coordinate scheduling of the Energy Assessment and direct installations and will provide program and technical support to complete program and rebate application requirements.

Delivery of energy-saving measures will be dependent on the project plan and may include direct installation of standard and comprehensive energy savings measures, installation of prescriptive measures and/or custom projects. It may be necessary to schedule appointments for the installation of energy saving measures in the individual living units and common areas. In-unit HVAC tune-ups may also be offered to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the measures installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

3b. Additional Utility-Led Initiatives

In addition to core programming, Utilities will also administer Additional Utility-Led Initiatives to further engage customers and promote energy efficiency projects. These initiatives will compliment and expand upon core programs to ensure that Utilities reach a diverse customer base and that customers receive adequate support in applying for and completing energy efficiency upgrades.

As discussed in the Introduction, Additional Utility-Led Initiatives follow a consistent format but contain Utility specific proposals, with the exception of Next Generation Savings, which provides consistent information across the Utilities.

The Additional Utility-Led Initiatives are described below and include:

- Next Generation Savings;
- Building Decarbonization; and
- Demand Response.

3b.i Next Generation Savings ("NGS")

Program Description (MFR II.a.i.)

The NGS program will develop critical insights that can help the State with longer term strategies for reaching its clean energy and climate related goals. This program is a key step to gain technical and market understanding on installation, performance, economic and other considerations for new customer energy efficiency solutions. NGS will support new technologies and approaches that are ready for broader adoption, but need enhanced contractor training, customer incentives or other key elements to help the marketplace understand the value proposition and implement the measure. It is critical to establish a program like this to ensure Utilities and the state will be in a better position to achieve escalating energy savings targets and get new resources to market in a timely fashion.

Since the NGS will be focused on technologies and approaches that have proven potential, this companion effort will focus on the extra support needed to get those proven technologies and approaches into the marketplace to help New Jersey reach its clean energy and climate-related goals, introduce new solutions for customers and support the development of a clean energy economy. Individual Utility interest in supporting particular technologies and approaches may vary due to their fuel source, service territory demographics or other unique characteristics. Therefore, the NGS would be an optional Additional Utility-Led Initiative but would be conducted in a collaborative manner to ensure insights are shared across Utilities and with the state and other stakeholders. Progress updates will be shared periodically with the Utility Working Group and publicly through the EE Stakeholder meetings to ensure all stakeholders can benefit from the knowledge developed by this program.

Primary objectives of NGS:

- Identify promising technologies or approaches that are ready to be integrated into energy efficiency offerings for New Jersey, including proposing savings calculations for the Technical Resource Manual and elements to be included in Evaluation, Measurement and Verification plans.
- Identify and engage market actors and customers interested in being early adopters of new technologies or approaches.
- Provide support, including training and potential incentives, to program and/or trade allies willing to start promoting the technology and approaches.
- Support the successful deployment of new technologies or approaches through case studies, marketing materials, training events, recruitment and other activities.
- Identify and address other potential market barriers.
- Provide results and knowledge to Utility Working Group and stakeholders.

Due to the supporting role it will play in energy efficiency efforts, the individual technologies and approaches tested will vary from year to year with a goal to support continuous innovation and increase energy savings. NGS supported technologies or approaches are expected to eventually be

layered into existing approved energy efficiency programs without the need for supplemental NGS program support.

NGS activities may include:

- Implementing outreach to program and/or trade allies, such as but not limited to, through dedicated workshops on the technologies or approaches, including installation instructions, requirements and operations and maintenance procedures; participation in industry conferences related to these technologies; close work with trade ally associations.
- Developing curriculum and training courses for use in technical schools or higher education. Will coordinate with other Utility Workforce Development initiatives as applicable. However, it is important to note that this training would be targeted to enhance the skill set of the existing workforce with specific new technologies or approaches.
- Providing incentives for program and/or trade allies that may need special software, diagnostics tools or other materials to support the purchase, installation and/or maintenance of these new technologies or approaches.
- Conducting market research including surveys, focus groups, interviews and due diligence reviews to understand the attractiveness, costs and suitability of the new technology or service for customers, program and/or trade allies, and other New Jersey stakeholders.
- Conducting pilots where the technologies or service delivery innovations are offered to select groups of customers to measure performance on a wider scale, in preparation for a full offering in other EE programs.
- Offering attractive incentives for customers and/or trade allies who are early adopters.
- Educating market actors and other stakeholders by conducting on-line or in-person training events, and preparing marketing materials such as case studies, brochures and frequently-asked-question ("FAQ") documents.
- Initiating other efforts to increase market acceptance of proven technologies and approaches.
- Providing incentives based on expected energy savings or project cost, similar to custom calculated measures.
- Direct funding to a manufacturer, distributor, contractor, retailer or host site to offset technology equipment or installation cost.
- In-kind support, such as use of monitoring equipment, technical or administrative support for data collection and analysis, report preparation and promotion, etc.

Due to the intensive level of support contemplated for initiating broader market adoption and uncertainty regarding market participation, it is not feasible to accurately estimate the costs and benefits at this time. Accordingly, NGS should be exempt from the requirements set forth in MFR Part V, according to MFR I.f. As technologies and approaches are ready to graduate from the NGS they will be subject to a review of their costs and benefits prior to adoption with traditional EE programs.

When a technology or approach is ready to "graduate" from the NGS program, participating Utilities will complete a summary of the efforts conducted under this program, which may include the following, as appropriate:

- Participation and performance metrics;
- Customer and program and/or trade ally feedback;
- Identification of market barriers/unforeseen challenges with proposed remedies;
- Training metrics – participation and feedback and identification of on-going training needs;
- Updates on customer/program and/or trade ally recruitment; and/or
- Marketing and outreach plan.

Target Market or Segment/ (MFR II.a.ii.)

The program will support new technologies and approaches that are ready for broader adoption but need enhanced training, customer incentives or other key elements to help the marketplace understand the value proposition and implement the measure. These new technologies may be targeted to the Residential, Multifamily or C&I sectors.

Participating Utilities will include periodic updates on NGS program activities as part of Utility Working Group and EE Stakeholder Meetings. However, potential examples within NGS include:

- Advanced duct sealing technology;
- Air-to-Water Heat Pump systems;
- Heat pumps for industrial applications;
- Thermal imaging mapping; and
- Natural gas heat pumps.

Technologies under NGS do not necessarily require further testing to prove their technical energy savings potential, but they do need considerable work to identify and address barriers to adoption in the marketplace. NGS will enhance stakeholder understanding of these barriers to market deployment and to develop strategies including training to address them.

Delivery Method

Participating Utilities will utilize staff and/or third-party vendors to support technologies or approaches under this program, follow industry trends and research, assist in securing customers and program and/or trade allies interested in exploring new technologies or approaches and support the coordination efforts.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

Incentives may be developed for customers who are early adopters or may be provided at a mid-stream or upstream level. Supply chain incentives for manufacturers or distributors may be an important strategy for some technologies.

Incentives are also anticipated to help support program and/or trade ally commitment to the technologies and approaches within this program.

Program and/or trade allies and customers who are the beneficiaries of incentives under this program will be required to share energy and pricing data, complete required surveys and support

independent evaluation efforts.

Customer Financing Options (MFR II.a.v.)

The program may include a financing component to support the growth of developing technologies and commercialization of new energy saving technologies.

Contractor Requirements & Roles (MFR II.a.vi.)

Contractors and other program and/or trades allies, with an interest in expanding their knowledge and broadening the range of solutions they can offer customers, will benefit from this program. They will have the opportunity for training, potential funding for software, diagnostic tools or other materials, potential special incentives to offer program vendors and/or trade allies and customers who are early adopters, supporting marketing materials and other resources to help address market barriers.

Marketing Approach

NGS will begin to develop and implement customer outreach approaches, but this may not take on a traditional marketing approach. As a result, the program may provide targeted marketing efforts for customers and niche markets, identified through NGS and may include:

- Work with identified program and/or trade allies to develop relevant collateral.
- Collaborate with technical and marketing staff to develop and syndicate white papers.
- Develop tailored proposal and presentation kits.
- Analyze and remarket to leads from other Utility programs.
- Engage business and trade organizations.
- Identify potential customer demographics for targeted outreach campaigns.
- Work with Utility outreach staff/liaisons to identify existing customers with needs that can be addressed by the featured technologies or approaches.

Market Barriers

In addition to the market barriers identified in the Utility marketing plans, this program would overcome several additional market barriers and lead to increased uptake of new technologies and approaches:

- **Program and Trade Allies Not Trained on Installation and Operations and Maintenance:** Many contractors and program and/or other trade allies may not be familiar with emerging technologies or new approaches and have limited resources to participate in industry courses. Lack of knowledge limits the range of solutions they can offer to customers and may also lead to the potential to dissuade a customer from trying new technologies or approaches. NGS will address this barrier through extensive training offerings, outreach to industry associations, funding for certain software, equipment or tools and supporting customer materials.
- **Integration with State and Local Building Codes:** New technologies can often be introduced to the market before code officials have considered how to review the proper

installation practices and/or have not been given accurate guidance. NGS intends to address this barrier through coordination with the N.J. Department of Community Affairs and outreach to local code officials where applicable.

- **Supply Chain Challenges:** Emerging technologies are often unavailable, due to retailer/distributor failure to stock and service the new products. NGS will raise awareness and engage the New Jersey marketplace with information and case studies about the new technologies that are proven, by deployment test studies, to be high value additions to the energy efficiency programs. NGS will invest resources to familiarize program and/or trade ally partners of all types with the advantages of embracing and promoting new technologies to customers and may consider supply chain incentives.
- **Customer Acceptance of New Technologies or Approaches:** Due to the unique nature of these technologies or approaches and because the Utilities will likely not market to a broad base of customers, we do not anticipate traditional marketing channels or campaigns. Potential customers will consist of knowledgeable buyers (often teams) who will analyze products in terms of user benefits. Participating Utilities will develop specific customized materials for deployed technologies or approaches including:

    - Technical specifications;
    - Benefits;
    - Best practices; and
    - Industry case studies.

Projected Participants (MFR II.a.vii.) and Energy Savings Relative to QPIs (MFR II.a.viii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B of the Program Plan, for information on these MFRs.

3b.ii Building Decarbonization Start-Up

This program will include two distinct components- a Hybrid Heating solution for residential customers and District Geothermal Heating. These represent innovative approaches to building decarbonization that can provide significant insights for the state during this start up period that can help make a meaningful difference within this triennium and support consideration of plans for broader decarbonization efforts in future triennia.

Program Description (MFR II.a.i.)

Hybrid Heat

NJNG would encourage customers to install high efficiency electric heat pumps that would be used in connection with natural gas fired equipment. Together the equipment would serve as a hybrid heating system that allow the electric heat pump to work in summer and shoulder months, as well as milder periods during the winter months, but allow the natural gas equipment to meet the customer's heating needs in colder periods when the electric heat pump would not work as efficiently. To achieve optimal comfort and efficiency, for equipment installed through this program, NJNG will require all projects start with an accurate Air Conditioning Contractors of America ("ACCA") Manual J load calculation of the house. Once the loads are understood, the contractor will be required to select new equipment (furnace and heat pump) utilizing the ACCA Manual S equipment selection process. The program will require a matched set of equipment (furnace, evaporator coil, condenser) to achieve maximum performance and system modulation. As many matched systems can operate between 30 - 110% of their rated capacity, matching system capacity to the load is critical to maximize efficiency and performance.

NJNG believes that the strongest system performance will come when a customer installs a comprehensive whole-house system with new gas and electric equipment. There are significant challenges with attempts to install air source heat pump systems on an existing furnace, including but not limited to:

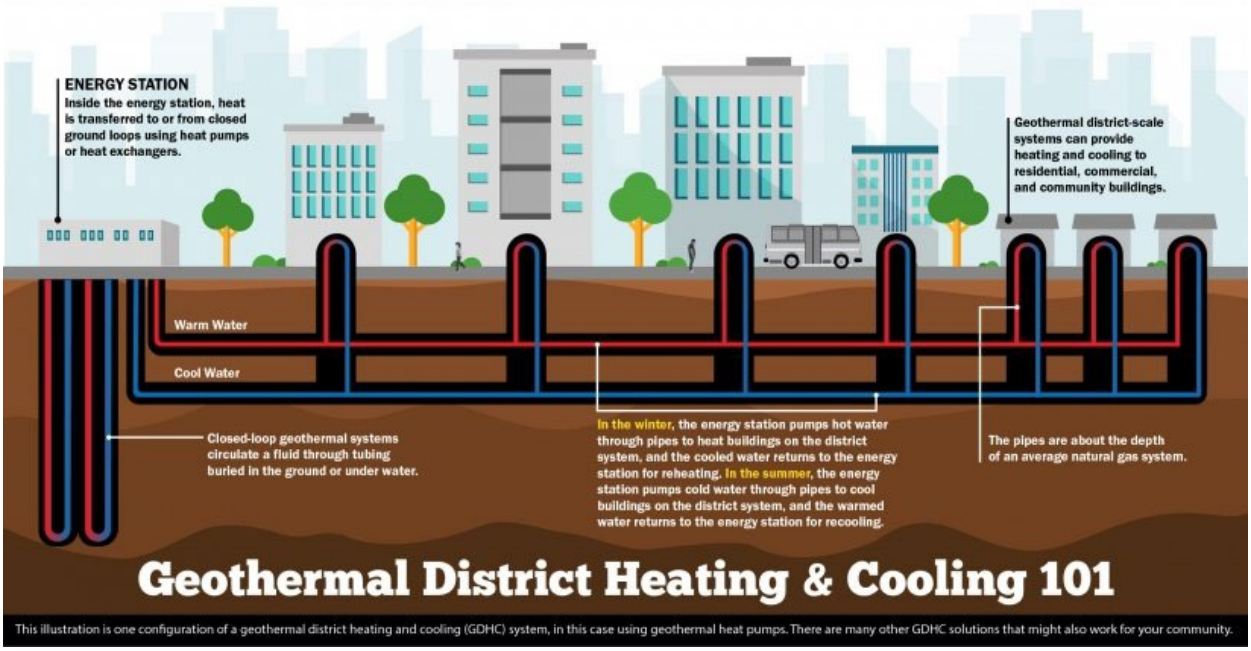
- Limited equipment that meets the minimum program requirements without a rated blower,
- Systems will lose the ability to modulate capacity with a fixed speed blower and only operate at 100% capacity, and
- An existing furnace won't be able to communicate or change how it operates, like a new matched system would.

However, if a contractor can successfully match a new air source heat pump to an existing natural gas furnace, NJNG will allow the project to be included within this program. This is more likely to be feasible with a recent installation of a high-efficiency natural gas furnace. For both types of installations- the complete system installation and the addition of an electric heat pump to an existing system, NJNG would direct an independent evaluator to review operating performance.

NJNG's hybrid heat program will not include projects that only pursue the installation of a mini-split system. Customers who are interested in that solution can apply for incentives from their electric utility.

District Geothermal Heating

District Geothermal Heating is a centrally located geothermal heating system to deliver highly efficient heating to multiple end users through a connected network of piping. This graphic from the United States Department of Energy helps to illustrate how this type of system can work.



There are significant advantages to deploying these systems to serve a diverse type of load. Therefore, NJNG plans to pursue a study to identify and scope plans to deploy a geothermal loop system to reduce the need for conventional cooling and natural gas heating. NJNG will retain a consultant to evaluate options within our service territory and attempt to identify a willing partner and/or location suited for such a system. The system will be designed to utilize water-source heat pumps to serve interior spaces with a closed geothermal loop that utilizes the thermal stability of the ground as a heat sink. NJNG will work with a third-party entity to design a system that will have the ability to share heating and cooling loads. This load sharing can reduce energy consumption by allowing excess heat to be shared from room-to-room, floor-to-floor, and building-to-building.

The feasibility study would evaluate network configurations, equipment standards, proper piping and material use and size, proper customer incentives, system costs and other project needs. NJNG would fully fund the cost of the study, as well as all design and installation costs for the central elements of the systems. Participating customers would be responsible for the costs for their own equipment but would be eligible for incentives and OBR options. NJNG would prioritize sites that serve the needs of LMI customers or customers residing in OBC. Depending upon budgetary considerations for the project, NJNG reserves the right to provide customer sited equipment to LMI or OBC customers at no additional cost.

The initial feasibility study as well as insights from project engineering, implementation, and evaluation work will be used to inform future potential projects, including the potential to develop

standards for thermal energy network design, construction and evaluation. These insights may include information related to:

- Understand the cost of constructing such a system and properly maintaining it over time.
- Better data to support longer term approaches to rate design.
- Projections for the number of boreholes that may be needed to be used as needed to return water in the delivery loop to temperature.
- Determine whether a supplemental heater and cooler on the shared loop of water is needed as backup in case the system needs a temperature boost in unusual heating or cooling events.
- Project whether the sites can be later interconnected to serve additional customers.
- Understand what impacts systems will have on the use or negating the use of grid energy.
- Identify what physical, economic, and informational barriers will be present and what can be done to overcome those barriers.
- Prepare and develop training for technicians and decision-makers to provide the technical background necessary to approve and support projects.
- Quantify the exergy, a measure of energy quality or work potential, that can be consumed from the system.

Collectively this information can support future deployments of district geothermal systems and support broader policy discussions.

Target Market or Segment/Efficiency Targeted (MFR II.a.ii.)

Hybrid Heat
This primary target for this program will be residential customers seeking to replace both their heating and cooling systems with high-efficiency equipment. NJNG will also allow customers who are only interesting in adding an air source heat pump provided it can be properly paired with existing natural gas heating equipment.

District Geothermal Heating
Subject to the results of the independently conducted feasibility study, the target would all customers that reside in a geographic area where a geothermal loop system would be installed. As noted above, NJNG will prioritize sites would including diverse type of load and serving the needs of LMI and/or OBC customers.

Existing and Proposed Incentive Ranges (MFR.II.a.iii. and MFR II.a.iv.)

Refer to Appendix H, for the Summary of the Proposed Incentive Ranges for this program. Since Building Decarbonization programs do not currently exist there is no comparison for existing incentive ranges.

Customer Financing Options (MFR II.a.vi.)

OBR will be available to eligible customers for select measures. Refer to Section 4h of this Program Plan, for the Summary of Proposed Financing for this program.

Contractor Requirements & Roles (MFR II.a.vi.)

Hybrid Heat
NJNG would require all participating contractors to attend a class to ensure they understand the importance of matching the heating and cooling system components, as well as the proper application of ACCA Manual J and Manual S calculations. Contractors would also be expected to fully cooperate with all survey and interview work pursued as part of the evaluation of this program.

District Geothermal Heating
NJNG would retain a consultant with experience performing District Geothermal heating evaluations to perform the initial feasibility study. Assuming a suitable site is identified, NJNG would secure contractors with experience drilling for and installing District Geothermal loop systems for all central system components. Most customers would be responsible for selecting contractors to install their own equipment. If LMI or OBC customers are available at the selected site, NJNG would select contractors for any equipment that is being provided to these customers at no additional cost.

Methodology, Processes and Strategies for Monitoring and Improving Performance (MFR VI)

NJNG will ensure that our independent evaluators develop a scope of work that recognizes the importance of real-time feedback that can enhance the implementation during this start-up period. NJNG assumes that similar to the current structure, this scope of work will be reviewed and approved by the Statewide Evaluator Team retained directly by the BPU. To the extent recommended modifications can be accommodated within the Board approved framework for this program and its related budget, NJNG will strive to implement changes as quickly as possible to help improve performance during this start-up period. This assumes collecting feedback from participating customers and contractors as well as NJNG program staff.

