



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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www.nj.gov/bpu/

DIVISION OF ENERGY
AND CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL)
UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS)
FOR AUTHORITY TO EXTEND THE TERM OF ENERGY)
EFFICIENCY PROGRAMS WITH CERTAIN)
MODIFICATIONS AND APPROVAL OF ASSOCIATED)
COST RECOVERY MECHANISM) ORDER APPROVING)
STIPULATION)
DOCKET NO. GO18070682)

Parties of Record:

Deborah M. Franco, Esq., Regulatory Affairs Counsel for Elizabethtown Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Elizabethtown Gas Company ("ETG" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), regarding the above-captioned matter.¹

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, the Global Warming Response Act P.L. 2007, c. 340 ("Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and

¹ In an Order dated June 22, 2018 issued in BPU Docket No. GM17121309, the Board approved, *inter alia*, the acquisition of Elizabethtown Gas, then a utility operating division of Pivotal Utility Holdings, Inc., by ETG Acquisition Corp., a wholly owned subsidiary of South Jersey Industries, Inc. The acquisition was consummated on July 1, 2018, and ETG Acquisition Corp. was renamed "Elizabethtown Gas Company."

conservation programs may be eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation program pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

By Order dated August 3, 2009 in Docket Nos. EO09010056 and GO09010060 the Board approved a stipulation authorizing ETG to administer six energy efficiency programs (collectively, "Original EE Program") for a seventeen-month period ending on December 31, 2010.² The total Original EE Program expenditures, including operating and maintenance ("O&M") expenses, were estimated to be \$14,673,100. The August 2009 Order also authorized ETG to recover costs associated with its Original EE Program through a rider ("EEP Rider") in ETG's tariff.

By Order dated January 19, 2011 in Docket Nos. GO10070466 and GO10100735, the Board approved a stipulation authorizing ETG to extend its Original EE Program for a one-year period ending on December 31, 2011.³ By Order dated November 30, 2011 in Docket No. GO11070399, the Board authorized ETG to continue the Company's Original EE Program through April 29, 2012.⁴

By Order dated April 11, 2012 in Docket No. GO11070399, the Board authorized ETG to continue three sub-programs of its Original EE Program:⁵

1. Residential Expanded Gas HVAC;
2. Small Commercial Customer Energy Efficiency Program; and
3. Large Commercial Energy Efficiency Program.

By Order dated August 21, 2013, in Docket No. GO12100946, the Board authorized ETG to extend the term of the following programs for a period of two years through September 1, 2015:⁶

1. Residential Expanded HVAC and Gas Hot Water Heater Incentive Program;
2. Commercial Customer Energy Efficiency Program; and
3. Customer Education and Outreach/Dashboard Program.

² In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Petition of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas Company for Approval of Energy Efficiency Program and a Regional Greenhouse Gas Initiative Cost Recovery Rider, BPU Docket Nos. EO09010056 and GO09010060, Order dated August 3, 2009 ("August 2009 Order").

³ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism and Deferral Accounting Treatment, BPU Docket Nos. GO10070466 and GO10100735, Order dated January 19, 2011.

⁴ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery, BPU Docket No. GO11070399, Order dated November 30, 2011.

⁵ In re the Petition of Pivotal Utility Holdings, Inc. D/B/A Elizabethtown Gas Company for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery, BPU Docket No. GO11070399, Order dated April 11, 2012.

⁶ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GO12100946, Order dated August 21, 2013 ("August 2013 Order").

By Order dated December 16, 2015, in Docket Nos. GO150150504 and GO12100946, the Board approved a stipulation authorizing ETG to extend the programs approved in the August 2013 Order through December 31, 2016.⁷

By Order dated April 21, 2017, the Board authorized the following programs ("EE Programs") through December 31, 2018 and approved recovery of the associated costs.⁸

1. Residential Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program;
2. Residential Home Energy Assessment Program;
3. Residential Home Energy Report ("OPOWER") Program;
4. Residential Home Weatherization for Income Qualified Customers Program; and
5. Commercial Steam Trap Survey and Repair Program.

The April 2017 Order extended the EE Programs through December 31, 2018 at a budget of \$3.8 million and approved recovery of the costs necessary to deliver these programs, including grants, incentives, incremental O&M expenses and carrying costs provided through its EEP Rider.

By Executive Order 29, Governor Murphy on May 23, 2018 ordered the Board and several executive branch agencies to begin work on a new Energy Master Plan ("EMP") that would contain several significant changes to prior State energy policy, as identified in the 2011 New Jersey EMP and 2015 Update to that EMP. On the same day, Governor Murphy also signed into law P.L. 2018 c. 17 ("Clean Energy Act"), which requires electric and gas public utilities in the state to reduce the use of electricity and natural gas in their service territories.

On June 29, 2018, the Company filed a petition, which was assigned BPU Docket No GO18070682, to extend the term of the EE Programs for one year, effective January 1, 2019 ("June 2018 Petition"). Following a review of the June 2018 Petition, Staff's determination of the petition as administratively complete, and discovery, the Parties executed a stipulation on January 11, 2019 providing for continuation of the EE Programs through February 29, 2020. By Order dated February 27, 2019, the Board authorized the Company to continue its existing energy efficiency programs through February 29, 2020 with an authorized budget of approximately \$3 million and to continue to recover costs through its existing EEP Rider G rate. The Board also directed the Company to conduct a comprehensive assessment of its energy efficiency programs by August 2019. Finally, the Board directed the Company to endeavor to modify any of its future energy efficiency programs to comply with the Clean Energy Act; changes in the New Jersey Clean Energy Program; and policy decisions made by the Board subsequent to February 2019 Order or based on program results.⁹

⁷ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket Nos. GO12100946 and GO15050504, Order dated December 16, 2015 ("December 2015 Order"). The December 2015 Order authorized ETG to continue the following programs: 1) Residential Expanded HVAC and Gas Hot Water Heater Incentive Program; 2) Commercial Customer Energy Efficiency Program; and 3) Dashboard Program.

⁸ In re the Petition of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GR16070618 and GO15050504, Order dated April 21, 2017 ("April 2017 Order").

⁹ In re the Petition of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GO18070682, Order dated February 27, 2019 ("February 2019 Order").

JANUARY 16, 2020 PETITION

On January 16, 2020, the Company filed a letter petition with the Board to (a) extend the term of the EE Programs on the same terms and conditions approved in the February 2019 Order in BPU Docket Number GO18070682; and (b) continue to recover EE Program costs through the EEP Rider rate reflected in Rider E of the Company's tariff ("Petition"). The Petition incorporated by reference the information submitted by the Company in its June 2018 Petition, in compliance with the minimum filing requirements ("MFRs") applicable to the EE Programs.¹⁰

STIPULATION

Following a review of the Petition; the Parties discussed the issues in this matter. Subsequently, on February 12, 2020, the Parties executed the Stipulation, which provides in relevant part for the following:¹¹

Effective Date

A. The Parties acknowledge that a Board Order approving this Stipulation will become effective in accordance with N.J.S.A. 48:2-40 or upon such date thereafter as the Board may specify, but no later than March 1, 2020, in a manner that enables Elizabethtown to continue its EE Programs without interruption.