Data Transparency

NJNG recognizes that the Board is interested in timely information regarding the development and rollout of the BD Start-Up program. To the extent the requested information is available, NJNG will respond to all on-going data requests and routine reporting obligations to be established within the specified timeframe using appropriate, secure delivery systems.

Projected Participants (MFR II.a.vii.)

Refer to Appendix A, for the information on these MFRs.

Program budget, by year (MFR II.a.ix.) and Projected program costs, by year, broken down into the specified categories (MFR II.a.x.)

Refer to Appendix B, for the information on these MFRs.

Program Metrics by year (MFR VII)

Refer to Appendix G, for more information on this MFR.

3b.iii Demand Response

Program Description/Design (Gas DR MFR 2.b.i.1)

NJNG's Demand Response program incentivizes participating customers to limit gas usage at times of capacity constraint. The program will consist of two (2) pathways—BYOT and AMR devices already installed within our service territory—to incentivize customers' timely responses to reduce energy usage during times of peak usage. NJNG plans to study the results of these programs to help inform what strategies work best to reduce natural gas demand and provide opportunities to create load flexibility and carbon emission reductions through non-pipe alternatives.

For BYOT pathway, NJNG will contract with an industry leading software platform to aggregate smart thermostats that have already been installed in NJNG's service territory (regardless of where the equipment was initially purchased). It will also offer enrollment opportunities for NJNG customers who purchase new thermostats through our online marketplace as part of NJNG's EE Products program. This marketplace will allow NJNG to partner with customers who have several different types of smart thermostats to grow an ecosystem that can be utilized for demand response. Through this program NJNG will develop attractive customer incentives and design dispatch strategies that maximize load shed while maintaining customer comfort. NJNG will maximize integration with many of the leading connected device brands to aggregate, monitor, and dispatch devices. Through this program, NJNG will gain detailed insight into event performance and device data to accurately determine program effectiveness and consider broader strategies for future triennials.

For the AMR pathway, NJNG will contract with Copper Labs to purchase and install a combination of in-home devices and neighborhood level data collectors to enable customers to access a mobile application that provides insight into usage patterns. It also allows NJNG to contact customers to encourage them to reduce their energy usage during particular period. Since the underlying meters need to have AMR technology, this workstream will be limited to Monmouth County. NJNG intends to work with Copper Labs to prioritize the deployment of the neighborhood level collectors in either LMI census tracts or OBC areas. NJNG proposes to provide the in-home devices to customers at no additional cost and offer an initial incentive to customers who fully set up the mobile application, regardless of whether they are served through an in-home device or a neighborhood level collector.

Primary event triggers will be assumed to be related to weather conditions. However, NJNG reserves the right to trigger events to test customer responsiveness and meet other needs of the program. Since there is limited practical experience with Gas DR programs across the country, maximum event counts, as well as proper methodology for measuring demand reduction performance, including data sources to calculate baseline and capacity savings, will be determined in consultation with implementation vendors, with additional consideration of impact to customers, and program needs. Customers will be permitted at any time to override an event or opt-out from event and/or participate in program, to support customer satisfaction.

EM&V will review customer engagement, performance during events, and any unique findings between the two (2) workstreams. NJNG anticipates learning from the evaluations during the Triennial, and seeking to make modifications that can improve the performance related to the performance metrics defined in MFR VI for DR programs.

NJNG believes scalable technology provides deployment options to help us reach underserved communities.

Target Market or Segment (Gas DR MFR 2.b.i.2)

NJNG's demand response program will be available to all metered residential customers with a compliant and approved gas heating system and smart thermostat. NJNG will specifically focus on customers in overburdened communities to alleviate high energy costs at times of high demand. Eligible, participating customers will enroll the smart thermostat via website/marketplace.

Program marketing will target a wide range of potential participants, including customers newly moving into NJNG's service territory, new residents and businesses moving into homes and buildings previously participating in the program, and customers participating in other EE program offerings.

The Company believes the scope of this program is not large enough to necessitate the development of a methodology to prioritize the procurement of customers for the DR program, over distribution investments.

Proposed Incentives and/or Tariffs (Gas DR MFR 2.b.i.3)

Demand reduction during event hours will be measured using available data (e.g., meter, smart thermostat), to establish baseline performance and calculate customer level, targeted geographical area, and system-wide reductions and capacity savings.

Demand response events are defined as defined period of time where customers will have their thermostats adjusted by no more than four (4) degrees during peak gas demand periods. These events characteristically occur during winter morning and evening peaks and last one (1) to four (4) hours. Incentives will be provided both for enrollment in the program and ongoing participation in demand response events. For customers who purchase a thermostat from the marketplace and participate in this program, an installation will be performed at no cost to the customer. Please reference Appendix H for Summary of Existing and Proposed Incentive Ranges for this program.

To minimize rebound effects after a turndown effect, the program may dispatch thermostats using temperature offsets with pre-conditioning. Start and stop times may be staggered to gradually bring customers thermostats down and back up. Thermostats may be adjusted back up to normal setpoints in increments. Pre-heating before an event will minimize impacts to customer comfort, reduce opt outs during the event, and snap-back after the event.

Customers will receive an initial enrollment incentive and be eligible for ongoing participation incentives as long as they remain in the program yearly.

Customers may be eligible to receive both an energy efficiency rebate, when purchasing a

thermostat through the marketplace, and the demand response incentives for each year they participate in the program. To avoid duplicative counting, savings assumptions will be calculated for EE-only, DR-only, and EE and DR thermostats and assigned appropriately to each customer.

Qualified Equipment Supported by Incentives (Gas DR MFR 2.b.i.4)

NJNG's demand response program utilizes the BYOT workstream by enrolling eligible customers with smart thermostats from approved operating equipment manufacturers ("OEMs") such as Nest, ecobee, Honeywell, Emerson, Amazon, Alarm.com, and Lux into the program. Eligible customers may purchase in-home hardware from the OEMs to be shipped directly for self-installation.

Customer data and communications will follow industry standards, including encryption of sending and receiving data with vendors.

Please refer to Exhibit H for summary of Proposed Incentive Ranges for this program. There are new initiatives, and no current incentives for comparison.

Capital Investments (Gas DR MFR 2.b.i.5)

Capital investments will be required to develop interfaces to Company owned systems to enable marketing, eligibility, enrollment, and ongoing customer communications. Reference Appendix B, for details regarding Capital Investments.

Customer Financing Options (Gas DR MFR 2.b.i.6)

NJNG's demand response program includes zero cost to customers and therefore no financing options.

Contractor Roles and Requirements (Gas DR MFR 2.b.i.7)

NJNG will contract with Copper Labs and a third-party vendor to implement and manage curtailment events using secure Application Programming Interface ("API") connections with enrolled thermostats. The contractor's scope of work will also include partner device management, marketing and enrollment, event dispatch, and performance management. Curtailment events will be authorized and triggered by NJNG, based on gas demand forecast, system operations information, and weather reports, all assisting in isolating geographic areas of gas capacity constraints that may be addressed.

NJNG will identify and engage customers for program participation via eligibility verification as well as equipment compatibility. Additional responsibilities for third-party implementer(s) include tracking enrollments, event management at direction of NJNG, customer communications regarding equipment functionality and maintenance, assistance with opt-out cycling, and event results tracking.

Qualified third-party implementers and contractors will be evaluated based on their experience effectively delivering demand response programs and/or initiatives. Additional implementer requirements prioritized by NJNG include technology functionality and compatibility with existing NJNG systems, marketing resources for customer engagement and education, overall cost

to implement, and amount of dedicated business/contracts with minority, women, veteran and service-disabled veteran ("MWVBE") businesses.

Projected Participants (MFR 2.b.8) and Energy Savings Relative to QPIs (MFR 2.b.i.9)

Reference Appendix A for information regarding MFR 2.b.8 and MFR 2.b.i.9.

Program Budget, by year (MFR 2.b.10) and Projected Program Costs, by year, broken down into specified categories (MFR 2.b.i.11)

Reference Appendix B for information regarding budgets and program costs related to MFR 2.b.10 and MFR 2.b.i.11.

Workforce Development and Job Training Costs (MFR 2.b.ii)

Reference Section 4b of the Program Plan, for details regarding Workforce Development and Job Training Costs.

4. Portfolio Information

As discussed above, some information contained in the Portfolio Information section (Section 4) is consistent, while the remaining subsections are Utility-specific. The following subsections contain consistent information across all of the Utilities:

- 4e: Evaluation, Measurement and Verification (MFR VI.);
- 4f: Reporting Plan (MFR VIII.); and
- 4g: Overburdened Community Standardization.

Sections 4a-4d and Section 4h each present information specific to each Utility. If provided, additional sections within Section 4 are Utility-specific.

4a. Quality Control and Customer Complaint Resolution

NJNG recognizes the important of strong Quality Control ("QC") procedures to ensure all of the Clean Energy Act programs are achieving their objectives, in addition to ensuring installations are following applicable industry standards. NJNG will also continue to maintain a clear process for the timely resolution of customer complaints.

Quality Control

NJNG employs a variety of strategies that include a mix of both internal review processes, including site visits for larger commercial projects, and external reviews through the use of a third-party implementer for all our residential and small commercial programs. NJNG requires this third-party entity to meet industry standards for inspections. NJNG will continue to direct this entity to identify any concerns with installations but to also look for opportunities where we may be able to coach contractors to improve their performance or may need to host additional technical training classes. Further, under a consistent contractor remediation policy, the Utilities share information regarding contractors that are not meeting quality standards to ensure remediation.

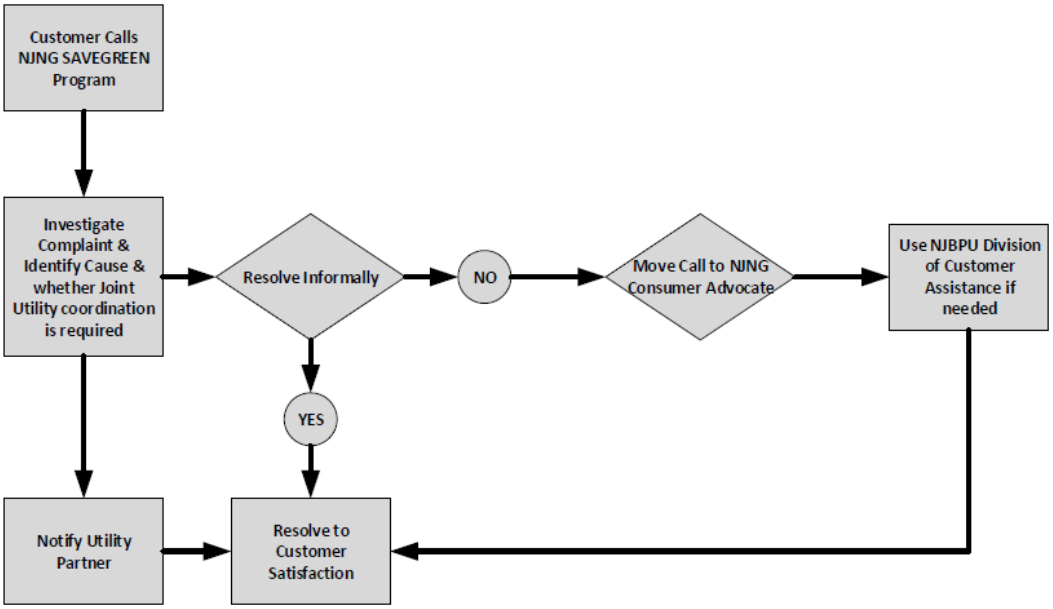
Larger Energy Solutions projects that are similar in scope to the current Engineered Solutions projects will all have detailed oversight during the design and installation phase from the Engineering teams and the final Commissioning Phase ensures that all equipment installed is operating as designed.

NJNG's EM&V Contractor provides an additional layer of review on top of these procedures through a variety of means depending upon the program (e.g., desk reviews, field visits, customer interviews).

Complaint Resolution

NJNG will continue to utilize the dispute resolution process agreed to by Board Staff and Rate Counsel in the prior SAVEGREEN Stipulation of Settlement that was approved by the BPU Staff in the July 2015 Order. NJNG will promptly address any customer complaints related to the programs through existing customer relations procedures within the Company. Most customer calls will come directly into the SAVEGREEN Department since that phone number is on all correspondence and promotional materials. Additionally, any calls about the programs that come into the NJNG Call Center will be transferred to SAVEGREEN employees for initial resolution. In all instances, NJNG will make every effort to resolve a complaint informally at the outset, escalating levels within the department as necessary. For concerns that cannot be resolved within the Department, the matter will be moved to the NJNG Consumer Advocate for further investigation and resolution. If those efforts fail, the complaint would be referred to the BPU Division of Customer Assistance.

Complaint Resolution Diagram



4b. Workforce Development and Job Training

NJNG recognizes the importance of developing and supporting strong Workforce Development ("WFD") Programs. There needs to be a strong pool of qualified candidates ready for companies to hire to meet the increased demand for the energy efficiency programs and projects as the Utilities implement programs to strive to meet the new energy savings targets required by the Clean Energy Act. NJNG will continue to be an active participant in the Workforce Development Working Group ("WFDWG") in an effort to understand the interests, feedback and concerns of the other stakeholders who participate in that effort and share our own experiences regarding WFD.

Assumptions regarding Wraparound Services

Consistent with the WFDWG discussions to date, NJNG is assuming that the state intends to offer funding to Non-Governmental Organizations ("NGOs") to establish and administer wrap-around support services for candidates. If and when a State solicitation for such services becomes available, NJNG will actively promote the opportunity to NGOs active within our service territory. Once NGOs are under contract to fill this role and have programs available to potential candidates, NJNG will actively promote these services to prospective candidates and to community organizations within our service territory.

Additionally, NJNG has an Equity and Outreach Specialist on staff member who is actively recruiting for our existing WFD program. This Specialist will continue to help recruit for our program and build relationships with local community organizations and educational institutions who may know candidates in need of such services.

Training Needs and Career Paths

In order for the Utilities to reach the aggressive energy efficiency goals established by the Clean Energy Act, as well as new Building Decarbonization Start-Up Programs[2], New Jersey will need to significantly increase the number of trained professionals and skilled trade persons who are proficient in meeting the needs of residential, commercial and multi-family projects, such as:

- Auditors;
- HVAC technicians;
- Plumbers;
- Electricians;
- Seal-up and insulation contractors;
- Engineers;
- Analysts (energy modeling and evaluation, customer service, financial tracking, benefit-cost analysis, demographic analysis);
- Program staff with a strong understanding of the approved energy efficiency programs and supporting administrative staff;
- Outreach Specialists; and

[2] At this time the company does not anticipate any significant workforce development and training needs for Demand Response program.

- Facility Managers.

NJNG recognizes that these positions require a broad range of technical training and educational experience and that it is in our interest to partner with New Jersey based vocational institutions, community colleges, universities, community-based organizations, and non-profits. Consistent with the discussions of the WDWG to date regarding the role of Utilities, NJNG will focus our direct WFD funding on technical training. The primary focus to date has been on helping candidates take advantage of a mix of online and hybrid experiences to learn the fundamentals of the energy efficiency industry, as well as more robust topics including building inspection, energy modeling, enhanced in-field management. The courses are designed to help candidates secure the following certifications from the Building Performance Institute ("BPI")[3].

Course	Prerequisite	Level	Description	Assessment
Building Science Principles ("BSP") Certificate Training	None	Beginner	This course provides an overview of the energy efficiency industry, residential construction and building systems, the field of Building Science and the basics of energy conservation.	100-question BPI test
Building Analyst Technician ("BAT") Certification Training	BSP certificate	Intermediate	This course provides detailed learning and practice of building inspection, data gathering, diagnostic testing, energy conservation measures, HVAC systems and health and safety concerns.	4-hour proctored field exam
Building Analyst Professional ("BAP") Certification Training	BAT certificate	Advanced	This course will upskill existing professionals with work scope development, energy modeling, greater depth of HVAC systems, best practices and on-site management.	2-hour online exam

NJNG also recognizes the need to improve the skill set of existing professionals in the energy efficiency industry and intends to offer some training through this WFD program to ensure they understand and are properly applying key standards from ACCA and are knowledgeable about the

[3] NJNG reserves the right to expand and/or modify the potential certifications and certifying organizations supported by this WFD program.

proper installation techniques for newer technologies, and other best practices. This can be a critically important component in ensuring energy efficiency equipment is properly installed as we seek to engage more HVAC contractors who may have traditionally promoted the installation of standard efficiency equipment as their core business.

Trade Ally Needs

While ensuring there is trained staff available is a critical path, the Utilities also recognize there must be a pool of employers interested in hiring these individuals. While the Utilities will be hiring some individuals directly and will expect to see strong interest from trade allies under direct contracts with the Utilities, we recognize that we must also engage the open market to understand the needs of contractors and other firms. Organizations like the New Jersey Air Conditioning Contractors Association ("NJACCA"), the New Jersey Association of Plumbing, Heating, and Cooling Contractors ("NJPHCC") and the New Jersey Association of Energy Engineers ("NJAEE") provide industry leadership and guidance to energy businesses. NJNG plans to engage directly with statewide leadership from these organizations to reach their members, in addition to directly communicating with the thousands of contractors who have participated in our programs over the years.

In addition to providing support for trade allies by making more trained candidates available as noted above, NJNG also recognizes that some trade allies may face financial barriers or be reluctant to invest in additional equipment or resources that could improve their ability to deliver energy-efficient installations or through maintenance approaches. NJNG included funding to develop a program that could help defray the cost of these types of investments for contractors that meet certain performance targets. Supporting these types of investments can help trade allies consider expanding their business into more comprehensive services or new offerings for customers that can reduce their energy usage.

Contracting Provisions

NJNG will continue to follow internal procurement protocols for the services that will be secured to implement this program. programs. We are all willing to include the amount of business placed with MWVBEs as part of our rating criteria when evaluating contract proposals. NJNG is currently working with one vendor who has a facility that was designed to and is approved for the compliance with BPI certification requirements. It is currently the only facility we are aware of that meets this criteria in Monmouth County. NJNG has included some funding within our budget to explore the potential to work with another training vendor who has the proper credentials to establish a second location within our service territory in Monmouth or Ocean County.

Budget Considerations for Workforce Development Programs

NJNG included a proposed budget of approximately $1.5 million for the Second Triennial for our Workforce Development Programs. Consistent with the May 24th Board order, these costs are not included within the BCA but are separately identified. This budget is established to ensure that there is adequate funding to expand the programs during the Second Triennial.

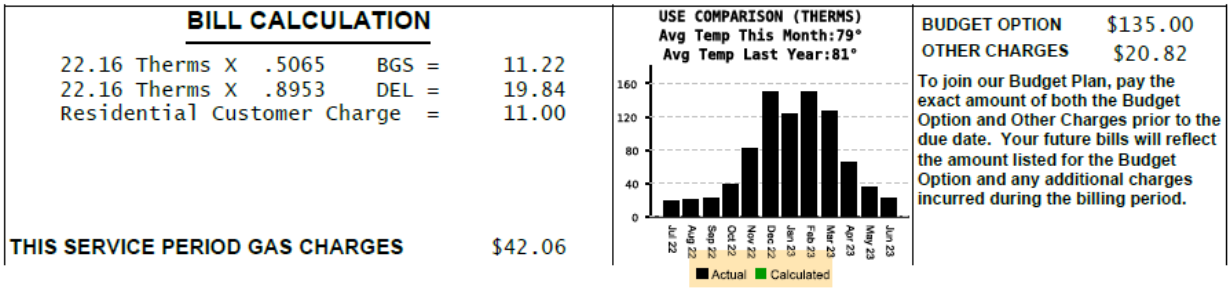
4c. Customer Access to Usage Data

NJNG recognizes the importance of easy customer access to both their current and historical energy usage. We know it's a critical piece of information for budgeting household or business expenses and understanding the potential energy savings by following particular energy conservation tips. It's also important when customers consider investing in energy-saving appliances, equipment, and projects.

Current Availability

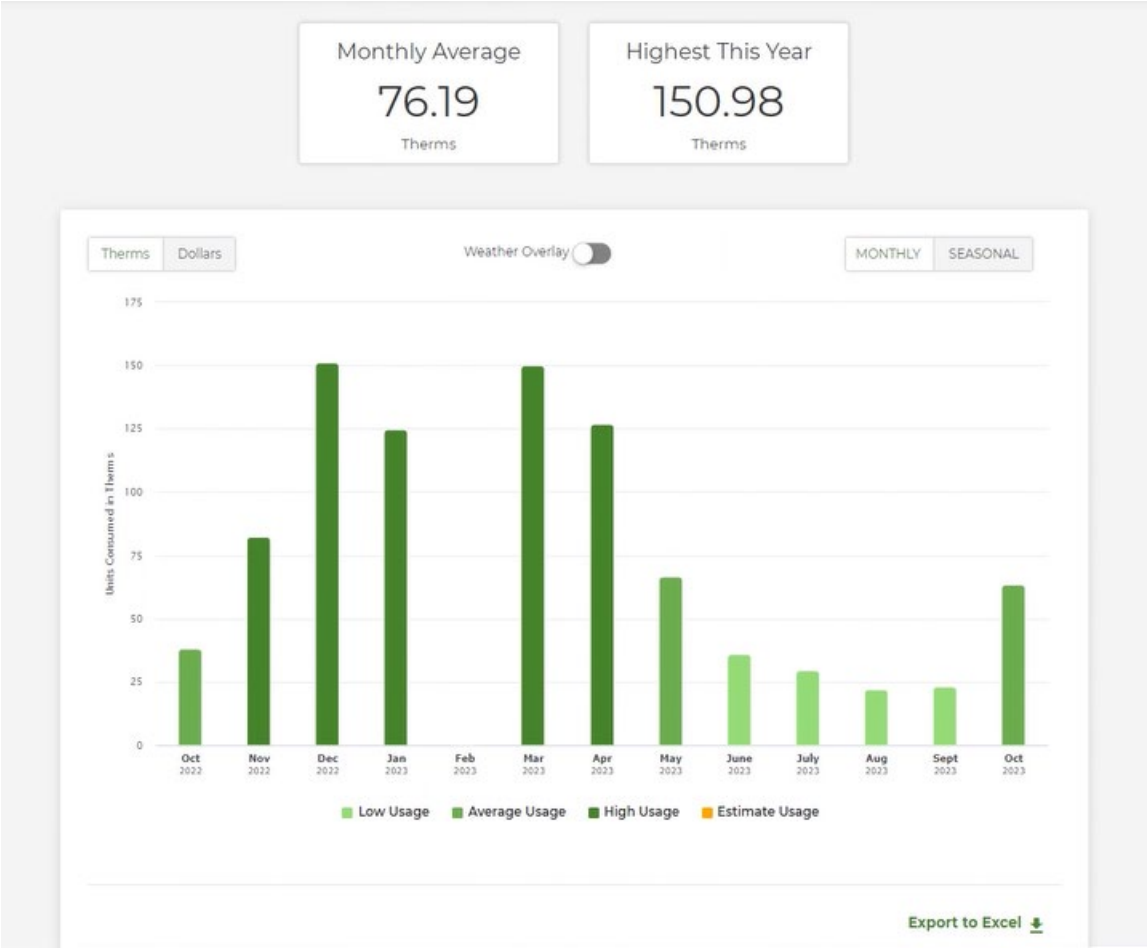
All customers currently have some insight into their current and historical energy usage through a graphic depiction shown on their printed bill.

Printed Bill Usage - Figure 1

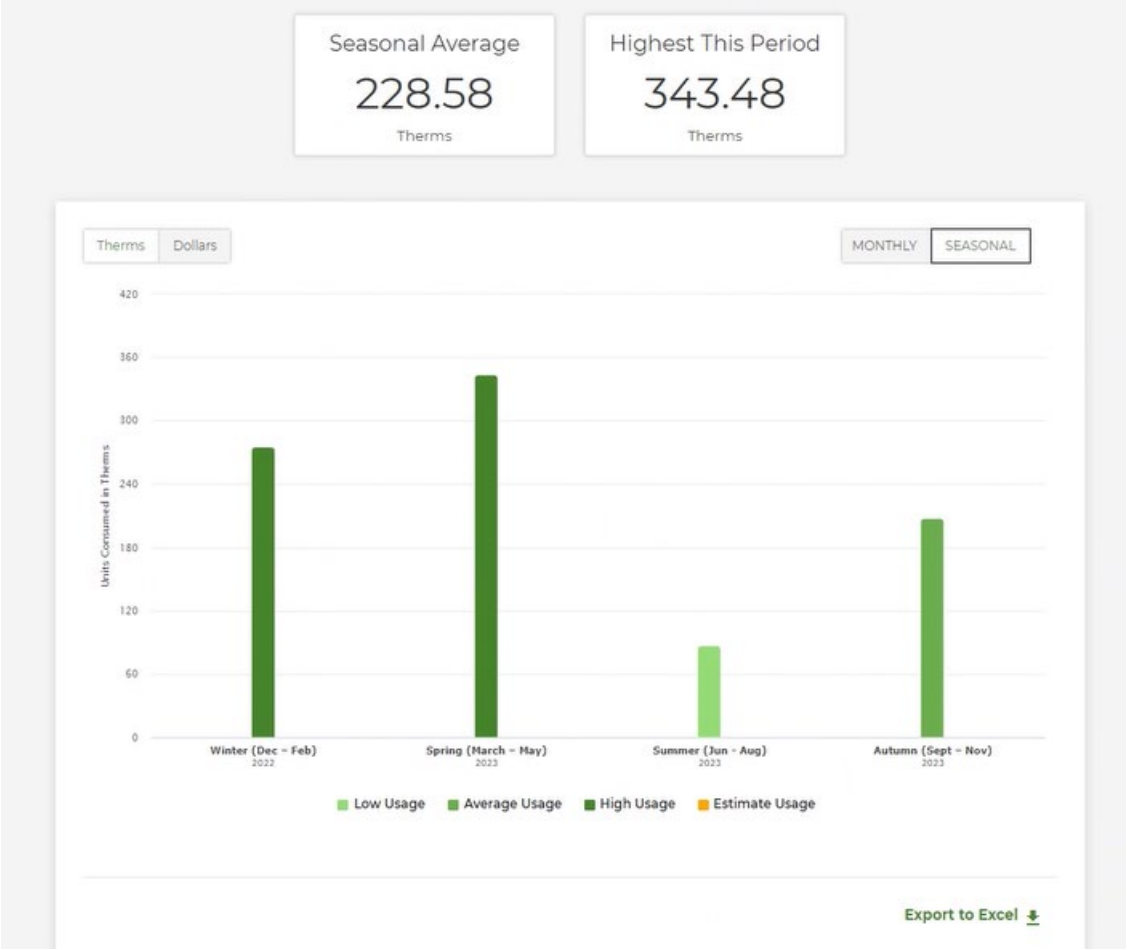


Customers who prefer to receive their bill electronically are still able to view the data (Figure 1) since they can also view an image of their printed bill. These customers are more likely to be engaged in our My Account portal where they would also have access to this graph shown at the left. This graph shows similar data but also includes more contextual information like billing days and temperature. Customers also have access to information about their bill through NJNG's recently enhanced My Account service- available through our website and on an app. These customers are able to access monthly data and comparisons (Figure 2) and seasonal data and comparisons (Figure 3) on the following pages. As you can see in the right-hand corner of these images, customers also have the ability to easily download this information into an Excel spreadsheet.

My Account Usage - Figure 2

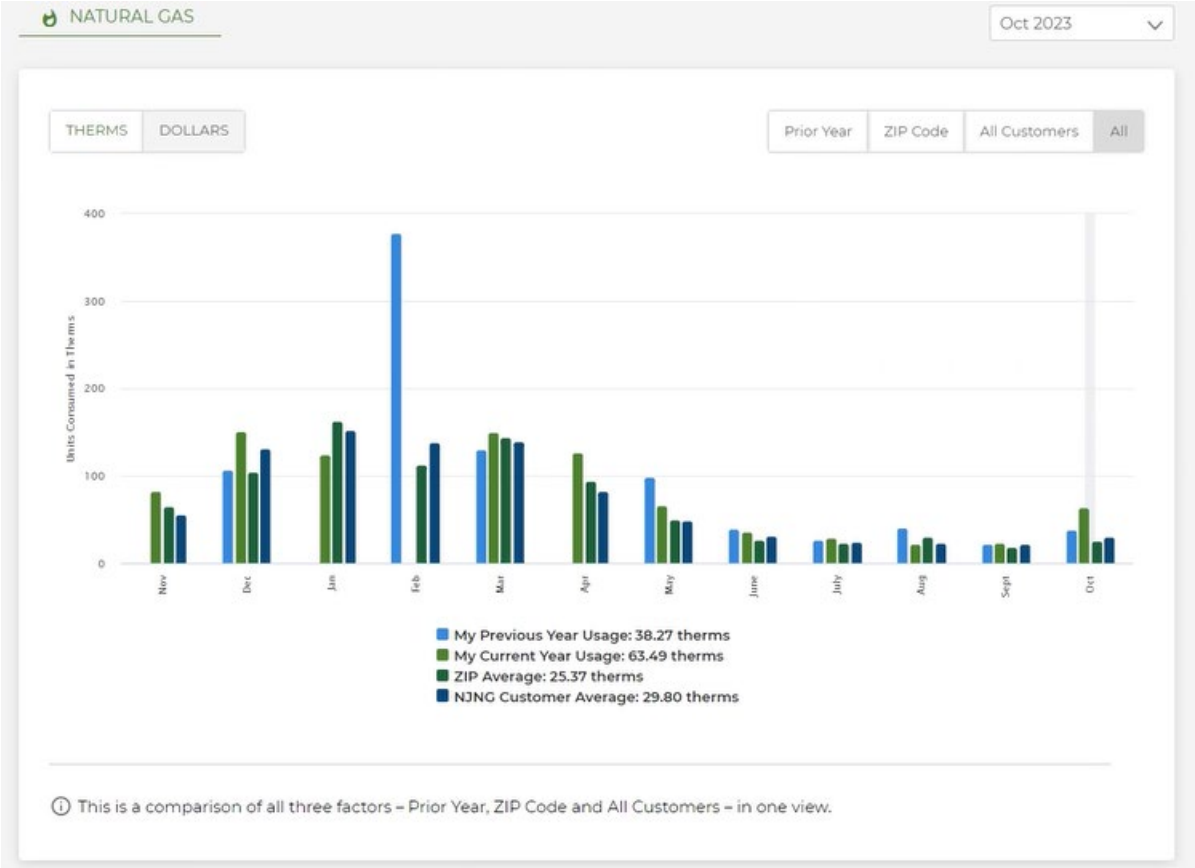


My Account Usage - Figure 3



Behavioral Program Usage - Figure 4

All residential customers, including those who are not recipients of Home Energy Reports, are able to access their usage through the Behavioral Program. Customers can use the Green Button (seen below) to download their information into either a CSV format for spreadsheet analysis or an XML version to upload for usage within another software or application. The Green Button initiative is an industry-led effort to provide Utility customers with easy and secure access to their energy usage information in a consumer-friendly and computer-friendly format. Customers are able to securely download their own detailed energy usage with a simple click of a literal "Green Button" on a Utility website.



New Functionality to Support Commercial Customers

As part of the effort to support commercial customer compliance with the benchmarking requirements of the Clean Energy Act, NJNG contracted with EnergyCAP software. This software helps building managers and owners manage their energy portfolios. Customers can access interval, daily and monthly consumption data. Additional information regarding this service can be found in this section of the NJNG website.

Budget Consideration for Access to Energy Usage Data
NJNG is not including any incremental costs for these data access tools as part of this filing. The current Green Button functionality is included within the cost of the current Behavioral Program.

If the Copper Labs component of our Demand Response program is approved, residential customers who participate will have even richer access to data. Please refer to Section 3.b.iii of this Program Plan for more information on the Demand Response program.

4d. Marketing Plan

NJNG will continue to implement a multi-pronged direct and indirect marketing campaign to promote the residential and non-residential programs to all eligible customers across NJNG's natural gas territory. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, email, direct mail and hard-copy materials to promote awareness, as well as tie-ins with other NJNG programs. Additionally, retailers and trade allies will be contacted directly, through trade associations and emails to develop networks and promote involvement in the programs. Point-of-purchase signage may be placed near discounted/rebated products in participating physical and online retail stores.

NJNG will also continue to engage community partners, chambers of commerce and other local organizations including those comprised of underrepresented and socially or economically disadvantaged individuals. Educating building owners and operators about the benefits of energy efficiency improvements and improved systems performance, including educational brochures, program promotional materials and website content will be key to promoting the programs. NJNG will also leverage existing relationships with municipalities, universities, schools and other public agencies to promote programs relevant to those facilities.

Further, NJNG will work closely with foodbanks and other community organizations serving customers in need to help reduce the energy burden of those customers with no-cost energy efficient products and to raise the awareness of other energy efficiency and energy assistance programs available to help. Dedicated outreach to community groups and outreach funding will also be allocated to better engage with local community groups serving OBCs and connect customers in need with available programs.

NJNG's programs are designed to minimize barriers to participation, including addressing issues of customer awareness, split incentives resulting from landlord/tenant arrangements, the availability of energy efficient products, the upfront costs of energy efficiency upgrades and health and safety barriers, among others.

Primary market barriers that impact these programs include:

Barrier	**Context**
Initial cost of energy efficient equipment and projects	Relative to the market baseline, efficient equipment often carries a higher upfront cost but a lower lifetime operating cost. Customers may not fully value the lifetime operating cost advantage of efficient equipment and, as a result, higher upfront cost is a barrier to purchasing efficient equipment or adopting energy efficient improvements. Similarly, home retrofits are more expensive and involved than purchasing efficient equipment and therefore, require more participant investment and commitment. Customers must be willing and able to invest in more expensive energy efficient projects. To address this barrier, incentives are provided to the

	customer to reduce the initial cost. An OBR will also help mitigate the up-front cost barrier.
Customer awareness and engagement	Both residential and commercial customers may not be aware of the benefits of participating in energy efficient initiatives, such as installing high-efficiency equipment or completing "whole house" improvements. Customers may also lack the time and resources to pursue such upgrades. To address this barrier, NJNG will educate customers on the benefits of undertaking energy efficient improvements through targeted marketing, ensure that incentives are easily accessible and encourage market transformation and stocking of efficient equipment through midstream initiatives. Through outreach efforts, NJNG will seek to partner with retail and wholesale entities to promote program offerings, and also focus marketing, education and outreach efforts on trade ally and community partner networks to ensure these entities are aware of available incentives and prepared to serve customers. To increase awareness among customers with English as a second language, NJNG may develop and provide outreach materials in additional languages, such as Spanish. NJNG intends to be an active participant in both the Equity or Marketing Working Groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.
Market sentiment/customer skepticism	Customers may be skeptical of the motivation behind energy efficiency programs. To address this skepticism, NJNG will provide outreach and messaging from credible sources, including community groups and local leaders, particularly in low-to-moderate income areas.
Trade ally and community partner awareness and training	Participating NJNG program contractors must be available to undertake available work. NJNG will address this barrier by actively recruiting more contractors to secure the additional certification necessary to participate in its programs, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, underrepresented and disadvantaged workers.
Landlord/tenant arrangements	Split incentives between landlord/tenants with respect to who pays for energy use versus who owns the energy-using equipment is a challenge for investment decisions. To address this barrier, the program will be marketed to both landlords and tenants to assure that those exposed to energy costs are able to participate in the program. NJNG may also provide technical and outreach assistance

	to property owners and managers in developing and marketing green properties to attract tenants.
Sufficient stocking and availability of high-efficiency products	To support a robust marketplace for efficient equipment, NJNG may promote midstream initiatives for specific equipment types to encourage participation via incentives for distributors or retailers to stock and promote the purchase of or for directly marking down the cost of the efficient equipment at the point of sale.
Traditional credit screenings when applicable	Many customers interested in pursuing comprehensive energy efficient projects may not be able to pass traditional credit screening (e.g., requirements for debt-to-equity ratio) despite having a proven track record for paying their Utility bills on time. NJNG will explore solutions to help more customers access this incentive through either an OBR approach or access to repayment options with similar terms that relies on a review of Utility payment history and bankruptcy check to ensure customers who have a proven track record have the opportunity to participate or through innovative approaches.
Business/operational constraints	For specific properties, such as multifamily, there are often unique operational and time constraints that act as a barrier to implement energy efficiency projects. This barrier will be addressed by ensuring the program operates cooperatively with participants, provides program participation and technical assistance and offers timely incentives and repayment support.
Cost effectiveness	Some efficiency upgrades require an initial investment that is recovered by lower, long-run operating costs and non-energy benefits, as is the case with multifamily projects. These projects may carry longer payback periods than traditional energy efficiency projects due to the unique needs of the segment. To address this barrier, incentives and access to OBR or similar repayment options will be provided to the customer to reduce the initial cost. NJNG will also communicate the non-energy benefits offered by many efficiency upgrades that may not be captured in the benefit-cost analysis to further promote efficiency upgrades to customers.
Complex process	There can be a broad range of potential energy efficiency investments but it can be challenging to identify which strategies may be the most beneficial. These programs address this barrier by providing free installation of easy-to-implement measures, and technical guidance and support in implementing more extensive and costly measures.

On an ongoing basis the program implementation teams continue to identify barriers to participation and the marketing team works closely to align marketing strategies in order to increase access to the programs; This may include strategies such as producing and utilizing marketing materials in different languages or targeted marketing campaigns. The marketing approach will support increasing access to programs by conducting outreach to a wide variety of potentially eligible customers and building awareness of programs and energy-saving opportunities. NJNG is committed to overcoming barriers to program access through a commitment to applying best practices in program design, delivery, outreach, customer experience and marketing/advertising.

NJNG's established customer communication channels, data and brand in the marketplace will all be leveraged to deliver programs that identify and confront market barriers on an ongoing basis. Leveraging business-specific data and integrating internal customer database and sales and marketing systems, NJNG will provide tailored program information to customers and continue to leverage customer-dedicated communications to increase program awareness and drive participation among various audience segments and their unique needs. NJNG will continue to engage with the BPU Marketing Working Group and the Joint Utilities to strategize about evolving approaches to marketing and to employ best practices, consistent messaging and brand experience where applicable. To the extent possible, NJNG will cross-promote programs to spread awareness of the range of energy efficiency opportunities proposed in this plan and eliminate barriers to participation.

4e. Evaluation, Measurement and Verification ("EM&V")

EM&V (MFR VI.a.)