Extension of EE Programs

B. Elizabethtown is authorized to offer the individual EE Programs described in Appendix A-1 from March 1, 2020 through June 30, 2020 at a total budget of approximately \$0.6 million of remaining funds as set forth in Appendix B-1, and as described in Appendix A-2 from July 1, 2020 through December 31, 2021, subject to an implementation of a new Elizabethtown EE Program with an earlier effective date, at a total budget of approximately \$4.2 million as set forth in Appendix B-2.

Cost Recovery Mechanism

C. The Company will continue to recover EE Program costs through its existing EEP Rider rate reflected in Rider E of the Company's tariff, which is attached to the Stipulation as Appendix C. The revenue requirement recovered through the EEP Rider rate will continue to be calculated to include a return on program investments and a return of the Company's investments through amortization of the program costs, as set forth in the February 2019 Order.

¹⁰ See In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in 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 – Minimum Filing Requirements, BPU Docket No. QO17091004, Order dated October 20, 2017.

¹¹ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the paragraphs of the Stipulation.

Rate Design

D. Rate recovery through the EEP Rider rate will continue, as set forth in the February 2019 Order, to be effectuated through the assessment of a non-bypassable volumetric surcharge on all customer service classes, except customers exempt from such charges by law, or specifically and expressly exempted from such charges under special contracts previously filed with and approved by the Board. Any new or existing large volume customer who participates in any EE Program will be subject to the EEP Rider rate.

Annual Filing

E. As is currently the case, the Company will file an annual petition ("Annual Filing") to adjust its EEP Rider rate on an annual basis, with copies provided to Board Staff and Rate Counsel with a proposed implementation of the revised EEP Rider rate in October of each year. Each Annual Filing will contain a reconciliation of the projected EEP Rider rate costs and recoveries and actual revenue requirements. As is currently the case, Elizabethtown will provide separate information for each approved program and extension.

Rate Impact

F. Since this agreement provides a continuation of Elizabethtown's current EE programs that are presently included in rates, there will be no additional impact to the annual bill of a typical residential heating customer using 1,000 therms.

Reporting

G. The Company will provide monthly reports ("Monthly Activity Reports") to Board Staff and Rate Counsel on EE Program activity and estimated impacts for each calendar month from the Board's approval of the program through December 31, 2021, or such other date resulting from the implementation of a new Elizabethtown EE Program with an earlier effective date. The Company will submit detailed data regarding the EE programs and expenses within thirty (30) days of the end of the calendar month covered by the report or consistent with the timing set by Board Staff. The Company will report, on a Quarterly basis: (i) the number of full-time equivalents that the Company hires to perform work associated with EE programs; (ii) the number of full-time equivalents that entities under contract with the Company hire to perform work with the EE programs; (iii) the number of EE program participants; and (iv) EE program expenditures and commitments; and (v) quarterly and cumulative EE program energy savings (calculated based on actual participants and deemed savings) along with the originally projected savings in the Petition.

Reporting Requirement for Residential Home Energy Report Program

H. Specific to the Residential Home Energy Report Program during the program period effective July 1, 2020 through December 31, 2021, the Company will continue to report on a quarterly basis: (i) projected and actual participation rates; (ii) nature of behavioral changes; (iii) baseline and actual energy savings; and (iv) all other metrics collected from the control group. The Company will issue a request for proposals to engage a new implementation vendor for the period July 1, 2020 through December

31, 2021, or such other date resulting from the implementation of a new Elizabethtown EE Program with an earlier effective date.

Transfer of Funds

I. Based on market response, spending on the aggregate EE programs or any of the individual programs may be accelerated and completed sooner than the proposed period. To provide flexibility to changing market conditions and customer demand, the Parties agree that the Company may transfer EE program funds between its sub-program components to maximize energy savings subject to certain conditions. The Company shall file with the Board, with a copy to Board Staff and Rate Counsel, a description of its proposed transfer of funds, including the rationale for such transfer. The Company may implement the proposed transfer if no objections are received from Board Staff or Rate Counsel within thirty (30) days.

DISCUSSION AND FINDINGS

As the Parties note in the Stipulation, the Board's stakeholder process on the Clean Energy Act is ongoing. Given the unique and limited circumstances of the Clean Energy Act and in anticipation of future Board guidance on utility programs under this Act, the Stipulation provides for the Company to extend its EE Programs in a manner that will enable the Company to continue offering these programs without interruption.

The EE Programs (as described in Stipulation Appendix A-1) will continue from March 1, 2020 through June 30, 2020 at a total budget of approximately \$0.6 million in remaining funds (as set forth in Stipulation Appendix B-1). From July 1, 2020 through December 31, 2021, the EE Programs (as described in Appendix A-2) would continue on the same terms and conditions approved by the Board's February 2019 Order at a total budget of approximately \$4.2 million (as set forth in Stipulation Appendix B-2), subject to implementation of new Elizabethtown EE Programs with an earlier effective date.

The Stipulation provides that the Company will continue to recover EE Program costs through its existing EEP Rider rate reflected in Rider E of the Company's tariff (Stipulation Appendix C) under the same terms approved in the February 2019 Order.

As noted in previous Orders, much has changed since the Board initially approved ETG's EE Programs in August 2009. The Board's commitment to the principles stated in the August 2009 Order, however, has not changed. Energy efficiency investments, if properly implemented, serve to help the State meet its energy and environmental goals, serve the need to provide jobs in the short term, and enhance the State's competitiveness, business climate, and economic prospects in the long term. ETG has been able to build on its relationships with customers to help those customers improve the energy efficiency of existing residential and commercial buildings, and, by proposing the extension of the EE Programs, the Company shows that it is committed to continuing that effort. The Board **FINDS** that ETG's EE Programs have assisted in achieving the State's energy efficiency goals. While the Board remains committed to these principles stated in the August 2009 Order, it is equally committed to achieving the State's goals in a cost effective and efficient manner.

The Board has carefully reviewed the Stipulation and **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its

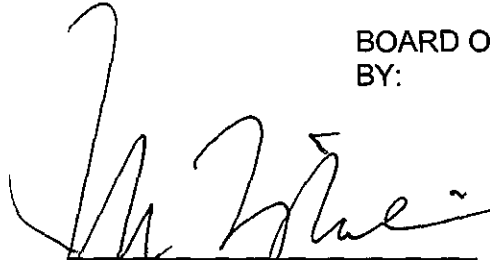
terms and conditions as though fully stated herein. There will be no change to the EE rate or impact on customer bills as a result of the Stipulation. Pursuant to Board-approved Rider E, ETG shall submit annual filings for changes to the EE rate.

The Company's rates and costs, including EE Program costs, remain subject to audit. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of such audit.

The effective date of this Order is February 29, 2020.

DATED: 2/19/20

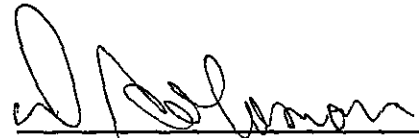
BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARYANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
FOR AUTHORITY TO EXTEND THE TERM OF ENERGY EFFICIENCY PROGRAMS WITH
CERTAIN MODIFICATIONS AND APPROVAL OF ASSOCIATED COST RECOVERY
MECHANISM

DOCKET NO. GO18070682

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February 13, 2020

VIA UNITED PARCEL SERVICE & ELECTRONIC MAIL

Aida Camacho-Welch, Secretary New Jersey
Board of Public Utilities
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**Re: In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
for Authority to Extend the Term of Energy Efficiency Programs with Certain
Modifications and Approval of Associated Cost Recovery Mechanism
BPU Docket No. GO18070682**

Dear Secretary Camacho-Welch:

Enclosed is a copy of the Stipulation filed in the above-referenced proceeding on February 12, 2020 which now includes clean versions of Appendices A-1 and A-2.

Please direct any inquiries to the undersigned. Thank you for your consideration.

Respectfully yours,

Deborah M. Franco

cc: Service List (electronic only)

**IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. d/b/a
ELIZABETHTOWN GAS FOR AUTHORITY TO EXTEND THE TERM OF ENERGY EFFICIENCY
PROGRAMS AND APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
BPU DOCKET NO. GO18070682**

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**IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. d/b/a
ELIZABETHTOWN GAS FOR AUTHORITY TO EXTEND THE TERM OF ENERGY EFFICIENCY
PROGRAMS AND APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
BPU DOCKET NO. GO18070682**

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

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In the Matter of the Petition of Pivotal Utility : :
Holdings, Inc. d/b/a Elizabethtown Gas for : :
Authority to Extend the Term of Energy : :
Efficiency Programs with Certain Modifications : :
and Approval of Associated Cost Recovery : :
Mechanism : :
-----: :
BPU Docket No. GO18070682
FINAL STIPULATION

APPEARANCES:

Deborah M. Franco, Esq., Director, Regulatory Affairs Counsel, Elizabethtown Gas Company

Brian O. Lipman, Esq., Litigation Manager, **Felicia Thomas-Friel, Esq.**, Managing Attorney Gas, **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

BACKGROUND

1. On January 16, 2020, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a Letter Petition (“January 16 Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket Nos. GR19070872 and GO18070682 to a) extend the term of its currently effective Energy Efficiency (“EE”) Programs on the same terms and conditions approved by the Board’s February 27, 2019 Order (“February 27 Order”) in BPU Docket No. GO18070682; and (b) continue to recover EE Program costs through the Energy Efficiency Program (“EEP”) Rider rate reflected in Rider E of the Company’s tariff.

2. Elizabethtown’s currently effective EE Programs, as approved by the February 27 Order and made available to Elizabethtown’s customers pursuant to N.J.S.A. 48:3-98.1, consist of the following:

- (i) Residential Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program;
- (ii) Residential Home Energy Assessment Program;
- (iii) Residential Home Energy Report ("Opower") Program;
- (iv) Residential Home Weatherization for Income Qualified Customers Program; and
- (v) Commercial Steam Trap Survey and Repair Program.

3. These programs were approved by the February 27 Order as a result of a June 29, 2018 Petition ("June 2018 Petition") that contained information responsive to the minimum filing requirements ("MFRs") contained in the Board's May 8, 2008 Order in BPU Docket No. EO08030164, as updated in the Board's October 20, 2017 Order in BPU Docket No. QO17091004. The MFR information reflected in the June 2018 Petition was incorporated into the January 16 Petition by reference, and since the January 16 Petition is filed under BPU Docket No. GO18070682 with the same MFRs, this matter was previously deemed administratively complete by the Board on July 31, 2018. The February 27 Order authorized Elizabethtown to offer its currently effective EE Programs through February 29, 2020 at a total budget of approximately \$3 million.

4. In accordance with the February 27 Order, Elizabethtown conducted an assessment of its energy efficiency programs, which was provided to Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel") by letter dated August 22, 2019 ("Assessment"). The Assessment, attached as Appendix B to the January 16 Petition, provided information on Elizabethtown's EE programs, including analysis on the cost benefit of the program and the program's effects on energy reduction, bill savings, and environmental benefits associated with

emissions reductions. The Assessment will be used to inform Elizabethtown's future EE programs, which it will propose before the Board.

5. The recently enacted New Jersey Clean Energy Act of 2018 ("Clean Energy Act" or "the Act"), *inter alia*, requires each utility to implement energy efficiency measures to reduce energy consumption, including a reduction of natural gas usage by 0.75% (*see* N.J.S.A. 48:3-87.9).¹ The Board initiated a stakeholder process through which the Board can receive comments and recommendations from interested parties regarding the implementation of the CEA's provisions.² The stakeholder process is ongoing, with a meeting scheduled as late as February 4, 2020.³ As part of that process, it is anticipated that the Board will issue an order in the Spring of 2020 directing utilities to file new energy efficiency programs in the late Summer or early Fall of 2020 with a proposed effective date in the Summer of 2021.⁴ Given these unique and limited circumstances, and in anticipation of future Board guidance on utility programs under the CEA, Elizabethtown, Board Staff, and Rate Counsel (collectively, "Parties") agree to extend Elizabethtown's EE programs for the bridge period described below in this Stipulation on the same terms and conditions approved by the February 27 Order.

6. The Parties have resolved all issues in this proceeding in accordance with the stipulation of settlement ("Stipulation") set forth below.

¹ P.L. 2018, c. 17.

² I/M/O the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and Energy Usage Reduction Targets and Quantitative Performance Indicators, BPU Dkt. Nos. QO19010040 and QO19050536, Order dated May 28, 2019.

³ *See* Board Staff's Notice titled "New Jersey Energy Efficiency Transition Stakeholder Meeting – Utility Targets," dated January 27, 2020.

⁴ *See* Board Staff's Notice titled "New Jersey Energy Efficiency Transition Staff Stakeholder Notice," dated September 13, 2019, p. 4.

STIPULATED MATTERS

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

Effective Date

A. The Parties acknowledge that a Board Order approving this Stipulation will become effective in accordance with N.J.S.A. 48:2-40 or upon such date thereafter as the Board may specify, but no later than March 1, 2020, in a manner that enables Elizabethtown to continue its EE Programs without interruption.

Extension of EE Programs

B. Elizabethtown is authorized to offer the individual EE Programs described in Appendix A-1 from March 1, 2020 through June 30, 2020 at a total budget of approximately \$0.6 million of remaining funds as set forth in Appendix B-1, and as described in Appendix A-2 from July 1, 2020 through December 31, 2021, subject to an implementation of a new Elizabethtown EE Program with an earlier effective date, at a total budget of approximately \$4.2 million as set forth in Appendix B-2.

Cost Recovery Mechanism

C. The Company will continue to recover EE Program costs through its existing EEP Rider rate reflected in Rider E of the Company's tariff, which is attached hereto as Appendix C. The revenue requirement recovered through the EEP Rider rate will continue to be calculated to include a return on program investments and a return of the Company's investments through amortization of the program costs, as set forth in the February 27 Order.