The Utilities recognize the importance of incorporating EM&V into the energy efficiency, demand response, building decarbonization start-up and other programs. EM&V can help assess whether program objectives are being achieved, document energy and non-energy benefits and inform both future program modifications and development. PJM Interconnection, L.L.C. ("PJM") specific EM&V will also be needed to support Utility EE Offers into PJM's Capacity Market.[4]

The Utilities will continue to work with the State-Wide Evaluator ("SWE") and contribute to the EM&V working group. Evaluation activities, products and processes will be completed consistent with the New Jersey Energy Efficiency Triennium 2 Evaluation Framework and subsequent guidance documents by Staff and the SWE. Further, each Company has included funding to support the anticipated evaluation work within their respective filings. Proposed budgets for evaluation are reflected in Appendix B.

Common Definitions and Objectives

The State and Local Energy Efficiency Action Network ("SEE Action") offers resources, discussion forums and technical assistance to state and local policymakers as they seek to advance energy efficiency. Their EE Program Impact Evaluation Guide from December 2012 identified three primary objectives for evaluations.

- **Document the benefits** (i.e., impacts) of a program and determine whether the subject program (or portfolio of programs) met its goals.
- **Identify ways to improve current and future programs** through determining why program-induced impacts occurred.
- **Support energy demand forecasting and resource planning** by understanding the historical and future resource contributions of EE as compared to other energy resources.

That same guide provides the following standard categories of evaluations:

- **Impact evaluations:** Assessments that determine and document the direct and indirect benefits of an energy efficiency program. Impact evaluation involves real-time and/or retrospective assessments of the performance and implementation of an efficiency program or portfolio of programs. Program benefits, or impacts, can include energy and demand savings and non-energy benefits (sometimes called co-benefits or non-energy impacts, with examples being avoided emissions and water savings). Impact evaluations can also include cost-effectiveness analyses aimed at identifying relative program costs and benefits of EE as compared to other energy resources, including both demand- and supply-side options.
- **Process evaluations:** Formative, systematic assessments of an EE program from both

[4] Does not apply to GDCs.

a customer and program administrator viewpoint. Process evaluations document program operations and identify and recommend improvements that are likely to increase the program's efficiency or effectiveness for acquiring EE resources and improve the customer experience with the program.

- **Market evaluations:** Assessments of structure or functioning of a market, the behavior of market participants and/or market changes that result from one or more program efforts. Market evaluation studies may include estimates of the current market role of energy efficiency (market baselines), as well as the potential role of efficiency in a local, state, regional, or national market (potential studies). Market evaluation studies indicate how the overall supply chain and market for EE products works and how they have been affected by a program(s). These evaluations can also include assessments of other societal, customer, or Utility benefits of EE programs, such as the economic and job creation impacts of the programs, health benefits to society, or T&D benefits to Utilities. And finally, these studies can also be used to inform changes to the portfolio of efficiency measures to be offered to customers, or the savings achieved by the measures.

Monitoring and Improving Program and Portfolio Performance

There is a feedback loop among program design and implementation, impact evaluation and process evaluation. Program design and implementation, and evaluation are elements in a cyclical feedback process. Initial program design is informed by prior baseline and market potential studies. Ongoing impact evaluation quantifies whether a program is meeting its goals and may raise questions related to program processes and design. Process evaluation tells the story behind how the impact was achieved and points the way toward improving program impacts by providing insight into program operations. Thus, the three elements work together to create a better, more effective program.

Budget Considerations for EM&V Work

As noted, proposed budgets for EM&V are reflected in Appendix B. These budgets were established at or below the industry standard for this type of work[5], excluding the cost of financing and any anticipated costs associated with additional studies performed at direction of the BPU Staff or the EM&V Working Group.

TRM Considerations

The Utilities will utilize the TRM applicable to determining CEA savings compliance at the time when a project is committed to calculate energy savings for that project, regardless of when the project is complete.

[5] https://www.aceee.org/toolkit/2017/06/evaluation-measurement-verification

4f. Reporting Plan

Reporting (MFR VIII.)

The Utilities will continue to comply with the reporting requirements for energy efficiency, demand response and building decarbonization programs as outlined in the BPU's May 24th and July 26th Energy Efficiency Framework Orders, as well as related guidance by Staff and the BPU .

If the impact of interactive effects would cause a Utility to miss a QPI target due to a change in the measure mix implemented by customers when compared to Plan assumptions, the Utility should not be penalized. If the overall QPI would result in a Return On Equity ("ROE") penalty under this scenario, the Utility reserves the right to remove negative savings in order to avoid incurring a penalty.

4g. Overburdened Community ("OBC") Standardization

Utilities will focus their efforts to provide equitable access to energy efficiency for residential customers residing in an OBC that is defined by a low-income designation. In accordance with treatment during the First Triennial and guidance from BPU Staff, only customers in the following OBC categories, as defined by the New Jersey Department of Environmental Protection1 ("DEP") will be tracked and reported:

- Low Income;
- Low Income & Limited English;
- Low Income & Minority; and
- Low Income, Minority, & Limited English.

Additionally, in order to ensure consistent reporting across the Utilities and throughout Triennium 2, the Utilities will utilize the dataset available August 31st, 2023 on the DEP website (data created and last updated on April 10th, 2023 to track and report OBC participating in the programs, including for the purposes of establishing and evaluating the QPIs.

Consistent with Triennium 1, Utilities will deploy approaches to target market or pre-screen customers based on the location of their primary residence within the boundaries of census tracts Federally recognized as low- or moderate-income and a self-attestation for income qualified programs or enhanced incentives under other programs (e.g., Energy Efficient Products Program).

Utilities plan to report actual performance of LMI customers and customers within OBCs, as defined above, and are committed to strengthening the infrastructure to support enhancements for customer screening for LMI customers and reporting equity metrics for both LMI and OBC customers.

As noted in the New Jersey Utilities Association ("NJUA") comments filed in response to the Straw Proposals within this docket, the Utilities continue to believe there is an opportunity to further streamline administration and eliminate a barrier to participation by allowing any applicant from a qualifying OBC community to access the enhanced level of benefits. The Utilities recognize that the May 24th Board Order called for continued self-attestation in those areas but believe this decision is worth reconsideration within these cases.

4h. Financing/On-Bill Repayments Description

Exhibit P-5, Section 4h				
NJNG Summary of Financing Terms				
Sector	**Program**	**Pathway**	**Measure /Project**	**Available Financing Terms**
Residential	Whole Home		Single Family Homes	Up to $25,000 for a 7 year term OBR at 0% APR. Low-to-Moderate Income customers will be offered an extended OBR for a 10 year term.
	Income Qualified		N/A	No financing component needed due to nature of the program.
	Effiicent Products		HVAC (natural gas heating equipment, water heaters, AC system and heat pumps when paired with qualifying gas equipment)	Up to $25,000 for a 7 year term OBR at 0% APR. Low-to-Moderate Income customers will be offered an extended OBR for a 10 year term.
	Behavioral		N/A	No financing component needed due to nature of the program.
C&I	Energy Solutions		Project	Balance of the project cost after rebate at 0% APR for a 7 year term.
	Prescriptive &Custom			
	Direct Install			
Multifamily	Multifamily	Multifamily HPwES	Project	Balance of the project cost up to $3,000 per unit for a 7 year term at 0% APR.
		Multifamily Prescriptive and Custom		Balance of the project cost after rebate at 0% APR for a 7 year term.
		Direct Install		
		Energy Solutions	Special Features to Support Inclusion:	Properties supporting LMI customers are eligible for a 10 year repayment term.
All	Building Decarbonization	Hybrid Heat	Air source heat pumps that are able to be paired with an existing natural gas system	Balance of the project cost for a 7 year term OBR at 0% APR. Low-to-Moderate Income customers will be offered an extended OBR for a 10 year term.
			Air source heat pumps when paired with new natural gas furnace	
		Geothermal District	Customer sited equipment	
Residential	Demand Respose	Demand Response	N/A	No financing component needed due to nature of the program.
Residential	Next Generation Savings	Next Generation Savings	N/A	May include financing to support the growth of developing technologies and commercialization of new energy saving technologies.

5. Consistent Delivery in Overlapping Territories

NJ Utility Approach to Coordinated Program Delivery and Budgeting (MFR II c.)

In response to the New Jersey Board of Public Utilities' Framework Orders[6] directing each electric public utility and gas public utility in the State of New Jersey to establish energy efficiency ("EE") and peak demand reduction ("PDR") programs for the second triennium of programs implemented pursuant to the Clean Energy Act of 2018, the New Jersey investor-owned electric and gas utilities are collaborating in order to implement programs in a consistent manner and develop supportive processes, procedures, requirements and forms.

Coordinated Program Offerings

To support the coordinated delivery of core programs and certain additional program offerings in situations that involve gas and electric savings opportunities in overlapping Utility territories, the Utilities have established a framework that will align key program elements through use of Interconnected Tracking Systems supported by use of a Statewide Coordinator System, aligned Utility Responsibilities, and Coordinated Program Elements as further described below. This structure will support the coordinated delivery of appropriate energy efficiency measures, if offered, in the following Programs:

Core Offerings[7]

- Whole Home;
- Income Qualified;[8]
- Energy Efficient Products;
- Energy Solutions;
- Direct Install;
- Prescriptive & Custom; and
- Multifamily.

Additional Utility-Led Offerings

- Next Generation Savings (depending upon the project/technology)

[6] See June 10, 2020 Order, BPU Docket Nos. QO19010040, QO19060748, and QO17091004; May 24, 2023 Order, BPU Docket Nos. QO19010040, QO23030150 & QO17091004; and July 26, 2023 Order, BPU Docket Nos. QO19010040, QO23030150 & QO17091004

[7] The Behavioral Program is not included in this list because there are no shared savings and therefore no need to coordinate across utilities.

[8] Income Qualified represents the proposed combination of the current Moderate Income Weatherization program with Comfort Partners. As noted in the Comfort Partner Transition Plan (Appendix I), Comfort Partners projects would continue to be coordinated through existing information systems for the initial year of 2nd Triennial.

Interconnected Tracking Systems

To support consistency across the state and to align the above coordinated program offerings, the utilities will continue to utilize a single third-party entity to serve as a Statewide Coordinator ("SWC") for measures and costs that impact more than one utility in situations where gas and electric service territories overlap. This entity provides a software platform to validate the local gas and electric company serving the customer and perform independent allocations of energy savings and costs for coordinated program offerings.

These costs and savings will be allocated between the Utility that provides the program services (i.e., "Lead Utility") and the Utility with whom the services were coordinated (i.e., "Partner Utility").

In areas where gas and electric service territories overlap, the Utilities will design program elements that support consistent delivery of the above coordinated program offerings among all the utilities to enable the SWC to allocate shared costs and energy savings appropriately based on the fuel types impacted by EE measures.

Statewide Coordinator System Responsibilities

- Serve as a central platform to ensure data minimums required for coordinated data elements, exchange protocols, and serve as a repository for shared measure costs and shared savings for applicable programs.
- Track participation specific to Utility programs that require coordination (e.g., screen prior participation in coordinated program offerings).
- Serve as a clearing house for pre-determined data formats and exchanges.
- Perform allocation of dual-fuel or partner-fuel savings and cost for customers with separate gas and electric utilities, to facilitate sharing of costs and investments.
- Determine and provide supporting reports respective to utility invoice balances for allocation of shared measure costs (e.g., costs of respective measures and share of costs).
- Provide monthly reports of coordinated program activity so that customer participation and program results may be tracked.

Utility Responsibilities

The Utilities will implement certain program operations through either internal resources, or under contract with third-party implementation contractor(s) ("TPIC"), outside of the Statewide Coordinator system. By retaining these functions, the Utilities can maintain a strong line of sight to program operations and still work collaboratively with the other Utilities in offering coordinated programs to New Jersey customers. These functions may include, where appropriate:

- Customer enrollment;
- Developing consistent enrollment forms to collect agreed-upon customer information to share between the Utilities;
- Screening and qualifying contractors for Utility programs;
- Customer care functions;
- Marketing of programs;

- Providing in-home/business auditing or direct-install of efficiency measures;
- Communicating availability of customer financing options;
- Integrating with other Utility programs;
- Sponsoring EE program applications including paying incentives to customers and contractors; and
- Invoicing peer Utility partners for coordinated program costs.

Coordinated Program Elements

As envisioned by the Board's direction on coordinated program offerings, the Utilities' programs are designed in a way to minimize customer confusion and present consistent opportunities for customer participation with access to both electric and gas measures, where appropriate. The Utilities recognize that programs will continue to evolve and commit to ongoing collaborative efforts among the Utilities to continue program alignment. Ongoing efforts may include a focus by the Utilities to standardize the following where appropriate:

- Common forms for contractors and customers with uniform field requirements;
- Contractor minimum requirements and credentials for applicable programs;
- Eligible customers and property requirements;
- Eligible measures;
- Incentive structures through use of an agreed-upon standard incentive range;
- Software platforms or interfaces to be used by contractors; and
- Targeted bonus approaches for customers that meet specific policy priorities (e.g., income qualified, targeted geographic locations).

Program Assumptions

The Utilities have standing sector specific committees (Residential, C & I), as well as specialized committees, e.g., EM&V , which have been active since early 2020. They routinely meet to address coordination issues, share feedback regarding program activity, and plan for future modifications/enhancements. As part of planning for this filing, the Utilities have reviewed assumptions on average project size and related energy efficiency measures but did not mandate identical assumptions. Comparisons have shown that there can be variations in market activity across service territories. The flexibility in the approach to offer incentives within approved incentive ranges enables utilities to remain responsive to the market conditions within their respective service territories.

Budgeting

The Utilities recognize the importance of creating a solution that allows a Lead Utility to pursue their approved program portfolio to ensure they are able to meet their Clean Energy Act obligations and to be in a position to support any shared or cross-fuel energy savings from their Partner Utility. It is critical that such a structure minimizes the potential for any disruption to the market and provides customers with equitable access to the programs, regardless of their geographic location. Given the fact that it is impossible to predict where the energy savings will occur within a utility's service territory, it is not practical to determine what a Utility's potential budget obligation could be from specific overlapping Utilities. As a result, certain utilities have proposed a budget

adjustment mechanism that may minimize the potential for cross-subsidization that exists under the existing mechanism and have the customers of each Utility would support the costs specific to the fuel that Utility provides.

Budgeting – NJNG Specific

Given uncertainty regarding the outcome of the proposal for a budget adjustment mechanism, NJNG took the conservative approach of estimating the net transfers with our partner utilities based on the best information available to NJNG at the time of the filing.

6. Appendices

As noted above, all of the appendices are formatted similarly and in the same order, but present Utility-specific information, with the exception of Appendix I: Comfort Partners Transition Plan which are consistent for all Utilities. Appendix H: Incentive Ranges is formatted similarly, but has some variation due to differences in Utility-specific program proposals.

6a. Appendix A: Program Participants, Energy Savings, By Year for EE, BD, and DR

Appendix A: Program Participants & Energy Savings by Program Year (MFRs II.a.vii & II.a.viii)

Program	PY4 Participants	PY4 Net Annual Energy Savings (kwh)	PY4 Net Annual Energy Savings (therms)	PY5 Participants	PY5 Net Annual Energy Savings (kwh)	PY5 Net Annual Energy Savings (therms)	PY6 Participants	PY6 Net Annual Energy Savings (kwh)	PY6 Net Annual Energy Savings (therms)	Total Participants	Total Net Annual Energy Savings (kwh)	Total Net Annual Energy Savings (therms)
Res - Behavioral	260,000	-	671,085	250,245	-	1,840,597	240,170	-	1,705,580	750,415	-	4,217,262
EE Products	11,846	338,924	594,097	23,029	697,058	1,149,474	23,540	699,859	1,182,039	58,415	1,735,841	2,925,610
Income Qualified	900	428,363	66,694	2,024	1,066,206	167,153	2,045	1,101,677	173,004	4,969	2,596,247	406,850
Whole House	1,969	310,770	60,608	3,955	598,761	116,751	3,990	580,742	113,004	9,914	1,490,272	290,363
Demand Response Programs	18,743	-	24,339	32,468	-	54,331	29,407	-	65,352	80,617	-	144,023
Building Decarbonization Programs	75	(174,210)	46,138	252	(585,530)	155,073	277	(643,646)	170,464	604	(1,403,386)	371,675
Next Generation Savings	-	-	-	-	-	-	-	-	-	-	-	-
Multi-family	541	133,491	43,992	1,478	416,007	128,657	1,482	1,011,527	163,631	3,500	1,561,024	336,280
Prescriptive/Custom	10	-	4,687	55	-	25,872	77	-	35,855	142	-	66,413
Energy Solutions for Business	6	124,200	3,857	26	1,324,018	61,994	23	4,439,795	300,581	56	5,888,013	366,432
Direct Install	30	1,383,847	119,678	113	5,624,091	462,284	116	5,782,613	471,698	259	12,790,552	1,053,659
Workforce Development	-	-	-	-	-	-	-	-	-	-	-	-
CBO Outreach	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio Total		2,545,386	1,635,175		9,140,612	4,162,184		12,972,566	4,381,208		24,658,563	10,178,567

Footnote 1: Excludes any impacts beyond PY6.