Rate Design

D. Rate recovery through the EEP Rider rate will continue, as set forth in the February 27 Order, to be effectuated through the assessment of a non-bypassable volumetric surcharge on all customer service classes, except customers exempt from such charges by law, or specifically and expressly exempted from such charges under special contracts previously filed with and approved by the Board. Any new or existing large volume customer who participates in any EE Program will be subject to the EEP Rider rate.

Annual Filing

E. As is currently the case, the Company will file an annual petition ("Annual Filing") to adjust its EEP Rider rate on an annual basis, with copies provided to Board Staff and Rate Counsel with a proposed implementation of the revised EEP Rider rate in October of each year. Each Annual Filing will contain a reconciliation of the projected EEP Rider rate costs and recoveries and actual revenue requirements. As is currently the case, Elizabethtown will provide separate information for each approved program and extension.

Rate Impact

F. Since this agreement provides a continuation of Elizabethtown's current EE programs that are presently included in rates, there will be no additional impact to the annual bill of a typical residential heating customer using 1,000 therms.

Reporting

G. The Company will provide monthly reports ("Monthly Activity Reports") to Board Staff and Rate Counsel on EE Program activity and estimated impacts for each calendar month from the Board's approval of the program through December 31, 2021, or such other date resulting from the implementation of a new Elizabethtown EE Program with an earlier effective date. The

Company will submit detailed data regarding the EE programs and expenses within thirty (30) days of the end of the calendar month covered by the report or consistent with the timing set by Board Staff. The Company will report, on a Quarterly basis: (i) the number of full-time equivalents that the Company hires to perform work associated with EE programs; (ii) the number of full-time equivalents that entities under contract with the Company hire to perform work with the EE programs; (iii) the number of EE program participants; and (iv) EE program expenditures and commitments; and (v) quarterly and cumulative EE program energy savings (calculated based on actual participants and deemed savings) along with the originally projected savings in the Petition.

Reporting Requirement for Residential Home Energy Report Program

H. Specific to the Residential Home Energy Report Program during the program period effective July 1, 2020 through December 31, 2021, the Company will continue to report on a quarterly basis: (i) projected and actual participation rates; (ii) nature of behavioral changes; (iii) baseline and actual energy savings; and (iv) all other metrics collected from the control group. The Company will issue a request for proposals to engage a new implementation vendor for the period July 1, 2020 through December 31, 2021, or such other date resulting from the implementation of a new Elizabethtown EE Program with an earlier effective date.

Transfer of Funds

I. Based on market response, spending on the aggregate EE programs or any of the individual programs may be accelerated and completed sooner than the proposed period. To provide flexibility to changing market conditions and customer demand, the Parties agree that the Company may transfer EE program funds between its sub-program components to maximize energy savings subject to certain conditions. The Company shall file with the Board, with a copy to Board Staff and Rate Counsel, a description of its proposed transfer of funds, including the

rationale for such transfer. The Company may implement the proposed transfer if no objections are received from Board Staff or Rate Counsel within thirty (30) days.

All Issues Resolved

J. Upon the Board's approval of this Stipulation, all issues related to the extension of Elizabethtown's EEP program as outlined herein are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

Entirety of Stipulation

K. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

Binding Effect

L. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

General Reservation

M. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

ELIZABETHTOWN GAS COMPANY

**STEFANIE A. BRAND
DIRECTOR, DIVISION OF
RATE COUNSEL**

By: Deborah M. Franco
Deborah M. Franco
Director, Regulatory Affairs Counsel

By: Maura Caroselli
Maura Caroselli, Esq.
Assistant Deputy Rate Counsel

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: Matko Ilic
Matko Ilic
Deputy Attorney General

Dated: February 2, 2020

G018070682

Elizabethtown Gas Residential HVAC and Gas Hot Water Heater Incentive Program

Description Of Program

This program is designed to enhance the existing New Jersey Clean Energy Program ("NJCEP") gas HVAC and hot water heater incentive program by supplementing the incentives offered through NJCEP. The name of the NJCEP program being supplemented by this Elizabethtown Gas (ETG) Program is WARMADVANTAGE.

This program will be available to all residential customers as follows:

Customers will be informed via outreach opportunities of the energy efficiency offerings of both the NJCEP and ETG's Energy Efficiency Program.

If qualifying energy efficient units are installed, ETG will supplement the NJCEP incentive in an amount of \$250 for gas furnaces and \$300 for gas boilers.

ETG will supplement the NJCEP incentive in an amount \$100 for the installation of an energy efficient gas hot water heater, including power vented gas hot water heaters.

In no event will the combined NJCEP and ETG incentive exceed the total project cost.

The specific types of equipment that qualify for incentives under this program are as follows:

Gas Fired Boilers

Gas Boiler – Hydronic AFUE* 90% or greater

Gas Furnaces

Tier 1 – AFUE 95% or greater

Tier 2 - AFUE 97% or greater

Gas Water Heater

Tankless (On Demand) - <2 gallons & UEF** 0.90 or greater

Tank (Power Vented) - ≤55 gallons & UEF 0.64 or greater or >55 gallons, UEF 0.85 or greater

*AFUE (Annual Fuel Utilization Efficiency)

** UEF (Uniform energy Factor)

***TE (Thermal Efficiency)

Only those customers who are in good standing and subject to the EEP surcharge are eligible to participate in and receive the incentives associated with this program.

The equipment standards reflected in this program description track the standards utilized by the NJCEP. To the extent these standards are modified by NJCEP during the term of the program, the ETG equipment standard will reflect such modified standard.

Elizabethtown Gas Residential HVAC and Gas Hot Water Heater Rebate Incentive Program

Summary of Program Description As Set Forth Above:

		ETG Rebates	NJCEP Rebates	Total
HEATING	Furnace – Tier 1 AFUE* 95% or greater	\$250	\$250	\$500
	Furnace – Tier 2 AFUE 97% or greater	\$250	\$500	\$750
	Boiler – Hydronic* AFUE 90% or greater <i>Steam boilers do not qualify for rebate</i>	\$300	\$300	\$600
WATER HEATING	Tankless, On-Demand Water Heater <2 gallons & Uniform Energy Factor –UEF 0.90, or greater	\$100	\$300	\$400
	Tank, Power-Vented Water Heater <55 gallons & UEF 0.64, or greater <i>OR</i> >55 gallons and UEF 0.85, or greater	\$100	\$300	\$400
COMBINATIONS	Furnace and Water Heater Combination (1) Qualifying Tier 1 gas furnace and a qualifying water heater above	\$350	\$700	\$1,050
	(2) Qualifying Tier 2 gas furnace and a qualifying water heater above	\$350	\$950	\$1,300
	Boiler and Water Heater Combination • Combi-boiler – an integrated unit, combining a water heater and a qualifying boiler (above) • Qualifying stand-alone water heater (above) AND a qualifying boiler (above) • Indirect water heater attached to a qualifying boiler (above)	\$400	\$700	\$1,100

The NJCEP incentives may be subject to change. The change in an NJCEP incentive level will not impact the ETG incentive level, but may impact the total grant amount.

Participation in this program does not require an energy audit, however ETG will refer participants to the ETG Home Energy Assessment Program and the NJCEP Home Performance with Energy Star (“HPwES”) Program in order to promote a whole house solutions approach to energy efficiency.

Elizabethtown Gas Residential HVAC and Gas Hot Water Heater Rebate Incentive Program

Delivery Method
HVAC installation and/or quality control work will be performed by trained heating, home improvement and energy service providers, including contractors providing such services for the NJCEP.
Estimated 4-Month Program Participants (March 1, 2020 – June 30, 2020)
Total: 934 Participants
141 Participants (HVAC – Furnaces & Boilers); 35 Participants monthly 34 Participants (Hot Water Heaters); 8 Participants monthly 21 Participants (Boiler / Water Heater combination)/ 5 Participants monthly 8 Participants (Furnace / Water Heater combination) / 2 Participant monly
4-Month Budget Information (March 1, 2020 – June 30, 2020)
Total Rebates: \$72,000 Averages \$18,000 per month
Total Rebate Processing: \$600 Averages \$150 per month

Elizabethtown Gas Residential Home Energy Assessment Program

Description Of Program

Elizabethtown Gas' Home Energy Assessment Program is available to all residential customers and provides a 75-minute home energy assessment, free direct installs and educational information on additional energy-saving measures and activities. A customized report provides details on specific measures the homeowner can take to reduce their energy consumption.

The incentive for this program covers 100% of the assessment fee. Although not mandatory, customers who apply for a rebate will be referred to this program as an additional incentive.

Direct install energy-saving measures and activities include:

- Programmable or smart thermostat, if needed
- Thermostat education
- Faucet aerators
- Low-flow shower heads
- Water heater pipe wrap insulation
- Water heater setback

The assessor will evaluate the age and functionality of gas-related energy consuming equipment within the home and provide the customer with details on eligible rebates the customer can receive as a result of upgrading their furnace, boiler or hot water heater. Rebates are available from both the NJ Clean Energy Warm Advantage Program and the Elizabethtown Gas Energy Efficiency Program.

If needed, assessors will recommend additional measures for air sealing & insulation. An implementation contractor will qualify a select group of contractors to provide air sealing and insulation services. These contractors will receive an incentive for which they can provide customers an "instant rebate" on the work completed. The on-site assessor will provide a listing of the pre-qualified contractors to the customer. Incentives include:

- Air Sealing \$250-\$500/unit (average \$375/unit)
- Duct Sealing \$350/unit
- Attic Insulation r5-r38 \$600/unit
- Attic Insulation r11-r38 \$520/unit
- Attic Insulation r19-r38 \$400/unit
- Attic Knee Wall Insulation \$250/unit
- Wall Insulation \$200/unit
- Basement Sidewall Insulation \$300/unit

Assessors will focus on the "whole-house" approach and if needed, will recommend the NJCEP's Home Performance with Energy Star (HPwES) Program.

Elizabethtown Gas will contract with a third-party vendor to schedule and perform the home energy assessment and to provide quality assurance.

Elizabethtown Gas Residential Home Energy Assessment Program

The Elizabethtown Gas Home Energy Assessment is similar to Home Energy Assessments offered by New Jersey Natural Gas and South Jersey Gas. Key differences include:

- Not required to receive a rebate – Required by NJNG and SJG

Delivery Method

Home Energy Assessment services is provided by a third party vendor . This includes the scheduling of appointments, answering of inquiries and quality control. In addition, the third party vendor will provide technology for booking and tracking of appointments and work performed.

Estimated 4-Month Program Participants (March 1, 2020 – June 30, 2020)

244 Home Energy Assessment Participants, 61 per month

4-Month Budget Information (March 1, 2020 – June 30, 2020)

\$88,874 Total, \$22,218.43 per month

\$0.00 Total, \$0.00 per month – Administrative Fees

Elizabethtown Gas Residential Home Energy Report Program

Description Of Program

Elizabethtown Gas (ETG) will provide a sample population of residential customers with Home Energy Reports that compare energy usage against that of similar sized homes. Home Energy Reports are user-friendly, detailed, and informative messages that provide personalized information to customers about their natural gas energy usage and easy to follow tips that can quickly lead to energy savings.

The Home Energy Reports have proven results in influencing customer behavior in the reduction of energy usage and is a means to leverage customer participation in other energy efficiency programs offered by both ETG and the New Jersey Clean Energy Program (NJCEP).

At the heart of each report is a “neighborhood comparison,” or “similar homes comparison” that compares a participating customer’s energy use against that of similar sized homes, so they have meaningful context regarding their overall energy consumption. Comparisons are based on “like” homes and excludes homes that are not the same home type, use a different heating fuel, are not of similar size, are far away, or are vacant. Customers in the test group are provided with an energy efficiency score that are calculated through comparisons with these neighbors.

Energy consumption is monitored for the test group and is measured against a control group who do not receive the reports. The use of test and control groups has proven to be highly successful Worldwide in reducing customer energy usage, cost-effectively through information, education, and also by increasing customer participation rates in other energy efficiency programs.

Participating customers are also given the opportunity to access a customized portal, where they can change profile information, track energy usage, access tips, find out more about our other energy-saving programs and learn about rebate opportunities.

All ETG customers have access to and are encouraged to use an Online Home Energy Audit. This interactive tool provides suggestions on how to improve home energy usage. Customers enter specifics about their home and the tool determines where the most energy is being utilized and recommends ways to reduce energy usage.

In addition, a dedicated call center phone number is provided on all reports, where participating customers can ask questions or opt out of the program at any time.

Proven results for the Home Energy Report offering show a 60% participation lift in energy efficiency programs and a 5% increase in customer satisfaction. In addition, New Jersey Natural Gas has utilized Home Energy Reports since 2010 claiming successful results and South Jersey Gas successfully launched this offering in 2015.

The Home Energy Reports and Online Energy Audits recommend other programs to customers such as the ETG Home Energy Assessment & the NJCEP Home Performance with Energy Star Program.

Elizabethtown Residential Gas Home Energy Report Program

Delivery Method

The Home Energy Reports and Online Energy Audits are provided by a third party vendor, who specializes in behavioral science, data analytics, and user-centric software design.

Estimated 4-Month Program Participants (March 1, 2020 – June 30, 2020)

155,000 Residential Customers in the Test Group / 25,000 Residential Customers in the Control Group

4-Month Budget Information (March 1, 2020 – June 30, 2020)

Program Costs:

Total: \$0.00

*There will be \$6,500 in HER program funding during the extension period to cover the remaining vendor call center support expenses. HER Program will not be offered during the extension period.

Elizabethtown Gas Residential Home Weatherization for Income Qualified Customers Program

Description Of Program

This program is an energy saving and energy education program provided to those residential customers with low to moderate income who based on household salary, would not qualify for the Comfort Partners Program.