6b. Appendix B: Program Budgets and Costs, By Year for All Programs

Appendix B: Program Budgets and Costs by Program Year (MFRs II.a.ix & II.a.x)

TOTAL Program Years 4-6	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives - Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	664,415	448,556	148,397	24,479	4,251,834	-	99,151				**5,636,832**
EE Products	738,450	3,367,301	688,701	301,152	128,000,889	76,599	370,206				**133,543,299**
Income Qualified	2,012,281	2,475,624	507,189	521,941	21,594,031	341,656	238,321	11,203,010			**38,894,054**
Whole House	380,158	2,876,281	540,750	508,039	40,980,151	580,956	2,043,197				**47,909,532**
Demand Response Programs	49,755	753,679	200,334	3,620,757	2,475,612	22,761	389,188				**7,512,087**
Building Decarbonization Programs	40,187	577,265	181,518	29,800	23,797,447	47,708	652,943				**25,326,867**
Next Generation Savings	-	407,699	137,833	295,500	3,972,500	83,155	292,896				**5,189,583**
Multi-family	66,343	878,550	407,098	44,878	32,299,894	124,732	603,197				**34,424,692**
Prescriptive/Custom	35,403	651,456	223,395	26,253	13,597,415	8,315	333,848				**14,876,085**
Energy Solutions for Business	-	2,525,191	663,755	-	73,237,249	36,409	482,054				**76,944,658**
Direct Install	225,614	1,690,160	457,296	54,272	52,728,388	16,631	1,738,451				**56,910,813**
Workforce Development	-	257,153	250,227	-	-	-	-		1,000,000		**1,507,381**
CBO Outreach	-	-	-	-	-	-	-			750,000	**750,000**
Portfolio Total	**4,212,607**	**16,908,916**	**4,406,494**	**5,427,071**	**396,935,411**	**1,338,921**	**7,243,452**	**11,203,010**	**1,000,000**	**750,000**	**449,425,883**

Footnote 1: Budgets include commitments for projects that may be paid in future years

Program Year 4	Capital Cost	Utility Admin-istration	Marketing and Outreach	Outside Services	Incentives - Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	212,981	88,407	27,478	4,327	890,917	-	19,135				**1,243,245**
EE Products	333,608	644,962	124,209	55,686	25,235,497	14,782	68,271				**26,477,015**
Income Qualified	732,837	475,309	90,920	90,820	3,101,881	65,934	44,723	1,111,250			**5,713,675**
Whole House	161,751	551,416	97,397	96,610	8,153,243	112,115	648,083				**9,820,615**
Demand Response Programs	22,592	148,080	35,762	1,616,256	602,290	4,393	118,896				**2,548,268**
Building Decarbonization Programs	18,247	110,665	32,130	5,268	1,551,325	9,207	195,740				**1,922,582**
Next Generation Savings	-	77,942	25,440	98,500	875,000	16,048	87,785				**1,180,714**
Multi-family	29,239	168,071	72,764	7,933	5,342,703	24,071	168,083				**5,812,865**
Prescriptive/Custom	16,075	124,226	40,212	4,641	931,826	1,605	94,792				**1,213,376**
Energy Solutions for Business	-	483,196	119,395	-	9,979,680	7,026	89,063				**10,678,360**
Direct Install	82,214	323,243	81,291	16,305	6,072,510	3,210	535,427				**7,114,201**
Workforce Development	-	49,131	45,390	-	-	-	-		400,000		**494,522**
CBO Outreach	-	-	-	-	-	-	-			150,000	**150,000**
											-
											-
											-
											-
Portfolio Total	**1,609,545**	**3,244,648**	**792,387**	**1,996,347**	**62,736,874**	**258,389**	**2,069,998**	**1,111,250**	**400,000**	**150,000**	**74,369,439**

Footnote 1: Budgets include commitments for projects that may be paid in future years

Program Year 5	Capital Cost	Utility Admin-istration	Marketing and Outreach	Outside Services	Incentives - Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	218,836	177,402	59,566	9,548	1,714,982	-	39,417				**2,219,751**
EE Products	200,386	1,341,042	278,075	118,516	50,171,433	30,451	150,507				**52,290,412**
Income Qualified	616,546	985,366	205,059	211,402	8,343,591	135,824	96,077	5,012,160			**15,606,025**
Whole House	106,966	1,145,242	218,401	201,077	16,352,662	230,956	697,096				**18,952,400**
Demand Response Programs	13,198	289,459	81,070	970,637	1,000,318	9,049	134,686				**2,498,417**
Building Decarbonization Programs	10,660	229,846	73,590	11,624	11,297,760	18,966	228,141				**11,870,587**
Next Generation Savings	-	162,437	55,366	98,500	1,610,000	33,058	102,325				**2,061,685**
Multi-family	17,988	349,978	164,697	17,505	14,206,280	49,587	217,096				**15,023,132**
Prescriptive/Custom	9,391	259,697	90,238	10,240	5,308,584	3,306	119,298				**5,800,753**
Energy Solutions for Business	-	1,005,909	268,158	-	35,431,166	14,474	195,805				**36,915,512**
Direct Install	71,700	673,347	185,224	17,989	22,945,673	6,612	601,052				**24,501,597**
Workforce Development	-	102,468	100,905	-	-	-	-		300,000		**503,373**
CBO Outreach	-	-	-	-	-	-	-			300,000	**300,000**
											-
											-
											-
											-
Portfolio Total	**1,265,671**	**6,722,193**	**1,780,348**	**1,667,040**	**168,382,449**	**532,282**	**2,581,501**	**5,012,160**	**300,000**	**300,000**	**188,543,644**

Footnote 1: Budgets include commitments for projects that may be paid in future years

Program Year 6	Capital Cost	Utility Admin-istration	Marketing and Outreach	Outside Services	Incentives - Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	232,598	182,747	61,353	10,603	1,645,935	-	40,600				**2,173,836**
EE Products	204,456	1,381,297	286,417	126,950	52,593,959	31,365	151,428				**54,775,872**
Income Qualified	662,898	1,014,950	211,210	219,718	10,148,559	139,898	97,521	5,079,600			**17,574,355**
Whole House	111,442	1,179,623	224,953	210,352	16,474,246	237,885	698,017				**19,136,516**
Demand Response Programs	13,965	316,140	83,502	1,033,864	873,003	9,320	135,606				**2,465,402**
Building Decarbonization Programs	11,280	236,753	75,798	12,908	10,948,362	19,535	229,062				**11,533,698**
Next Generation Savings	-	167,321	57,027	98,500	1,487,500	34,050	102,785				**1,947,183**
Multi-family	19,115	360,501	169,638	19,439	12,750,910	51,074	218,017				**13,588,695**
Prescriptive/Custom	9,937	267,534	92,945	11,372	7,357,005	3,405	119,759				**7,861,956**
Energy Solutions for Business	-	1,036,086	276,202	-	27,826,403	14,908	197,186				**29,350,786**
Direct Install	71,700	693,571	190,781	19,977	23,710,205	6,810	601,972				**25,295,016**
Workforce Development	-	105,554	103,932	-	-	-	-		300,000		**509,486**
CBO Outreach	-	-	-	-	-	-	-			300,000	**300,000**
											-
											-
											-
											-
Portfolio Total	**1,337,391**	**6,942,075**	**1,833,758**	**1,763,684**	**165,816,087**	**548,250**	**2,591,953**	**5,079,600**	**300,000**	**300,000**	**186,512,800**

Footnote 1: Budgets include commitments for projects that may be paid in future years

6c. Appendix C: Total Budget Summary, Including Annual Budget Summary and Joint Budgets with Partner Utilities

Appendix C: Total Budget Summary, Including Annual Budget Summary and Joint Budgets with Partner Utilities (MFR II.b.iv)

The budget summary below includes only the budgets for coordinated programs in which costs are shared

Program Year	Total Budget Summary	Lead Program Budget
Program Year 4	74,369,439	66,830,108
Program Year 5	188,543,644	169,089,831
Program Year 6	186,512,800	167,583,195
Portfolio Total	449,425,883	403,503,134

Notes:

Please refer to Section 5 of the plan for more information regarding the approach to budgeting

Budgets include commitments for projects that may be paid in future years

Total includes investment & administrative costs

Shared programs: Whole Home, Income Qualified, EE Products, Energy Solutions, Direct Install, Prescriptive & Custom, Multifamily

NJNG's Total Budget Summary excludes ~$33 million in new utility transfers. NJNG's total requested budget is $482.4 million

6d. Appendix D: Forecasted Average Costs to Achieve Each Unit of Energy Savings in Each Sector

Appendix D: Forecasted Average Cost to Achieve Each Unit of Energy Savings in Each Sector (MFR II.b.vi)

	Energy Efficiency Programs*		Demand Response Program	Building Decarbonization Program
Sector	Total $/ Lifetime kWh	Total $/ Lifetime Therms	Total $/ Lifetime therm	Total $/ Lifetime MMBtu
Residential		1.47		
C&I		3.04		
Multifamily		3.79		
Building Decarbonization				47.59
Demand Response			52.92	

6e. Appendix E: Benefit Cost Analysis

Total Resource Cost Test (TRC)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
1 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 1,300,342	$ 8,871,697	$ 915,651	$ 1,012,349	$ 11,363,293	$ -	$ 588,312	$ 1,012,349	$ 712,030	$ -	$ (736,748)	$ -	$ 915,651	$ -	$ 3,718,998	$ 5,152,699	$ -	$ -
2 Lifetime Avoided Wholesale Electric Capacity Costs		$ 172,539	$ 658,687	$ 124,872	$ 77,322	$ 1,033,420	$ -	$ 100,688	$ 77,322	$ 71,850	$ -	$ -	$ -	$ 124,872	$ -	$ 214,123	$ 444,564	$ -	$ -
3 Lifetime Avoided Wholesale Natural Gas Costs		$ 17,219,757	$ 7,448,502	$ 1,790,848	$ 1,815,918	$ 30,592,919	$ 1,849,720	$ 13,602,417	$ 1,815,918	$ 1,767,619	$ 62,832	$ 2,317,894	$ -	$ 1,790,848	$ 393,263	$ 2,679,967	$ 4,375,272	$ -	$ -
4 Lifetime DRIPE Benefits (E&G)		$ 934,632	$ 848,944	$ 141,569	$ 145,279	$ 2,149,482	$ 92,486	$ 714,571	$ 145,279	$ 127,575	$ 3,142	$ 79,057	$ -	$ 141,569	$ 19,663	$ 330,654	$ 498,627	$ -	$ -
5 Lifetime Avoided RPS REC Purchase Costs		$ 105,434	$ 696,692	$ 66,098	$ 85,030	$ 901,721	$ -	$ 51,409	$ 85,030	$ 54,025	$ -	$ (51,533)	$ -	$ 66,098	$ -	$ 269,750	$ 426,942	$ -	$ -
6 Lifetime Avoided Wholesale Volatility Costs (E&G)		$ 1,869,264	$ 1,697,889	$ 283,137	$ 290,559	$ 4,298,963	$ 184,972	$ 1,429,142	$ 290,559	$ 255,150	$ 6,283	$ 158,115	$ -	$ 283,137	$ 39,326	$ 661,309	$ 997,254	$ -	$ -
7 Lifetime Avoided T&D Costs (E&G)		$ 183,835	$ 674,050	$ 123,461	$ 97,058	$ 1,078,404	$ -	$ 92,640	$ 97,058	$ 91,195	$ -	$ -	$ -	$ 123,461	$ -	$ 223,396	$ 450,655	$ -	$ -
Total Benefits	***1+2+3+4+5+6+7***	**$ 21,785,802**	**$ 20,896,462**	**$ 3,445,637**	**$ 3,523,516**	**$ 51,418,202**	**$ 2,127,178**	**$ 16,579,180**	**$ 3,523,516**	**$ 3,079,443**	**$ 72,257**	**$ 1,766,785**	**$ -**	**$ 3,445,637**	**$ 452,252**	**$ 8,098,197**	**$ 12,346,012**	**$ -**	**$ -**
COSTS																			
8 Lifetime Incremental Costs		$ 39,272,749	$ 22,813,415	$ 6,982,885	$ 18,762,104	$ 88,605,465	$ 3,834,378	$ 29,870,124	$ 18,762,104	$ 5,568,247	$ 1,240,964	$ 774,312	$ 3,587,070	$ 6,982,885	$ 897,851	$ 11,170,830	$ 10,744,733	$ -	$ -
9 Lifetime Administration Costs		$ 12,511,345	$ 8,269,125	$ 1,916,424	$ 5,508,816	$ 29,587,533	$ 1,252,156	$ 4,999,720	$ 5,508,816	$ 6,259,468	$ 4,600,110	$ 1,381,824	$ 1,100,409	$ 1,916,424	$ 1,153,171	$ 3,335,137	$ 3,780,817	$ 1,371,173	$ 675,524
Total Costs	***8+9***	**$ 51,784,094**	**$ 31,082,540**	**$ 8,899,309**	**$ 24,270,920**	**$ 118,192,998**	**$ 5,086,534**	**$ 34,869,845**	**$ 24,270,920**	**$ 11,827,715**	**$ 5,841,074**	**$ 2,156,136**	**$ 4,687,479**	**$ 8,899,309**	**$ 2,051,022**	**$ 14,505,967**	**$ 14,525,551**	**$ 1,371,173**	**$ 675,524**
Benefit Cost Ratio	**(1+2+3+4+5+6+7)/(8+9)**	**0.4**	**0.7**	**0.4**	**0.1**	**0.4**	**0.4**	**0.5**	**0.1**	**0.3**	**0.0**	**0.8**	**0.0**	**0.4**	**0.2**	**0.6**	**0.8**	**0.0**	**0.0**

Participant Cost Test (PCT)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
10 Lifetime Avoided Retail Electric Costs		$ 4,924,982	$ 22,488,395	$ 3,355,022	$ 3,610,857	$ 31,726,084	$ -	$ 2,364,279	$ 3,610,857	$ 2,560,704	$ -	$ (2,653,172)	$ -	$ 3,355,022	$ -	$ 8,494,517	$ 13,993,878	$ -	$ -
11 Lifetime Avoided Retail Natural Gas Costs		$ 31,246,441	$ 21,012,722	$ 3,560,493	$ 3,347,839	$ 63,319,243	$ 3,446,828	$ 24,614,546	$ 3,347,839	$ 3,185,067	$ 117,346	$ 4,151,748	$ -	$ 3,560,493	$ 1,102,067	$ 10,360,307	$ 9,550,348	$ -	$ -
12 Lifetime Program Incentive Costs		$ 36,495,679	$ 66,090,676	$ 19,131,723	$ 29,323,141	$ 165,450,556	$ 3,834,378	$ 25,427,965	$ 29,323,141	$ 7,233,337	$ 2,240,841	$ 14,409,337	$ 3,587,070	$ 19,131,723	$ 534,435	$ 39,712,941	$ 25,843,300	$ -	$ -
13 Lifetime Time-Value of Loan Repayments		$ 23,520,245	$ 11,391,873	$ 1,954,557	$ -	$ 38,627,553	$ -	$ 17,788,335	$ -	$ 5,731,911	$ -	$ 1,760,878	$ -	$ 1,954,557	$ 2,227,288	$ 5,047,670	$ 4,116,915	$ -	$ -
Total Benefits	***10+11+12+13***	**$ 96,187,349**	**$ 120,983,666**	**$ 28,001,794**	**$ 36,281,836**	**$ 299,123,436**	**$ 7,281,206**	**$ 70,195,124**	**$ 36,281,836**	**$ 18,711,018**	**$ 2,358,187**	**$ 17,668,790**	**$ 3,587,070**	**$ 28,001,794**	**$ 3,863,790**	**$ 63,615,435**	**$ 53,504,441**	**$ -**	**$ -**
COSTS																			
14 Lifetime Participant Costs		$ 39,272,749	$ 22,813,415	$ 6,982,885	$ 18,762,104	$ 88,605,465	$ 3,834,378	$ 29,870,124	$ 18,762,104	$ 5,568,247	$ 1,240,964	$ 774,312	$ 3,587,070	$ 6,982,885	$ 897,851	$ 11,170,830	$ 10,744,733	$ -	$ -
Total Costs	***14***	**$ 39,272,749**	**$ 22,813,415**	**$ 6,982,885**	**$ 18,762,104**	**$ 88,605,465**	**$ 3,834,378**	**$ 29,870,124**	**$ 18,762,104**	**$ 5,568,247**	**$ 1,240,964**	**$ 774,312**	**$ 3,587,070**	**$ 6,982,885**	**$ 897,851**	**$ 11,170,830**	**$ 10,744,733**	**$ -**	**$ -**
Benefit Cost Ratio	**(10+11+12+13)/14**	**2.4**	**5.3**	**4.0**	**1.9**	**3.4**	**1.9**	**2.4**	**1.9**	**3.4**	**1.9**	**22.8**	**1.0**	**4.0**	**4.3**	**5.7**	**5.0**	**n/a**	**n/a**

Program Administrator Cost Test (PAC)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
15 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 1,300,342	$ 8,871,697	$ 915,651	$ 1,012,349	$ 11,363,293	$ -	$ 588,312	$ 1,012,349	$ 712,030	$ -	$ (736,748)	$ -	$ 915,651	$ -	$ 3,718,998	$ 5,152,699	$ -	$ -
16 Lifetime Avoided Wholesale Electric Capacity Costs		$ 172,539	$ 658,687	$ 124,872	$ 77,322	$ 1,033,420	$ -	$ 100,688	$ 77,322	$ 71,850	$ -	$ -	$ -	$ 124,872	$ -	$ 214,123	$ 444,564	$ -	$ -
17 Lifetime Avoided Wholesale Natural Gas Costs		$ 17,219,757	$ 7,448,502	$ 1,790,848	$ 1,815,918	$ 30,592,919	$ 1,849,720	$ 13,602,417	$ 1,815,918	$ 1,767,619	$ 62,832	$ 2,317,894	$ -	$ 1,790,848	$ 393,263	$ 2,679,967	$ 4,375,272	$ -	$ -
18 Lifetime DRIPE Benefits (E&G)		$ 934,632	$ 848,944	$ 141,569	$ 145,279	$ 2,149,482	$ 92,486	$ 714,571	$ 145,279	$ 127,575	$ 3,142	$ 79,057	$ -	$ 141,569	$ 19,663	$ 330,654	$ 498,627	$ -	$ -
19 Lifetime Avoided RPS REC Purchase Costs		$ 105,434	$ 696,692	$ 66,098	$ 85,030	$ 901,721	$ -	$ 51,409	$ 85,030	$ 54,025	$ -	$ (51,533)	$ -	$ 66,098	$ -	$ 269,750	$ 426,942	$ -	$ -
20 Lifetime Avoided Wholesale Volatility Costs		$ 1,869,264	$ 1,697,889	$ 283,137	$ 290,559	$ 4,298,963	$ 184,972	$ 1,429,142	$ 290,559	$ 255,150	$ 6,283	$ 158,115	$ -	$ 283,137	$ 39,326	$ 661,309	$ 997,254	$ -	$ -
21 Lifetime Avoided T&D Costs		$ 183,835	$ 674,050	$ 123,461	$ 97,058	$ 1,078,404	$ -	$ 92,640	$ 97,058	$ 91,195	$ -	$ -	$ -	$ 123,461	$ -	$ 223,396	$ 450,655	$ -	$ -
Total Benefits	***15+16+17+18+19+20+21***	**$ 21,785,802**	**$ 20,896,462**	**$ 3,445,637**	**$ 3,523,516**	**$ 51,418,202**	**$ 2,127,178**	**$ 16,579,180**	**$ 3,523,516**	**$ 3,079,443**	**$ 72,257**	**$ 1,766,785**	**$ -**	**$ 3,445,637**	**$ 452,252**	**$ 8,098,197**	**$ 12,346,012**	**$ -**	**$ -**
COSTS																			
22 Lifetime Administration Costs		$ 12,511,345	$ 8,269,125	$ 1,916,424	$ 5,508,816	$ 29,587,533	$ 1,252,156	$ 4,999,720	$ 5,508,816	$ 6,259,468	$ 4,600,110	$ 1,381,824	$ 1,100,409	$ 1,916,424	$ 1,153,171	$ 3,335,137	$ 3,780,817	$ 1,371,173	$ 675,524
23 Lifetime Program Investment Costs		$ 36,495,679	$ 66,090,676	$ 19,131,723	$ 29,323,141	$ 165,450,556	$ 3,834,378	$ 25,427,965	$ 29,323,141	$ 7,233,337	$ 2,240,841	$ 14,409,337	$ 3,587,070	$ 19,131,723	$ 534,435	$ 39,712,941	$ 25,843,300	$ -	$ -
24 Lifetime Time-Value of Loan Repayments		$ 23,520,245	$ 11,391,873	$ 1,954,557	$ -	$ 38,627,553	$ -	$ 17,788,335	$ -	$ 5,731,911	$ -	$ 1,760,878	$ -	$ 1,954,557	$ 2,227,288	$ 5,047,670	$ 4,116,915	$ -	$ -
Total Costs	***22+23+24***	**$ 72,527,270**	**$ 85,751,674**	**$ 23,002,704**	**$ 34,831,957**	**$ 233,665,642**	**$ 5,086,534**	**$ 48,216,020**	**$ 34,831,957**	**$ 19,224,715**	**$ 6,840,951**	**$ 17,552,039**	**$ 4,687,479**	**$ 23,002,704**	**$ 3,914,894**	**$ 48,095,747**	**$ 33,741,032**	**$ 1,371,173**	**$ 675,524**
Benefit Cost Ratio	**(15+16+17+18+19+20+21)/(22+23+24)**	**0.3**	**0.2**	**0.1**	**0.1**	**0.2**	**0.4**	**0.3**	**0.1**	**0.2**	**0.0**	**0.1**	**0.0**	**0.1**	**0.1**	**0.2**	**0.4**	**0.0**	**0.0**