Participants of this program are provided with a free Home Energy Assessment, as well as energy-saving information and weatherization measures. A certified contractor will evaluate the home's energy efficiency, provide comprehensive, personalized information that educates customers on their energy usage and educates them on how to save energy daily. If eligible, participants will also be provided with systems testing and the direct install of energy-saving measures (determined on a home-specific basis) which can include:

- A programmable or smart thermostat
- Thermostat education
- Faucet aerators
- Low-flow shower heads
- Pipe wrap insulation
- Air sealing
- Insulation
- Efficient lighting products
- Heating/cooling equipment maintenance
- Combustion safety testing

The maximum approved measures cannot exceed \$6000 per home. *Note: Any exceptions made to rectify safety issues *must* have pre-approval from ETG Program Manager prior to completing the project.*

Comfort Partners qualification level includes household income that falls in the category of up to 250% over the Federal Income Poverty Level. The Home Weatherization for Income Qualified Customers Program qualification includes household income that falls in the category of over 250% up to 400% over the Federal Income Poverty Level for the number of family members living in the home. *The Federal Income Poverty Level is updated yearly and Elizabethtown Gas will update our requirements to show the appropriate income levels with each update.*

Gas appliance replacement will be provided to those participants who fail safety testing who are unable to purchase the replacement product on their own. Approved energy efficient gas appliances only will be installed by qualified technicians provided by the program.

Other requirements:

- The customer must also use the home as a primary residence and be the ratepayer of record with the electric or gas utility.
- The customer must be a Residential-Heat Elizabethtown Gas customer to qualify for this program.

Elizabethtown Residential Gas Home Weatherization for Qualifying Customers Program

Delivery Method
Elizabethtown Gas will continue to partner with GreenLife Energy Solutions to provide this offering to the Company's qualified residential customers. GreenLife Energy Solutions will provide all in-home work and will also provide income verification, set-up appointments, perform quality control and provide a phone contact for customer inquiries.
Estimated 4-Month Program Participants (March 1, 2020 – June 30, 2020)
Total: 30 (approximately 7 per month)
4-Month Budget Information (March 1, 2020 – June 30, 2020)
Total Program Costs: \$201,812, approximately \$50,452.88 per month
Total Program Administrative Fees: \$20,181 approximately \$5,045.29per month

Elizabethtown Gas Commercial Steam Trap Survey and Repair Program

Description Of Program

Steam trap surveys test and document the operational status of steam traps, utilizing both ultrasound and temperature differentials. In steam systems that have not been maintained for 3 to 5 years, between 15% to 30% of the installed steam traps fail allowing live steam to escape into the condensate return system. In systems with a regularly scheduled maintenance program, leaking traps should account for less than 5% of the trap population.

Customers eligible for this program are hospitals, municipalities and schools. The goal of this program is to incorporate a steam trap survey and repair cycle to hospitals, municipalities, and/or schools, who use steam heating to ensure their leaking traps account for no more than 5% of the total number of traps.

A goal of the program is to change the equipment maintenance behavior of hospitals, municipalities and schools such that these customers will continue with regular maintenance regardless of whether incentives are available. Toward this end, customers will be advised that regular maintenance has the potential to provide consistent therm savings and significantly reduce the cost for future repairs.

A surveyor completes a comprehensive survey and provides a detailed steam-trap functionality report. Survey documentation details a complete trap inventory including location, type, and application engineering. Survey reports also include a full economic analysis (return on investment) and recommendations for overall system improvements. The goal of the report is to document recommendations aimed at improving energy/emission losses, steam generation and distribution, engineering practices/correct applications, health and safety, and heat recovery/return of condensate.

Qualified and fully experienced technicians will repair or replace the defective steam traps as required. Since this program places the building on a yearly maintenance cycle, each year the building is surveyed and repairs are made. It is the cycle of maintenance that reduces the number of failing steam traps yearly, ensuring that ultimately no more than 5% of the trap population fail.

Incentives include:

- Incentive covers 50% of survey costs
- Incentive pays \$0.50 per therm saved up to 50% of the total service, repair or replacement costs

Incentives are paid for both the survey costs and total project costs once the project is completed.

Note: The project must include a natural gas boiler system to be eligible for this project.

Elizabethtown Gas will work with the company performing the surveys to identify and recommend hospitals, municipalities, schools, etc.

Elizabethtown Gas Commercial Steam Trap Survey and Repair Program

Delivery Method

Steam trap surveys and the repair/replacement of steam traps will be performed by independent, licensed steam trap repair companies. The eligible company must provide Elizabethtown Gas with a detailed breakdown of the work to be performed in order for approval to be granted.

Their independence gives them the ability to perform unbiased surveys and recommend the optimum solution for our customers regardless of the manufacturer.

Estimated 4-Month Program Participants (March 1, 2020 – June 30, 2020)

Anticipating approximately 2 hospitals, 0 municipality buildings and 10 schools.

4-Month Budget Information (March 1, 2020 – June 30, 2020)

Total: \$60,997

Elizabethtown Gas Residential HVAC and Gas Hot Water Heater Incentive Program

Description Of Program

This program is designed to enhance the existing New Jersey Clean Energy Program ("NJCEP") gas HVAC and hot water heater incentive program by supplementing the incentives offered through NJCEP. The name of the NJCEP program being supplemented by this Elizabethtown Gas (ETG) Program is WARMADVANTAGE.

This program will be available to all residential customers as follows:

Customers will be informed via outreach opportunities of the energy efficiency offerings of both the NJCEP and ETG's Energy Efficiency Program.

If qualifying energy efficient units are installed, ETG will supplement the NJCEP incentive in an amount of \$250 for gas furnaces and \$300 for gas boilers.

ETG will supplement the NJCEP incentive in an amount \$100 for the installation of an energy efficient gas hot water heater, including power vented gas hot water heaters.

In no event will the combined NJCEP and ETG incentive exceed the total project cost.

The specific types of equipment that qualify for incentives under this program are as follows:

Gas Fired Boilers

Gas Boiler – Hydronic AFUE* 90% or greater

Gas Furnaces

Tier 1 – AFUE 95% or greater

Tier 2 - AFUE 97% or greater

Gas Water Heater

Tankless (On Demand) - <2 gallons & UEF** 0.90 or greater

Tank (Power Vented) - ≤55 gallons & UEF 0.64 or greater or >55 gallons, UEF 0.85 or greater

*AFUE (Annual Fuel Utilization Efficiency)

** UEF (Uniform energy Factor)

***TE (Thermal Efficiency)

Only those customers who are in good standing and subject to the EEP surcharge are eligible to participate in and receive the incentives associated with this program.

The equipment standards reflected in this program description track the standards utilized by the NJCEP. To the extent these standards are modified by NJCEP during the term of the program, the ETG equipment standard will reflect such modified standard.