Ratepayer Impact Measure Test (RIM)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
25 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 1,300,342	$ 8,871,697	$ 915,651	$ 1,012,349	$ 11,363,293	$ -	$ 588,312	$ 1,012,349	$ 712,030	$ -	$ (736,748)	$ -	$ 915,651	$ -	$ 3,718,998	$ 5,152,699	$ -	$ -
26 Lifetime Avoided Wholesale Electric Capacity Costs		$ 172,539	$ 658,687	$ 124,872	$ 77,322	$ 1,033,420	$ -	$ 100,688	$ 77,322	$ 71,850	$ -	$ -	$ -	$ 124,872	$ -	$ 214,123	$ 444,564	$ -	$ -
27 Lifetime Avoided Wholesale Natural Gas Costs		$ 17,219,757	$ 7,448,502	$ 1,790,848	$ 1,815,918	$ 30,592,919	$ 1,849,720	$ 13,602,417	$ 1,815,918	$ 1,767,619	$ 62,832	$ 2,317,894	$ -	$ 1,790,848	$ 393,263	$ 2,679,967	$ 4,375,272	$ -	$ -
28 Lifetime DRIPE Benefits (E&G)		$ 934,632	$ 848,944	$ 141,569	$ 145,279	$ 2,149,482	$ 92,486	$ 714,571	$ 145,279	$ 127,575	$ 3,142	$ 79,057	$ -	$ 141,569	$ 19,663	$ 330,654	$ 498,627	$ -	$ -
29 Lifetime Avoided RPS REC Purchase Costs		$ 105,434	$ 696,692	$ 66,098	$ 85,030	$ 901,721	$ -	$ 51,409	$ 85,030	$ 54,025	$ -	$ (51,533)	$ -	$ 66,098	$ -	$ 269,750	$ 426,942	$ -	$ -
30 Lifetime Avoided Wholesale Volatility Costs		$ 1,869,264	$ 1,697,889	$ 283,137	$ 290,559	$ 4,298,963	$ 184,972	$ 1,429,142	$ 290,559	$ 255,150	$ 6,283	$ 158,115	$ -	$ 283,137	$ 39,326	$ 661,309	$ 997,254	$ -	$ -
31 Lifetime Avoided T&D Costs		$ 183,835	$ 674,050	$ 123,461	$ 97,058	$ 1,078,404	$ -	$ 92,640	$ 97,058	$ 91,195	$ -	$ -	$ -	$ 123,461	$ -	$ 223,396	$ 450,655	$ -	$ -
Total Benefits	***25+26+27+28+29+30+31***	**$ 21,785,802**	**$ 20,896,462**	**$ 3,445,637**	**$ 3,523,516**	**$ 51,418,202**	**$ 2,127,178**	**$ 16,579,180**	**$ 3,523,516**	**$ 3,079,443**	**$ 72,257**	**$ 1,766,785**	**$ -**	**$ 3,445,637**	**$ 452,252**	**$ 8,098,197**	**$ 12,346,012**	**$ -**	**$ -**
COSTS																			
32 Lifetime Administration Costs		$ 12,511,345	$ 8,269,125	$ 1,916,424	$ 5,508,816	$ 29,587,533	$ 1,252,156	$ 4,999,720	$ 5,508,816	$ 6,259,468	$ 4,600,110	$ 1,381,824	$ 1,100,409	$ 1,916,424	$ 1,153,171	$ 3,335,137	$ 3,780,817	$ 1,371,173	$ 675,524
33 Lifetime Program Investment Costs		$ 36,495,679	$ 66,090,676	$ 19,131,723	$ 29,323,141	$ 165,450,556	$ 3,834,378	$ 25,427,965	$ 29,323,141	$ 7,233,337	$ 2,240,841	$ 14,409,337	$ 3,587,070	$ 19,131,723	$ 534,435	$ 39,712,941	$ 25,843,300	$ -	$ -
34 Lifetime Re-allocated Distribution Costs		$ 18,629,511	$ 11,573,785	$ 2,925,032	$ 2,885,704	$ 37,508,924	$ 1,860,575	$ 14,299,374	$ 2,885,704	$ 2,469,561	$ 63,427	$ 1,494,892	$ -	$ 2,925,032	$ 392,890	$ 3,877,340	$ 7,303,556	$ -	$ -
35 Lifetime Time-Value of Loan Repayments		$ 23,520,245	$ 11,391,873	$ 1,954,557	$ -	$ 38,627,553	$ -	$ 17,788,335	$ -	$ 5,731,911	$ -	$ 1,760,878	$ -	$ 1,954,557	$ 2,227,288	$ 5,047,670	$ 4,116,915	$ -	$ -
Total Costs	***32+33+34+35***	**$ 91,156,781**	**$ 97,325,459**	**$ 25,927,735**	**$ 37,717,661**	**$ 271,174,567**	**$ 6,947,110**	**$ 62,515,394**	**$ 37,717,661**	**$ 21,694,277**	**$ 6,904,378**	**$ 19,046,931**	**$ 4,687,479**	**$ 25,927,735**	**$ 4,307,784**	**$ 51,973,087**	**$ 41,044,588**	**$ 1,371,173**	**$ 675,524**
Benefit Cost Ratio	**(25+26+27+28+29+30+31)/(32+33+34+35)**	**0.2**	**0.2**	**0.1**	**0.1**	**0.2**	**0.3**	**0.3**	**0.1**	**0.1**	**0.0**	**0.1**	**0.0**	**0.1**	**0.1**	**0.2**	**0.3**	**0.0**	**0.0**

Societal Cost Test (SC)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
36	Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	$ 1,460,992	$ 9,896,351	$ 1,030,563	$ 1,120,558	$ 12,661,650	$ -	$ 649,695	$ 1,120,558	$ 811,297	$ -	$ (846,814)	$ -	$ 1,030,563	$ -	$ 4,160,626	$ 5,735,725	$ -	$ -
37	Lifetime Avoided Wholesale Electric Capacity Costs	$ 197,980	$ 748,042	$ 143,324	$ 87,221	$ 1,176,566	$ -	$ 114,503	$ 87,221	$ 83,477	$ -	$ -	$ -	$ 143,324	$ -	$ 243,955	$ 504,087	$ -	$ -
38	Lifetime Avoided Wholesale Natural Gas Costs	$ 19,480,163	$ 8,357,014	$ 2,019,046	$ 2,017,277	$ 34,553,304	$ 1,902,274	$ 15,544,327	$ 2,017,277	$ 2,033,563	$ 64,651	$ 2,679,804	$ -	$ 2,019,046	$ 452,957	$ 3,012,018	$ 4,892,038	$ -	$ -
39	Lifetime DRIPE Benefits (E&G)	$ 1,056,957	$ 950,070	$ 159,647	$ 161,253	$ 2,419,576	$ 95,114	$ 815,426	$ 161,253	$ 146,417	$ 3,233	$ 91,650	$ -	$ 159,647	$ 22,648	$ 370,830	$ 556,592	$ -	$ -
40	Lifetime Avoided RPS REC Purchase Costs	$ 113,813	$ 753,863	$ 72,163	$ 91,194	$ 974,516	$ -	$ 55,000	$ 91,194	$ 58,813	$ -	$ (56,517)	$ -	$ 72,163	$ -	$ 293,867	$ 459,997	$ -	$ -
41	Lifetime Avoided Wholesale Volatility Costs	$ 2,113,913	$ 1,900,141	$ 319,293	$ 322,505	$ 4,839,152	$ 190,227	$ 1,630,852	$ 322,505	$ 292,834	$ 6,465	$ 183,299	$ -	$ 319,293	$ 45,296	$ 741,660	$ 1,113,185	$ -	$ -
42	Lifetime Avoided T&D Costs	$ 208,199	$ 753,737	$ 139,447	$ 107,751	$ 1,209,134	$ -	$ 103,709	$ 107,751	$ 104,490	$ -	$ -	$ -	$ 139,447	$ -	$ 250,567	$ 503,170	$ -	$ -
43	Lifetime Avoided Emissions Damages	$ 24,569,969	$ 22,316,742	$ 3,764,380	$ 3,656,926	$ 56,586,993	$ 1,984,634	$ 19,264,143	$ 3,656,926	$ 3,321,193	$ 67,747	$ 2,278,976	$ -	$ 3,764,380	$ 545,357	$ 8,690,629	$ 13,080,755	$ -	$ -
44	Job and Savings Multiplier Benefits	$ -	$ -	$ -	$ -	$ -													
45	Non-Energy Benefit Adder	$ 3,329,414	$ 2,992,722	$ 502,887	$ 507,946	$ 7,621,664	$ 299,608	$ 2,568,593	$ 507,946	$ 461,213	$ 10,182	$ 288,696	$ -	$ 502,887	$ 71,341	$ 1,168,114	$ 1,753,266	$ -	$ -
46	Low-Income Adder	$ 110,903	$ -	$ 5,795	$ 507,946	$ 624,644	$ 8,988	$ 101,914	$ 507,946	$ -	$ -	$ -	$ -	$ 5,795	$ -	$ -	$ -	$ -	$ -
	Total Benefits *36+37+38+39+40+41+42+43+44+45+46*	**$ 52,642,302**	**$ 48,668,681**	**$ 8,156,545**	**$ 8,580,576**	**$ 122,667,199**	**$ 4,172,249**	**$ 38,177,655**	**$ 7,564,684**	**$ 6,852,082**	**$ 142,095**	**$ 4,330,399**	**$ -**	**$ 7,647,863**	**$ 1,066,258**	**$ 17,764,152**	**$ 26,845,549**	**$ -**	**$ -**
COSTS																			
45	Lifetime Incremental Costs	$ 40,159,112	$ 23,340,800	$ 7,140,174	$ 19,207,691	$ 90,640,409	$ 3,918,040	$ 30,551,132	$ 19,207,691	$ 5,689,940	$ 1,264,069	$ 792,632	$ 3,664,344	$ 7,140,174	$ 920,579	$ 11,421,041	$ 10,999,180	$ -	$ -
46	Lifetime Administration Costs	$ 12,781,004	$ 8,449,339	$ 1,958,177	$ 5,626,719	$ 30,226,650	$ 1,278,788	$ 5,108,465	$ 5,626,719	$ 6,393,751	$ 4,687,821	$ 1,411,411	$ 1,123,801	$ 1,958,177	$ 1,178,318	$ 3,409,688	$ 3,861,333	$ 1,398,523	$ 690,444
	Total Costs *45+46*	**$ 52,940,116**	**$ 31,790,140**	**$ 9,098,351**	**$ 24,834,409**	**$ 120,867,059**	**$ 5,196,828**	**$ 35,659,598**	**$ 24,834,409**	**$ 12,083,690**	**$ 5,951,890**	**$ 2,204,043**	**$ 4,788,146**	**$ 9,098,351**	**$ 2,098,897**	**$ 14,830,730**	**$ 14,860,513**	**$ 1,398,523**	**$ 690,444**
	Benefit Cost Ratio *(36+37+38+39+40+41+42+43+44+45+46)/(45+46)*	1.0	1.5	0.9	0.3	1.0	0.8	1.1	0.3	0.6	0.0	2.0	0.0	0.8	0.5	1.2	1.8	0.0	0.0

New Jersey Cost Test (NJCT)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
47	Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	$ 1,460,992	$ 9,896,351	$ 1,030,563	$ 1,120,558	$ 12,661,650	$ -	$ 649,695	$ 1,120,558	$ 811,297	$ -	$ (846,814)	$ -	$ 1,030,563	$ -	$ 4,160,626	$ 5,735,725	$ -	$ -
48	Lifetime Avoided Wholesale Electric Capacity Costs	$ 197,980	$ 748,042	$ 143,324	$ 87,221	$ 1,176,566	$ -	$ 114,503	$ 87,221	$ 83,477	$ -	$ -	$ -	$ 143,324	$ -	$ 243,955	$ 504,087	$ -	$ -
49	Lifetime Avoided Wholesale Natural Gas Costs	$ 19,480,163	$ 8,357,014	$ 2,019,046	$ 2,017,277	$ 34,553,304	$ 1,902,274	$ 15,544,327	$ 2,017,277	$ 2,033,563	$ 64,651	$ 2,679,804	$ -	$ 2,019,046	$ 452,957	$ 3,012,018	$ 4,892,038	$ -	$ -
50	Lifetime DRIPE Benefits (E&G)	$ 1,056,957	$ 950,070	$ 159,647	$ 161,253	$ 2,419,576	$ 95,114	$ 815,426	$ 161,253	$ 146,417	$ 3,233	$ 91,650	$ -	$ 159,647	$ 22,648	$ 370,830	$ 556,592	$ -	$ -
51	Lifetime Avoided Electric Transmission Costs	$ 208,199	$ 753,737	$ 139,447	$ 107,751	$ 1,209,134	$ -	$ 103,709	$ 107,751	$ 104,490	$ -	$ -	$ -	$ 139,447	$ -	$ 250,567	$ 503,170	$ -	$ -
52	Lifetime Avoided Distribution Costs	$ 1,780,267	$ 3,479,665	$ 1,102,010	$ 1,139,963	$ 6,620,786	$ -	$ 938,883	$ 1,139,963	$ 841,383	$ -	$ (881,119)	$ -	$ 1,102,010	$ -	$ 1,156,746	$ 2,322,919	$ -	$ -
53	Lifetime Avoided Emissions Damages	$ 24,569,969	$ 22,316,742	$ 3,764,380	$ 3,656,926	$ 56,586,993	$ 1,984,634	$ 19,264,143	$ 3,656,926	$ 3,321,193	$ 67,747	$ 2,278,976	$ -	$ 3,764,380	$ 545,357	$ 8,690,629	$ 13,080,755	$ -	$ -
54	Non-Energy Benefit Adder	$ 3,627,684	$ 3,627,732	$ 689,106	$ 695,103	$ 8,796,152	$ 299,608	$ 2,724,981	$ 695,103	$ 603,094	$ 10,182	$ 156,528	$ -	$ 689,106	$ 71,341	$ 1,379,211	$ 2,177,180	$ -	$ -
55	Low-Income Adder	$ 110,903	$ -	$ 5,795	$ 524,109	$ 640,807	$ 8,988	$ 101,914	$ 524,109	$ -	$ -	$ -	$ -	$ 5,795	$ -	$ -	$ -	$ -	$ -
	Total Benefits *47+48+49+50+51+52+53+54+55*	**$ 52,493,113**	**$ 50,129,352**	**$ 9,053,318**	**$ 9,510,160**	**$ 124,664,968**	**$ 4,290,618**	**$ 40,257,581**	**$ 9,510,160**	**$ 7,944,913**	**$ 145,813**	**$ 3,479,026**	**$ -**	**$ 9,053,318**	**$ 1,092,303**	**$ 19,264,583**	**$ 29,772,466**	**$ -**	**$ -**
COSTS																			
56	Lifetime Incremental Costs	$ 40,159,112	$ 23,340,800	$ 7,140,174	$ 19,207,691	$ 90,640,409	$ 3,918,040	$ 30,551,132	$ 19,207,691	$ 5,689,940	$ 1,264,069	$ 792,632	$ 3,664,344	$ 7,140,174	$ 920,579	$ 11,421,041	$ 10,999,180	$ -	$ -
57	Lifetime Administration Costs	$ 12,781,004	$ 8,449,339	$ 1,958,177	$ 5,626,719	$ 30,226,650	$ 1,278,788	$ 5,108,465	$ 5,626,719	$ 6,393,751	$ 4,687,821	$ 1,411,411	$ 1,123,801	$ 1,958,177	$ 1,178,318	$ 3,409,688	$ 3,861,333	$ 1,398,523	$ 690,444
	Total Costs *56+57*	**$ 52,940,116**	**$ 31,790,140**	**$ 9,098,351**	**$ 24,834,409**	**$ 120,867,059**	**$ 5,196,828**	**$ 35,659,598**	**$ 24,834,409**	**$ 12,083,690**	**$ 5,951,890**	**$ 2,204,043**	**$ 4,788,146**	**$ 9,098,351**	**$ 2,098,897**	**$ 14,830,730**	**$ 14,860,513**	**$ 1,398,523**	**$ 690,444**
	Benefit Cost Ratio *(47+48+49+50+51+52+53+54+55)/(56+57)*	1.0	1.6	1.0	0.4	1.0	0.8	1.1	0.4	0.7	0.0	1.6	0.0	1.0	0.5	1.3	2.0	0.0	0.0

Sector/Program	New Jersey Cost Test (NJCT)	Societal Cost Test (SCT)	Total Resource Cost Test (TRC)	Participant Cost Test (PCT)	Program Administrator Cost Test (PAC)	Ratepayer Impact Measure Test (RIM)
Res	1	1	0.4	2.4	0.3	0.2
C&I	1.6	1.5	0.7	5.3	0.2	0.2
MF	1	0.9	0.4	4	0.1	0.1
LMI	0.4	0.3	0.1	1.9	0.1	0.1
Total Portfolio	1	1	0.4	3.4	0.2	0.2
Res - Behavioral	0.8	0.8	0.4	1.9	0.4	0.3
EE Products	1.1	1.1	0.5	2.4	0.3	0.3
Income Qualified	0.4	0.3	0.1	1.9	0.1	0.1
Whole House	0.7	0.6	0.3	3.4	0.2	0.1
Demand Response Programs	0	0	0	1.9	0	0
Building Decarbonization Programs	1.6	2	0.8	22.8	0.1	0.1
Next Generation Savings	0	0	0	1	0	0
Multi-family	1	0.8	0.4	4	0.1	0.1
Prescriptive/Custom	0.5	0.5	0.2	4.3	0.1	0.1
Energy Solutions for Business	1.3	1.2	0.6	5.7	0.2	0.2
Direct Install	2	1.8	0.8	5	0.4	0.3
Workforce Development	0	0	0	n/a	0	0
CBO Outreach	0	0	0	n/a	0	0

6f. Appendix F: Quantitative Performance Indicators

Appendix F: Quantitative Performance Indicators by Program Year (MFR VII.a & MFR VII.b)

	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Annual Demand Savings (Peak-day therm)	Net Lifetime Energy Savings (Source MMBtu)	LMI and OBC Net Lifetime Energy Savings (Source MMBtu)	Small Business Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve ($/ Lifetime Source MMBtu)
Program Year 4	215,390		1,397	1,403,597	126,915	39,618	20.07
Program Year 5	395,278		2,859	3,314,492	297,776	135,043	21.59
Program Year 6	414,539		2,941	3,656,869	313,023	134,953	19.17
Portfolio Total	1,025,207		7,196	8,374,958	737,714	309,614	20.28

***QPIs based only on lead fuel**

***Legacy savings included in QPI savings, but legacy costs not included because they are accounted for in prior Triennia**

6g. Appendix G: Additional Utility-Led Initiatives

Building Decarbonization Metrics (BD MFRs VII.a. & VII.b.)