Elizabethtown Gas Residential HVAC and Gas Hot Water Heater Rebate Incentive Program

Summary of Program Description As Set Forth Above:

		ETG Rebates	NJCEP Rebates	Total
HEATING	Furnace – Tier 1 AFUE* 95% or greater	\$250	\$250	\$500
	Furnace – Tier 2 AFUE 97% or greater	\$250	\$500	\$750
	Boiler – Hydronic* AFUE 90% or greater <i>Steam boilers do not qualify for rebate</i>	\$300	\$300	\$600
WATER HEATING	Tankless, On-Demand Water Heater <2 gallons & Uniform Energy Factor –UEF 0.90, or greater	\$100	\$300	\$400
	Tank, Power-Vented Water Heater <55 gallons & UEF 0.64, or greater <i>OR</i> >55 gallons and UEF 0.85, or greater	\$100	\$300	\$400
COMBINATIONS	Furnace and Water Heater Combination (1) Qualifying Tier 1 gas furnace and a qualifying water heater above	\$350	\$700	\$1,050
	(2) Qualifying Tier 2 gas furnace and a qualifying water heater above	\$350	\$950	\$1,300
	Boiler and Water Heater Combination • Combi-boiler – an integrated unit, combining a water heater and a qualifying boiler (above) • Qualifying stand-alone water heater (above) AND a qualifying boiler (above) • Indirect water heater attached to a qualifying boiler (above)	\$400	\$700	\$1,100

The NJCEP incentives may be subject to change. The change in an NJCEP incentive level will not impact the ETG incentive level, but may impact the total grant amount.

Participation in this program does not require an energy audit, however ETG will refer participants to the ETG Home Energy Assessment Program and the NJCEP Home Performance with Energy Star (“HPwES”) Program in order to promote a whole house solutions approach to energy efficiency.

Elizabethtown Gas Residential HVAC and Gas Hot Water Heater Rebate Incentive Program

Delivery Method
HVAC installation and/or quality control work will be performed by trained heating, home improvement and energy service providers, including contractors providing such services for the NJCEP.
18 -Month Program Participants (July 1, 2020 - December 31, 2021)
Total: 934 Participants
1,043 Participants (HVAC – Furnaces & Boilers); 61 Participants monthly 191 Participants (Hot Water Heaters); 11 Participants monthly 76 Participants (Boiler / Water Heater combination)/ 4 Participants monthly 26 Participants (Furnace / Water Heater combination) / 1 Participant monthly
18-Month Budget Information (July 1, 2020 - December 31, 2021)
Total Rebates: \$330,885 Averages \$18,382.50 per month
Total Rebate Processing: \$13,680 Averages \$760 per month

Elizabethtown Gas Residential Home Energy Assessment Program

Description Of Program

Elizabethtown Gas' Home Energy Assessment Program is available to all residential customers and provides a 75-minute home energy assessment, free direct installs and educational information on additional energy-saving measures and activities. A customized report provides details on specific measures the homeowner can take to reduce their energy consumption.

The incentive for this program covers 100% of the assessment fee. Although not mandatory, customers who apply for a rebate will be referred to this program as an additional incentive.

Direct install energy-saving measures and activities include:

- Programmable or smart thermostat, if needed
- Thermostat education
- Faucet aerators
- Low-flow shower heads
- Water heater pipe wrap insulation
- Water heater setback

The assessor will evaluate the age and functionality of gas-related energy consuming equipment within the home and provide the customer with details on eligible rebates the customer can receive as a result of upgrading their furnace, boiler or hot water heater. Rebates are available from both the NJ Clean Energy Warm Advantage Program and the Elizabethtown Gas Energy Efficiency Program.

If needed, assessors will recommend additional measures for air sealing & insulation. An implementation contractor will qualify a select group of contractors to provide air sealing and insulation services. These contractors will receive an incentive for which they can provide customers an "instant rebate" on the work completed. The on-site assessor will provide a listing of the pre-qualified contractors to the customer. Incentives include:

- Air Sealing \$250-\$500/unit (average \$375/unit)
- Duct Sealing \$350/unit
- Attic Insulation r5-r38 \$600/unit
- Attic Insulation r11-r38 \$520/unit
- Attic Insulation r19-r38 \$400/unit
- Attic Knee Wall Insulation \$250/unit
- Wall Insulation \$200/unit
- Basement Sidewall Insulation \$300/unit

Assessors will focus on the "whole-house" approach and if needed, will recommend the NJCEP's Home Performance with Energy Star (HPwES) Program.

Elizabethtown Gas will contract with a third-party vendor to schedule and perform the home energy assessment and to provide quality assurance.

Elizabethtown Gas Residential Home Energy Assessment Program

The Elizabethtown Gas Home Energy Assessment is similar to Home Energy Assessments offered by New Jersey Natural Gas and South Jersey Gas. Key differences include:

- Not required to receive a rebate – Required by NJNG and SJG

Delivery Method

Home Energy Assessment services is provided by a third party vendor . This includes the scheduling of appointments, answering of inquiries and quality control. In addition, the third party vendor will provide technology for booking and tracking of appointments and work performed.

18 -Month Program Participants (July 1, 2020 – December 31, 2021)

1,071 Home Energy Assessment Participants, 64 per month

18-Month Budget Information (July 1, 2020 - December 31, 2021)

\$418,500 Total, \$23,250.00 per month
\$216,000 Total, \$12,000 per month – Administrative Fees

Elizabethtown Gas Residential Home Energy Report Program

Description Of Program

Elizabethtown Gas (ETG) will provide a sample population of residential customers with Home Energy Reports that compare energy usage against that of similar sized homes. Home Energy Reports are user-friendly, detailed, and informative messages that provide personalized information to customers about their natural gas energy usage and easy to follow tips that can quickly lead to energy savings.

The Home Energy Reports have proven results in influencing customer behavior in the reduction of energy usage and is a means to leverage customer participation in other energy efficiency programs offered by both ETG and the New Jersey Clean Energy Program (NJCEP).

At the heart of each report is a “neighborhood comparison,” or “similar homes comparison” that compares a participating customer’s energy use against that of similar sized homes, so they have meaningful context regarding their overall energy consumption. Comparisons are based on “like” homes and excludes homes that are not the same home type, use a different heating fuel, are not of similar size, are far away, or are vacant. Customers in the test group are provided with an energy efficiency score that are calculated through comparisons with these neighbors.

Energy consumption is monitored for the test group and is measured against a control group who do not receive the reports. The use of test and control groups has proven to be highly successful Worldwide in reducing customer energy usage, cost-effectively through information, education, and also by increasing customer participation rates in other energy efficiency programs.

Participating customers are also given the opportunity to access a customized portal, where they can change profile information, track energy usage, access tips, find out more about our other energy-saving programs and learn about rebate opportunities.

All ETG customers have access to and are encouraged to use an Online Home Energy Audit. This interactive tool provides suggestions on how to improve home energy usage. Customers enter specifics about their home and the tool determines where the most energy is being utilized and recommends ways to reduce energy usage.

In addition, a dedicated call center phone number is provided on all reports, where participating customers can ask questions or opt out of the program at any time.

Proven results for the Home Energy Report offering show a 60% participation lift in energy efficiency programs and a 5% increase in customer satisfaction. In addition, New Jersey Natural Gas has utilized Home Energy Reports since 2010 claiming successful results and South Jersey Gas successfully launched this offering in 2015.

The Home Energy Reports and Online Energy Audits recommend other programs to customers such as the ETG Home Energy Assessment & the NJCEP Home Performance with Energy Star Program.