	Site and source energy savings by fuel (MMBtu)								Site and source lifetime energy savings by fuel (MMBtu)								Site and source annual emissions by fuel (CO2e MT)								Site and source lifetime emissions by fuel (CO2e MT)							
	Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane	
	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source
Program Year 4	(507)	(1,331)	4,548	4,614					(10,141)	(26,629)	90,956	92,276						(77)	241	245					-	(1,546)	4,827	4,897				
Program Year 5	(1,704)	(4,415)	15,286	15,507					(34,086)	(88,304)	305,710	310,145						(255)	811	823					-	(5,100)	16,224	16,459				
Program Year 6	(1,873)	(4,810)	16,803	17,046					(37,469)	(96,190)	336,053	340,928						(275)	892	905					-	(5,501)	17,834	18,093				
Savings Beyond PY6																																
Total	(4,085)	(10,556)	36,636	37,167					(81,696)	(211,123)	732,719	743,349						(607)	1,944	1,972					-	(12,147)	38,886	39,450				

Building Decarbonization Metrics (BD MFRs VII.a. & VII.b.)

	Net annual peak demand savings by fuel (electricity and natural gas only) (peak MW or peak-day therm)				CO2 emissions impacts by fuel (CO2e MT)				Net CO2 emissions impacts across fuels (CO2e MT)	Levelized cost per metric ton of CO2e (costs levelized over the EUL or AUL, as appropriate, of the measure or project divided by lifetime net CO2e impacts)	Number of distributors and contractors engaged in the program	Number of program participants and installations, overall and for LMI				Number and geographic location of installations	
	Electric	Natural Gas	Fuel Oil	Propane	Electric	Natural Gas	Fuel Oil	Propane	All Fuels (sum of prior 4 columns)			Program Participants		Installations		Number of Installations	Geographic Location of Installations
												Overall	LMI Customers**	Overall	LMI Customers**		
Program Year 4	TBD*	TBD*			(77)	245	-	-	168	11,475	10	75	TBD	75	TBD	75	NJNG Service Territory
Program Year 5	TBD*	TBD*			(255)	823	-	-	568	20,900	15	252	TBD	252	TBD	252	NJNG Service Territory
Program Year 6	TBD*	TBD*			(275)	905	-	-	630	18,318	20	277	TBD	277	TBD	277	NJNG Service Territory
Savings Beyond PY6									-								
Total					(607)	1,972	-	-	1,365	18,552	45	604		604		604	

*NJNG completed TRM calculations for individual pieces of heating and cooling equipment, but believes hybrid heat scenarios require evaluation in this program and consideration by the TRM committee to develop accurate peak demand savings.

**LMI Participation TBD, dependent on site selection for District Geothermal Heating project

Demand Response Metrics

	Dollars spent per customer enrolled per $ spent ($/participant) by segment for each proposed program		Dollars spent per capacity enrolled ($/therm) by each segment for each proposed program		Intensity impact (tons CO2 during peak event) for each proposed program. The utility shall, based on the program design, define the specific calculation to measure intensity impact;		Ratio of number of customer responses to control requests over number of control requests.	
	Residential	Commercial & Industrial	Residential	Commercial & Industrial	Residential	Commercial & Industrial	Residential*	Commercial & Industrial
Program Year 4	346	n/a	5,098	n/a	2.55	n/a	12.9%	n/a
Program Year 5	167	n/a	2,239	n/a	5.68	n/a	12.9%	n/a
Program Year 6	163	n/a	1,837	n/a	6.84	n/a	12.9%	n/a
Total	201		2,540		4.17			

Source: https://www.sciencedirect.com/science/article/abs/pii/S0301421521001592?via%3Dihub

6h. Appendix H: Incentive Ranges

Residential Sector Prescriptive Incentives (not including repayment plans)					
Program	Measure [1]	Rebate Up To Value ($) GDC/EDC Consensus Rebate Strategy [2]	Unit Basis	Multifamily Income-Eligible Rebate Up To Value ($)	Existing Up To Value ($) Rebate Strategy
Efficient Products - Natural Gas	Clothes Dryer Gas	$300	Per Unit	Same	$300
	Smart Thermostats [3]	$150	Per thermostat	Same	$125
	Reset controls for boiler	$250	Per control	30% Incentive Adder	$125
	HVAC Maintenance HVAC Quality Install	$250 $500	Per furnace Per unit	30% Incentive Adder Same	$250 $450
	Other Gas Heat >+97%	$5,000	per unit	Up to 100% incentive adder	new
	Gas Furnace - Tier 2 (>= 97%)5	$1,500	Per furnace	Up to 100% incentive adder	$1,500
	Gas Furnace - Tier 1 (>= 95%)5	$1,000	Per furnace	Up to 100% incentive adder	$1,000
	Gas Combi Heat Tier 2(AFUE >= to 97%)	$1,750	Per boiler	Up to 100% incentive adder	$1,750
	Gas Combi Heat Tier 1(AFUE >= or equal to 95%)	$1,300	Per boiler	Up to 100% incentive adder	$1,300
	Gas Boiler (90-95% AFUE)5	$1,000	Per boiler	Up to 100% incentive adder	$1,000
	Gas Boiler (>=95% AFUE)5	$1,200	Per boiler	Up to 100% incentive adder	$1,200
	Furnace Fans (ECM motor install)	$125	Per ECM motor	Same	N/A
	Tankless WH, UEF>=0.87	$1,000	Per Water Heater	Up to full cost of measure	$1,000
	Indirect - Fired Storage Tank Water Heater* (must be attached to at least a 90% AFUE Boiler)	$400	Per Water Heater	Up to 100% of incremental cost, plus a 100% adder	$250
	Gas Storage Tank Water Heater - Power Vented >55 gallons,UEF>.85 Medium Draw Pattern UEF ≥ 0.78 High Draw Pattern UEF ≥ 0.80	$750	Per Water Heater	Up to 100% of incremental cost, plus a 100% adder	$750
	Gas Storage Tank Water Heater - Power Vented <55 gallons,UEF>.64 Medium Draw Pattern UEF ≥ 0.64 High Draw Pattern UEF ≥ 0.68 Supplemental incentive for LMI customers (limited to qualifying HVAC equipment)	$500 $300	Per Water Heater per qualifying unit	up to 100% of incremental cost, plus a 100% adder	$500 $200
	Marketplace Products other than thermostat	Up to 50% discount	Per Unit		Up to 50% discount

Notes

1 - The utilities reserve the right to include additional measures that are supported by established protocols or evaluation results in the industry to ensure we include a broad range of energy savings measures to maximize energy savings for customers and avoid market disruption.

2 - All rebates will be offered equal to or less than the "Up To" value. Rebate value should not exceed the full measure cost. Tiered rebate amounts may be offered within the incentive ranges listed above for qualified measures that have varying applications or characteristics (e.g. size, features, etc.)

3 - The total rebate value for a smart thermostat will be up to $150 total between both fuel utilities.

Comprehensive Residential Programs (not including repayment plans)			
Program	**Subprogram**	**Description**	**Existing Rebate Strategy**
Whole Home [1]	Home Energy Assessment	Utilities may provide the home energy assessment at no additional cost or for a fee, which may be discounted for certain customers or for promotional periods to drive activity. The home energy assessment may include the direct installation of standard energy efficiency measures that are appropriate for their home	Under Quick Home Energy Checkup, no cost to customer for walk through audit with no cost or low cost measures installed at time of audit
	Whole House Projects	The following incentive structures may be used: Option A: Customer must have a minimum savings percentage of 5% based on modeled reduction of consumption. Rebate is $2,000 + $200 for each percentage point of savings above 5% Rebate Cap = $7,500 OR Option B: Customer incentive will be based on the measures installed: *Weatherization Measures* - Up to 75% of costs for weatherization measures covered *Other EE Measures* - Based on list of prescriptive measures * Initially, ACE, ETG, JC, NJNG, RECO and SJG used Option A and PSE&G used Option B.	Under Home Performance with Energy Star, customer must have a minimum savings percentage of 5% based on modeled reduction of consumption. Rebate is $2,000 + $200 for each percentage point of savings above 5%, up to $6,000.
	Contractor Incentive	Up to $500	Up to $500
Income-Qualified	Income-Qualified Projects	The customer may receive no-cost energy efficiency measures and upgrades with an average project spending guideline and health and safety expense protocol. The program will be designed to provide a greater level of benefits for low-income customers.	Under Moderate-Income Weatherization, no up-front cost to customer for BPI-certified audit with up to $6,000 of direct install and weatherization measures and up to $1,500 on health and safety expenses. Under Low-Income (Comfort Partners) customers may receive no-cost energy efficiency measures and upgrades within project spending guideline and health and safety expense protocol.

Notes
1 - Multifamily Whole Building is shown on the Multifamily Schedule.

Commercial Sector Incentives (not including repayment plans)					
Program	Prescriptive Measure [1]	Rebate Up To Value ($) EDC/GDC Consensus Rebate Strategy [2]	Unit Basis	Multifamily Income-Eligible Rebate Up to Value ($)	Existing Up to Rebate Values
Energy Solutions for Businesses-Prescriptive Measures	**COOKING EQUIPMENT**				
	Commercial Rack Oven	$3,000	Per oven	Same	
	COMBINATION and CONVECTION OVENS				
	Convection Ovens	$600	Per Unit	Same	$400
	Commercial Conveyor Oven	$1,700	Per Unit	Same	N/A
	STEAM COOKERS				
	Commercial Steam Cooker	$150	Per Pan	Same	$150
	COMMERCIAL APPLIANCES				
	CLOTHES WASHER			Same	
	CEE Tier 1	$200	Per Unit	Same	$100
	CEE Tier 2	$350	Per Unit	Same	$200
	RESIDENTIAL APPLIANCES in C&I BUILDING - Non Commercial Duty				
	Clothes Washer Tier 1	See Residential Incentives	Per Unit	Same	See Residential Incentives
	Clothes Washer Tier 2	See Residential Incentives	Per Unit	Same	See Residential Incentives
	Clothes Dryer - Tier 1	See Residential Incentives	Per Unit	Same	See Residential Incentives
	Clothes Dryer - Tier 2	See Residential Incentives	Per Unit	Same	See Residential Incentives
Energy Solutions for Businesses-Prescriptive Measures	**Commercial Kitchen Equipment (Natural Gas)**				
	Demand Controlled Kitchen Ventilation (DCKV)	$2,696	Per HP of ventilation fan	Same	N/A
	Commercial Rack Oven (Gas)	$3,000	Per oven	Same	$1,000
	Commercial Modulating Gas Dryer Valve	$500	Per modulating gas dryer valve retrofit	Same	$150
	Commercial Griddle (Gas)	$1,500	Per griddle	Same	$500
	Commercial Fryer (Gas)	$1,000	Per fryer	Same	$750
	Commercial Dishwashers, Under Counter Low Temp	$400	Per dishwasher	Same	$400
	Commercial Dishwashers, Under Counter High Temp	$400	Per dishwasher	Same	$400
	Commercial Dishwashers, Single Tank Conveyor, Low Temp	$1,000	Per dishwasher	Same	$1,000
	Commercial Dishwashers, Single Tank Conveyor, High Temp	$1,500	Per dishwasher	Same	$1,500
	Commercial Dishwashers, Multiple Tank Conveyor, Low Temp	$1,500	Per dishwasher	Same	$1,500
	Commercial Dishwashers, Multiple Tank Conveyor, High Temp	$1,500	Per dishwasher	Same	$1,500
	Commercial Dishwashers, Door Type Low Temp	$700	Per dishwasher	Same	$700
	Commercial Dishwashers, Door Type High Temp	$750	Per dishwasher	Same	$750
	Ventilation with Heat Recovery Gas HRV	$8	Per CFM	Same	N/A
	Ventilation with Heat Recovery Gas ERV	$8	Per CFM	Same	N/A
	Boilers & Water Heaters (Natural Gas)				
	Stack Economizer for Boilers	$11	Per MBH	Up to 30% incentive adder	Up to full cost of measure
	Gas Furnace > 97% AFUE	$1,500	Per furnace	Up to 30% incentive adder	$1,500
	Gas Furnace > 95% AFUE	$1,150	Per furnace	Up to 30% incentive adder	$1,000
	Gas Fired Low Intensity Infrared Heating >100MBH	$2,000	Per infrared heater	Up to 30% incentive adder	$500
	Gas Fired Low Intensity Infrared Heating <100MBH	$2,000	Per infrared heater	Up to 30% incentive adder	$750
	Gas Engine Driven Chillers	$400	Per ton	Up to 30% incentive adder	$350
	Gas Absorption Chillers, 100 to 400 tons	$400	Per ton	Up to 30% incentive adder	$230
	Gas Absorption Chillers, > 400 tons	$400	Per ton	Up to 30% incentive adder	$185
	Gas Absorption Chillers, < 100 tons	$450	Per ton	Up to 30% incentive adder	$450
	Furnace Tune-up	$250	per MBh	Up to 30% incentive adder	$250
	Demand Control Ventilation	$2,500	Per system installed	Up to 30% incentive adder	N/A
	Condensing Unit Heater 90% AFUE	$750	Per MBH	Up to 30% incentive adder	$36
	Commercial Gas Heat Pumps	$5,000	Per gas heat pump	Up to 30% incentive adder	N/A

	Boiler, Steam Natural Draft, > 2,500 MBh (81% TE)	$3	Per MBH	Up to 30% incentive adder	$1
	Boiler, Steam Natural Draft, < 300 to 2,500 MBh (81% TE)	$2	Per MBH	Up to 30% incentive adder	$1
	Boiler, Steam All Except Natural Draft, 300 to 2,500 MBh (81% TE)	$2	Per MBH	Up to 30% incentive adder	$2
	Boiler, Steam All Except Natural Draft, > 2,500 MBh (81% TE)	$3	Per MBH	Up to 30% incentive adder	$2
	Boiler, Steam < 300 MBH Input (82% AFUE)	$3	Per MBH	Up to 30% incentive adder	$2
	Boiler, HW Condensing - Tier 2, 300 to 2,500 MBh (>94% TE)	$9	Per MBH	Up to 30% incentive adder	$4
	Boiler, HW Condensing - Tier 2, > 2,500 MBh (>81%TE)	$9	Per MBH	Up to 30% incentive adder	$4
	Boiler, HW Condensing - Tier 2, < 300 MBh (>95% AFUE)	$9	Per MBH	Up to 30% incentive adder	$1200 per Boiler
	Boiler, HW Condensing - Tier 1, 300 to 2,500 MBh (88%TE)	$4	Per MBH	Up to 30% incentive adder	$4
	Boiler, HW Condensing - Tier 1, > 2,500 MBh (88% TE)	$5	Per MBH	Up to 30% incentive adder	$4
	Boiler, HW Condensing - Tier 1, < 300 MBh (>90% AFUE)	see residential value - $1,000	Per boiler	Up to 30% incentive adder	$1000 per Boiler
	Boiler w/Reset Controls	$1	Per control	Up to 30% incentive adder	$1
	Boiler Tune-up	$1	per MBh	Up to 30% incentive adder	$1
	Boiler HW Non-condensing, 300 to 2,500 MBh (85% TE)	$5	Per MBH	Up to 30% incentive adder	$2
	Boiler HW Non-condensing, > 2,500 MBh (85% TE)	$3	Per MBH	Up to 30% incentive adder	$2
	Boiler HW Non-condensing, < 300 MBh (85% AFUE)	$6	Per MBH	Up to 30% incentive adder	$2
	Boiler Economizer Controls, 3.5 to 4 MMBtu	$2,400	Per MBH	Up to 30% incentive adder	$2,400
	Boiler Economizer Controls, 3 to 3.5 MMBtu	$2,100	Per MBH	Up to 30% incentive adder	$2,100
	Boiler Economizer Controls, 1.6 to 3 MMBtu	$1,800	Per MBH	Up to 30% incentive adder	$1,800
	Boiler Economizer Controls, 0.8 to 1.6 MMBtu	$1,500	Per MBH	Up to 30% incentive adder	$1,500
	Boiler Economizer Controls, > 4 MMBtu	$2,700	Per MBH	Up to 30% incentive adder	$2,700
	Boiler Economizer Controls, < 800,000 Btu	$1,200	Per MBH	Up to 30% incentive adder	$1,200
Energy Solutions for Businesses-Prescriptive Measures	**OTHER HVAC EQUIPMENT (Natural Gas)**				
	Thermostat - Smart	$150	Per thermostat	Up to 30% incentive adder	$125
	SBDI - Stand Alone Storage Water Heaters	N/A	Per Water Heater	N/A	N/A
	SBDI - Pipe Insulation	N/A	Per foot	N/A	N/A
	SBDI - Low Flow Pre-rinse Spray Valves	N/A	Per valve	N/A	N/A
	SBDI - Instantaneous Water Heaters	N/A	Per Water Heater	N/A	N/A
	Pre-Rinse Spray Valve	$100	Per valve	Up to 30% incentive adder	$75
	HW Recirculating System with demand control	$2,800	Per Water Heater	Up to 30% incentive adder	$100
	DHW, Instant, Gas-Fired, > 200,000 Btuh, > 90% TE (Should be TE Thermal Efficiency)	$2,000	Per Water Heater	Up to 30% incentive adder	$1,000
	DHW, Instant, Gas-Fired, < 200,000 Btuh, > 90% TE (Should be TE Thermal Efficiency)	$750	Per MBH	Up to 30% incentive adder	$750
	DHW Storage, Gas-Fired, 75,000 to 105,000 Btuh, > 94% TE (Should be TE Thermal Efficiency)	$750	Per Water Heater	Up to 30% incentive adder	$500
	DHW Storage, Gas-Fired, 75,000 to 105,000 Btuh, > 82% TE (Should be TE Thermal Efficiency)	$500	Per Water Heater	Up to 30% incentive adder	$750
	DHW Storage, Gas-Fired, > 105,000 Btuh (105 MBH), > 94% TE (Should be TE Thermal Efficiency)	$800	Per MBH	Up to 30% incentive adder	$750
	DHW Storage, Gas-Fired, > 105,000 Btuh (105 MBH), > 82% TE (Should be TE Thermal Efficiency)	$500		Up to 30% incentive adder	$500
	DHW Storage, Gas-Fired, < 75,000 Btuh, (>55gallons) (75 MBH) > 0.81 UEF	$1,000		Up to 30% incentive adder	$500
	DHW Storage, Gas-Fired, < 75,000 Btuh, (<55gallons), (75 MBH) > 0.67 EF or 0.64 UEF	$600		Up to 30% incentive adder	$350
	Condensing Integrated Boiler and Water Heater (<300MBH,90 AFUE)	$2,500		Up to 30% incentive adder	$2,500
	Condensing Integrated Boiler and Water Heater (>300MBH, 94TE)	$2,500		Up to 30% incentive adder	$2,500

Custom	**CUSTOM PROJECTS**				
	For example: Compressed Air, Refrigeration, Data Center Equipment/Servers, HVAC/Chillers, HVAC Controls, Motors/VFD - Large, Building Improvements, Process Improvements, Agricultural Lighting/Process, Custom Lighting, Demand Controlled Ventilation, Energy Recovery Ventilator, Heat Recovery Ventilator	Incentives are calculated based on the lesser of two factors. 75% of project cost, or $0.32/kWh and $16/therm saved in the first year.	per kWh	Up to 30% incentive adder	Incentives are calculated based on the lesser of two factors. 50% of project cost, or $0.35/kWh saved in the first year.
Energy Solutions for Businesses-Prescriptive Measures	**ENERGY MANAGEMENT**				
	Bldg. - Tune-Up	**Consensus EDC/GDC Incentive Strategy**	**% of Project Cost**		**Existing Incentive Up to Value**
	Gas Optimization	$10.00 / therm	Up to 80%		
	Boiler Tuneup	$10.00 / therm	Up to 80%		
	Furnace Tuneup	$600	Up to 80%		
	HVAC Tune-Up				
	Boiler Tuneup	$10.00 / Therm	Up to 80%		$1 per MBH
	Furnace Tuneup	$600	Up to 80%		$250
	Retro-comissioning				
	RCx Services (Audit, Implementation, M&V) (for trade ally services only)	-	Up to 100%		N/A
	Customer/Trade Ally Incentive for verified energy savings	$0.64 / kWh and $10.00 / therm	Up to 70%		Up to $0.35 per kWh
	BOC Training				
	Building Operations Training	Up to 70%	$1,000 / Applicant cap		Up to 70% of the cost to attend qualified BOC training up to $1000 per
	Strategic Energy Mgmt.				
	SEM Services (Audit, Implementation, M&V)	-	Up to 100%		N/A
	Customer Incentive for verified energy savings	$0.64 / kWh and $10.00 / therm	Up to 70%		Up to $0.35 / kWh
	Virtual Commissioning VCx				
		$0.30 / kWh			Up to $0.35 per kWh
	Monitoring Based Commissioining				
	MBCx (Audit, Implementation, M&V)		Up to 100%		N/A
	Customer Incentive for verified energy savings	$0.64 / kWh	Up to 70%		Up to $0.35 per kWh

Notes

1 - The utilities reserve the right to include additional measures that are supported by established protocols or evaluation results in the industry to ensure we include a broad range of energy savings measures to maximize energy savings for customers and avoid market disruption.

2 - All rebates will be offered equal to or less than the "Up to" value. Rebate value should not exceed the full measure cost.

3 - The total rebate value for a smart thermostat will be up to $150 total between both fuel utilities

4 - Existing up-to rebate values may vary by program administrator.

Comprehensive Commercial Programs (not including repayment plans)			
Program	**Category**	**Description of Approach to Incentives [1&2]**	**Existing Incentives [3]**
Direct Install	Tier 1	For Tier 1 customers the program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan. Tier 1 will serve all customers with an average annual individual facility peak electrical demand of up to 100 kW and an average annual natural gas load of up to 5,000 therms.	For Tier 1 customers, standard basic energy savings measures may be installed at no cost during the time of the energy assessment. The program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through an available repayment option. Customers located in an Urban Enterprise Zone, Opportunity Zone, owned or operated by a local government, or K-12 public schools. may also qualify for Tier 1 status, up to an average individual facility peak electrical demand of 200 kW .
	Tier 2	For Tier 2 customers, program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan. Tier 2 will serve all customers with an average annual individual facility peak demand of up to 300 kW or average annual natural gas load of 40,000 therms located within an Urban Enterprise Zone ("UEZ"), Opportunity Zone, Overburdened Community ("OBC"). Also eligible are customers with an average annual individual facility peak demand of up to 300 kW or an average annual natural gas load of 40,000 therms that are owned or operated by a local government, K-12 public schools, or that are non-profits categorized as 501(c)3.	Tier 2 will serve the larger segment of eligible customers, with an average individual facility peak electrical demand of 101 - 200 kW over the past 12 months. Incentives up to 70% of the total project cost will be offered.
	Tier 3	Tier 3 will serve the larger segment of eligible customers, with an individual facility average annual peak electrical demand of 101 - 300 kW or 5,001 therms to 40,000 therms over the past 12 months. Incentives up to 70% of the total project cost will be offered with the participating customer repaying the balance not covered through the incentive either in a lump sum or through a repayment plan.	N/A - new

Notes

1 - The utilities reserve the right to include additional measures that are supported by established protocols or evaluation results in the industry to ensure we include a broad range of energy savings measures to maximize energy savings for customers and avoid market disruption.

2 - All rebates will be offered equal to or less than the "Up To" value.

3 - Represents current incentives and does not including financing incentives. See Section 4H.

Comprehensive Commercial Programs (not including repayment plans)			
Program	**Category**	**Description of Approach to Incentives [1&2]**	**Existing Incentives [3]**
Energy Solutions	Engineered Solutions - Tier 1	Will provide a 100% incentive for an up-front audit, the specific audit level will be determined on a project-by-project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, the utilities will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the program with participants repaying the balance of the project costs through a repayment plan.	The subprogram will provide a 100% incentive for an up-front ASHRAE audit, the specific audit level will be determined on a project by project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, NJNG will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the subprogram with participants repaying the balance of the project costs through OBRP or access to financing with similar terms.
	Engineered Solutions - Tier 2	Incentives for the Engineered Solutions Tier 2 pathway will provide incentives for both technical assistance services and other project costs determined on a project-by-project basis using a cost effectiveness tool up to 60% of project cost.	
	Energy Management	Incentives for the Energy Management pathway are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows: **HVAC Tune-Up**: Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units. **Building Tune-Up:** Incentives that cover up to 80% of the project cost and up to 70% of the cost to attend qualified BOC training up to $1000 per person. **Retro-Commissioning:** Incentives to cover up to 100% of the initial cost to perform the required ASHRAE level audit. The total project incentive will be capped at up to 70% of the project cost. The customer may also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit. **Monitoring-based Commissioning, Virtual Commissioning:** Incentives to cover up to 100% of the cost of integration of third-party hardware and software. Utilities may also implement a performance-based model with an implementation contractor where the utility only pays for delivered and verified energy savings. **Strategic Energy Management:** The utility or third-party implementation contractor may perform an engineering assessment of the customer's facility to develop a SEMP or the customer may choose to utilize a consultant of their choosing to perform an engineering assessment to develop the SEMP. Customers who utilize a consultant will receive an incentive to cover up to 100% of the initial cost of the engineering assessment. A tiered incentive structure for customer engineering assessment may be utilized based upon square footage of a customer's facility. The SEMP will identify short, medium and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering that the measures are attributed.	Incentives for the Energy Management pathway are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows: **HVAC Tune-Up**: Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units up to $250 value. **Building Tune up**: Incentives that cover up to 70% of the project cost with a project cap of $75,000 and up to 70% of the cost to attend qualified BOC training up to $1,000 per person. **Retro-Commissioning**: Incentives to cover up to 50% of the initial cost to perform the required ASHRAE level audit, and the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the audit. The customer will also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit. The total audit and project incentive will be capped at up to 70% of the project cost. **Strategic Energy Management**: Customers who utilize a consultant will receive an incentive to cover up to 50% of the initial cost of the engineering assessment, with the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the SEMP process. A tiered incentive structure for Customer engineering assessment will be utilized based upon square footage of Customer's facility. The SEMP will identify short, medium, and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering that the measures are attributed.

Multifamily Incentives (not including repayment plans)				
Program	**Pathway**	**Measure [1]**	**Rebate Strategy [2]**	**Existing Rebate Strategy**
Multifamily	N/A	Prescriptive	Please refer to the Residential and Commercial Schedules. Note the additional column for income eligible projects	Energy Assessment with the equipment and installation costs for the standard energy savings measures will be provided to eligible properties with "Up to 100%" of the cost provided by the program.
		MF Whole Building (successor to current MF HPwES Program)	Tiered incentive cash rebate not to exceed 50% of the costs of the measures used to calculate Total Energy Savings, up to $1,750 per unit. - Contractor production incentive of up to $50 per unit. (Will stay with the lead utility.)	- Tiered incentive cash rebate not to exeed 50% of the costs of the measures used to calculate Total Energy Savings, up to $1,500 per unit - Up to $50 contractor production incentive per unit
		MF Direct Install	Provide incentives consistent with proposed Tiers within Small Business Direct Install Program	N/A
		MF Energy Solutions (ES)- regular customers	Follow structure of C&I Energy Solutions	- Program will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years.
		MF Energy Solutions - special Income Eligible treatment	For Engineered Solutions Tier 1 – Keep to 6 year buydown. For Engineered Solutions Tier 2 – Increase the incentive up to 80% of project costs.	N/A- No special treatment

Notes

1 - The utilities reserve the right to include additional measures that are supported by established protocols or evaluation results in the industry to ensure we include a broad range of energy savings measures to maximize energy savings for customers and avoid market disruption.

2 - All rebates will be offered equal to or less than the "Up to" value.

Additional Utility Led Initiatives			
Program	**Category**	**Description**	**Proposed Incentive Strategy**
Next Generation Savings	All	New and developing clean energy technologies	Enhanced incentives for contractor training, customers, manufacturers and distributors
Building Decarbonization	Hybrid Heat	Hybrid Gas Furnace and Electric Heat Pump Systems	Hybrid Gas Furnace and Electric Heat Pump SystemsFull System – Up to $5,000 Paired with Existing Gas Heating – Up to $2,500
	District Geothermal	Feasbility study and all central system costs	100% covered
		Customer sited equipment on the system- non- LMI/OBC residential customers	subject to prevailing equipment incentives under the residential and commercial prescriptive programs
		Customer sited equipment on the system- LMI/OBC residential customers	cover up to 100%
Demand Response	Bring Your Own Thermostat	Initial enrollment incentive	Up to $50 per enrollment, plus no-cost installation of new thermostats
		Annual participation incentive	Up to $25 per year
	Copper Labs	Initial enrollment incentive	Up to $50 per enrollment

Note: These are all new initiatives so there are not any current incentives to display for comparison purposes.

6i. Appendix I: Comfort Partners Transition Plan

The Utilities strongly believe the current Comfort Partners Program ("CP") should be transitioned to full Utility administration in the second triennium and are grateful to the Board for its consideration of the switch. There are several reasons the Utilities believe this transition is both beneficial to customers and consistent with the Clean Energy Act. The Utilities believe the switch can benefit customers by consolidating program design, implementation and evaluation. For participants, having the low-income segment program designed and marketed with the moderate-income program will improve the customer experience by easing access to the program through a streamlined and singular path of entry; the consolidation of the low- and moderate- income segment programs will also allow for the alignment of marketing, the application process and implementation. It will become a seamless program for all income qualified customers, as opposed to having two separate, potentially confusing, program offerings in the market.

Furthermore, administration and evaluation of the program would be consolidated within the Utilities' program portfolio, which will help to better manage the costs of the program to all customers by integrating the administration and evaluation costs within the larger portfolio and taking advantage of economies of scale. And finally, this switch combines the responsibility for savings performance and budgets to the Utilities alone, which clarifies responsibility in achievement of the Clean Energy Act savings targets and streamlines reporting. The current program cycle has savings and budget responsibility split between the Utilities and the Division of Clean Energy, which does not provide the Utilities with adequate opportunity to appropriately manage the program and achieve the mandated targets.

This document details the Utilities' proposed plan to ensure a smooth transition from the existing co-managed Comfort Partners Program to the new Utility-run Income Qualified Program.

Schedule

Planning Period

The Planning Period is necessary for the Utilities to develop a detailed tactical approach for the transition. This Planning Period is expected to run from July 2024 through January 2025. Although some high-level exploratory pre-planning efforts necessary to develop the Utility filings have already been underway, this more detailed planning period, starting in 2024, is critical to ensure a seamless transition of the myriad processes and responsibilities that will make the transition and future program successful. This period is required to ensure the Utilities have enough time to address details related to sunsetting Comfort Partners and transitioning processes and resources to the new combined Income Qualified Program. Note that the transition timeline is subject to adjustment to allow for a timely and effective process.

Soft Transition Period

The Soft Transition Period, is defined as the six-month period during which, Comfort Partners is expected to remain unchanged with regards to services delivered, resource allocation, implementation vendors, procedures manual, marketing strategy, eligibility criteria, data tracking

systems, etc. During the Soft Transition Period, the Comfort Partners Program budget will be included in the Utilities' filed budgets, specifically the Income Qualified Program. Additionally, Board Staff will no longer have a program administrative role but will retain regulatory oversight of the program similar to the role they have with other CEA programs.

During the Soft Transition Period, the Utilities will also begin to execute the transition plan developed during the Planning Period. This includes implementing the closeout of specific Comfort Partners operations such as marketing, enrollment, and assessments prior to the launch of the new combined Income Qualified Program.

During the final months of the Soft Transition Period, the Utilities will also begin to ramp-up the new combined Income Qualified Program in parallel with the Comfort Partners Program sunset. The ramp-up involves training vendors, launching marketing, preparing enrollment resources, and eventually scheduling assessments; all to ensure the transition is seamless for customers and program momentum is maintained (some activities could feature a minor overlap between the programs in order to ensure there are no gaps in customer access to the program offering and to seek to avoid disruption to the workforce serving the program).

The schedule allows for an important timing overlap between the Comfort Partners sunset and the new combined Income Qualified Program launch which will be crucial to maintaining participation momentum in this customer segment. The overlapping period allows for the Comfort Partners Working Group to close out committed work-in-progress jobs and shutdown systems and processes related to the legacy Comfort Partners Program. Having this additional time to close out committed customer projects enables the Comfort Partners Program to continue to serve customers up until the new combined Income Qualified Program can begin enrollment efforts, eliminating any gap in service.

New Combined Income Qualified Program

The second period of the transition, which will begin in PY5, represents the time post-launch of the new combined Income Qualified Program that will serve both low- and moderate-income residential customers.

Please find the full description of the Income Qualified Program in Section 3.a.i.2 of this Program Plan.

Comfort Partners Transition Plan	2024																	
Milestones	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Comfort Partners Fiscal Year 2024 (Unchanged)																		
Comfort Partners Fiscal Year 2025 (6-Month BPU Compliance Filing)																		
Planning																		
Finalize Details - Comfort Partners Sunset Plan																		
Finalize Details - New Program Transition Plan																		
Soft Transition Period																		
Comfort Partners Continues Operation (Modified)																		
Execute Implementation of Transition Plan																		
CP Vendors Close Remaining Work-in-Progress Jobs																		
CP Systems & Processes Transition Completed																		
New Combined Income Qualified Program																		
Pre-Launch Activities																		
Execute Implementation of Income Qualified Program																		

Comfort Partners Transition Plan	2025												2026		
Milestones	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Comfort Partners Fiscal Year 2024 (Unchanged)															
Comfort Partners Fiscal Year 2025 (6-Month BPU Compliance Filing)															
Planning															
Finalize Details - Comfort Partners Sunset Plan															
Finalize Details - New Program Transition Plan															
Soft Transition Period															
Comfort Partners Continues Operation (Modified)															
Execute Implementation of Transition Plan															
CP Vendors Close Remaining Work-in-Progress Jobs															
CP Systems & Processes Transition Completed															
New Combined Income Qualified Program															
Pre-Launch Activities															
Execute Implementation of Income Qualified Program															

Notes:

1) **Comfort Partners Program Fiscal Year 2024** – Comfort Partners will remain unimpacted by the transition plan during Fiscal Year 2024. The Fiscal Year 2024 Compliance Filing will govern the Comfort Partners Program during this period, as per the normal process historically.
2) **Comfort Partners Program Fiscal Year 2025 (1st Half)** – The Division of Clean Energy submits a Compliance Filing for a six-month abbreviated Program Year running from July 2024 through December 2024.
3) **Comfort Partners Program Fiscal Year 2025 (2nd Half)** – January 2025 to mark the start of the Soft Transition Period, in which, the Program maintains the implementation and contracting structure but transitions funding from SBC to CEA funds.
4) Transition timeline is subject to adjustment to allow for a timely and effective process.

Budgets

Triennium 2

Utilities will consider historical incentive budgets to determine what the annual Low-Income budget should be within the overall Income Qualified Program offering. The filing will include individual Utility budgets for the next triennium.

Administration

The Soft Transition Period is tentatively scheduled to begin January 1 2025. During that timeframe, the Comfort Partners Working Group will continue to implement the program similar to previous years, including the implementation structure, procedures manual, vendors, marketing strategy, enrollment criteria, data tracking system, etc. The CP Working Group will coordinate with the Joint Utility Residential Working Group during this time. Board Staff will no longer have a program administrative role but will retain regulatory oversight of the program similar to the role they have with other CEA programs. Quarterly and annual reports will be provided with regards to program targets via the existing Utility CEA program reporting process and the Utilities can provide status updates through the Utility Working Group discussions.

The Income Qualified Program will be similar to the current Moderate Income Weatherization Program implementation structure. The dollars, participants, and savings will be shared via the SWC system. Each Utility will hire their own implementation vendors to operate the program in their territory and coordinate delivery of the program with their other residential sector programs in order to streamline customer access to the programs. Utilities may consider continuing working relationships with current Comfort Partners vendors where possible.

During the soft transition period, Comfort Partners and the moderate-income pathway in the Income Qualified Program will not change their eligibility thresholds, rules and verification process from the way they are currently handled. The future, combined Income Qualified Program will continue to utilize the Federal Poverty Level thresholds for low- and moderate-income that were used in the previous programs, but may consider adjusting them in the future, particularly to align and leverage other programs targeted at low-income customers or to take advantage of Inflation Reduction Act[9] ("IRA") incentives.

The Utilities will consider adjusting the landlord approval process as related to tenant participation.

Regarding the multifamily rules/procedures, the program will remain consistent during the Soft Transition Period.

Net Cost Savings / Additional Benefits

The utilization of a multi-year budget cycle will allow for better long-term forecasting and provide consistency and predictability to program management. This approach would allow Utilities to continuously improve management and implementation processes to provide increased efficiencies and reduce administrative burden and costs.

Reduced administrative burden would provide benefits to the Utilities, their low- and moderate-income customers, and all Utility customers, by lowering the total costs of program administration. In its current state, the Comfort Partners Program is delivered jointly and collaboratively by the seven investor-owned Utilities in New Jersey. This requires duplicative effort in legal review, info and cyber security, senior leadership review and execution, etc. for contracting efforts.

[9] 1 - Pub.L. 117-169

There are a number of contributing factors that make it difficult to estimate the potential combined Utility costs savings at this time. These include but are not limited to:

- An expectation that the Utilities will serve more participants so some administrative savings may be absorbed by the need to process additional projects.
- Intention to increase the allowance for health and safety expenses to improve the historic percentage of customers that have not been able to fully proceed through the program which will result in larger projects that may require more administrative review.
- More detailed information about processes will not be available until after the transition period is completed.
- Unknown potential administrative activities that may be necessary if the program aligns with IRA programs.

However, at a minimum the Utilities believe there would be savings from the elimination of the use of the current joint program tracking system by PY6. The current forecasted annual cost is approximately $800,000.

Combination of the low- and moderate-income programs ("LMI") would ease confusion with the customer base and ensure that potential participants are directed to the pathway that is right for them rather than try to find the right pathway to fit their needs. A combined Income Qualified Program would ease contractor confusion and reduce the need for referrals from one program to another, streamlining the customer journey to ensure they begin receiving services on the first visit, and reducing unproductive visits from contractors leading to non-billable hours. This would help reduce the costs of implementation, providing that every visit would be productive. Additionally, this would help prevent income qualified customers from having to use vacation days, sick time, or unpaid time off for appointments that are unproductive, and reduce the need for multiple visits with no services rendered.

The removal of defined territories for individual implementation contractors would enable implementers within each Utility's territory to address customers in a more timely manner.

Customers residing in joint delivery territory could potentially be addressed by multiple contractors, providing additional flexibility of scheduling and delivery of services.

A single combined income qualified offering would simplify marketing and outreach efforts by providing a single point of entry and casting a larger net to reach a larger population of potential participants. A combined offering would ease training of outreach coordinators and community partners, which would help the outreach efforts reach a larger population. A combined offering could also make it easier to align with available federal funding for integration into these programs in the future.

Lastly, a combined offering would enable simpler reporting of key metrics and expenditures to regulators.