Elizabethtown Residential Gas Home Energy Report Program

Delivery Method

The Home Energy Reports and Online Energy Audits are provided by a third party vendor, who specializes in behavioral science, data analytics, and user-centric software design.

18 -Month Program Participants (July 1, 2020 – December 31, 2021)

155,000 Residential Customers in the Test Group / 25,000 Residential Customers in the Control Group

18-Month Budget Information (July 1, 2020 - December 31, 2021)

Program Costs:

Total: \$1,080,000

Elizabethtown Gas Residential Home Weatherization for Income Qualified Customers Program

Description Of Program

This program is an energy saving and energy education program provided to those residential customers with low to moderate income who based on household salary, would not qualify for the Comfort Partners Program.

Participants of this program are provided with a free Home Energy Assessment, as well as energy-saving information and weatherization measures. A certified contractor will evaluate the home's energy efficiency, provide comprehensive, personalized information that educates customers on their energy usage and educates them on how to save energy daily. If eligible, participants will also be provided with systems testing and the direct install of energy-saving measures (determined on a home-specific basis) which can include:

- A programmable or smart thermostat
- Thermostat education
- Faucet aerators
- Low-flow shower heads
- Pipe wrap insulation
- Air sealing
- Insulation
- Efficient lighting products
- Heating/cooling equipment maintenance
- Combustion safety testing

The maximum approved measures cannot exceed \$6000 per home. *Note: Any exceptions made to rectify safety issues *must* have pre-approval from ETG Program Manager prior to completing the project.*

Comfort Partners qualification level includes household income that falls in the category of up to 250% over the Federal Income Poverty Level. The Home Weatherization for Income Qualified Customers Program qualification includes household income that falls in the category of over 250% up to 400% over the Federal Income Poverty Level for the number of family members living in the home. *The Federal Income Poverty Level is updated yearly and Elizabethtown Gas will update our requirements to show the appropriate income levels with each update.*

Gas appliance replacement will be provided to those participants who fail safety testing who are unable to purchase the replacement product on their own. Approved energy efficient gas appliances only will be installed by qualified technicians provided by the program.

Other requirements:

- The customer must also use the home as a primary residence and be the ratepayer of record with the electric or gas utility.
- The customer must be a Residential-Heat Elizabethtown Gas customer to qualify for this program.

Elizabethtown Residential Gas Home Weatherization for Qualifying Customers Program

Delivery Method

Elizabethtown Gas will continue to partner with GreenLife Energy Solutions to provide this offering to the Company's qualified residential customers. GreenLife Energy Solutions will provide all in-home work and will also provide income verification, set-up appointments, perform quality control and provide a phone contact for customer inquiries.

18 -Month Program Participants (July 1, 2020 – December 31, 2021)

Total: 206
(approximately 11 per month)

18-Month Budget Information (July 1, 2020 - December 31, 2021)

Total Program Costs: \$1,233,123, approximately \$68,500 per month

Total Program Administrative Fees: \$123,312 approximately \$6,850 per month

Elizabethtown Gas Commercial Steam Trap Survey and Repair Program

Description Of Program

Steam trap surveys test and document the operational status of steam traps, utilizing both ultrasound and temperature differentials. In steam systems that have not been maintained for 3 to 5 years, between 15% to 30% of the installed steam traps fail allowing live steam to escape into the condensate return system. In systems with a regularly scheduled maintenance program, leaking traps should account for less than 5% of the trap population.

Customers eligible for this program are hospitals, municipalities and schools. The goal of this program is to incorporate a steam trap survey and repair cycle to hospitals, municipalities, and/or schools, who use steam heating to ensure their leaking traps account for no more than 5% of the total number of traps.

A goal of the program is to change the equipment maintenance behavior of hospitals, municipalities and schools such that these customers will continue with regular maintenance regardless of whether incentives are available. Toward this end, customers will be advised that regular maintenance has the potential to provide consistent therm savings and significantly reduce the cost for future repairs.

A surveyor completes a comprehensive survey and provides a detailed steam-trap functionality report. Survey documentation details a complete trap inventory including location, type, and application engineering. Survey reports also include a full economic analysis (return on investment) and recommendations for overall system improvements. The goal of the report is to document recommendations aimed at improving energy/emission losses, steam generation and distribution, engineering practices/correct applications, health and safety, and heat recovery/return of condensate.

Qualified and fully experienced technicians will repair or replace the defective steam traps as required. Since this program places the building on a yearly maintenance cycle, each year the building is surveyed and repairs are made. It is the cycle of maintenance that reduces the number of failing steam traps yearly, ensuring that ultimately no more than 5% of the trap population fail.

Incentives include:

- Incentive covers 50% of survey costs
- Incentive pays \$0.50 per therm saved up to 50% of the total service, repair or replacement costs

Incentives are paid for both the survey costs and total project costs once the project is completed.

Note: The project must include a natural gas boiler system to be eligible for this project.

Elizabethtown Gas will work with the company performing the surveys to identify and recommend hospitals, municipalities, schools, etc.

Elizabethtown Gas Commercial Steam Trap Survey and Repair Program

Delivery Method

Steam trap surveys and the repair/replacement of steam traps will be performed by independent, licensed steam trap repair companies. The eligible company must provide Elizabethtown Gas with a detailed breakdown of the work to be performed in order for approval to be granted.

Their independence gives them the ability to perform unbiased surveys and recommend the optimum solution for our customers regardless of the manufacturer.

18-Month Program Participants (July 1, 2020 – December 31, 2021)

Anticipating approximately 3 hospitals, 5 municipality buildings and 30 schools.

18-Month Budget Information July 1, 2020 - December 31, 2021)

Total: \$150,000

**Elizabethtown Gas Company
Energy Efficiency Program (EEP) - Docket No. GO18070682**

Program Summary (4-Month Extension)

Current Program

March 2019 - June 2020	Approved Budget	March 19 - February 20	4-Month Ext. March 20 - June 20 ⁴	Projected Remaining Budget
O&M EXPENDITURES				
HVAC Rebate	\$ 19,447	\$ 12,490		
HEA	\$ 25,431	\$ 16,320		
Home WX	\$ 59,837	\$ 38,400		
HER	\$ 17,951	\$ 5,760		
Steam Trap	\$ 26,927	\$ 23,040		
Labor¹	\$ 272,122	\$ 149,592	\$ 96,000	\$ 26,530
HVAC Rebate	\$ 7,437	\$ 6,703		
HEA	\$ 12,395	\$ 8,312		
Home WX	\$ 14,874	\$ 8,848		
HER	\$ 4,545	\$ 1,809		
Steam Trap	\$ 2,088	\$ 1,341		
Customer Education, Outreach	\$ 96,000	\$ 41,317	\$ 26,813	\$ 27,870
Program Evaluation	\$ 30,000	\$ 57,870	\$ -	\$ (27,870)
TOTAL O&M	\$ 398,122	\$ 248,779	\$ 122,813	\$ 26,530
PROGRAM EXPENDITURES				
Residential Gas HVAC/NH :				
Rebates, Grants, Incentives	\$ 232,200	\$ 149,300	\$ 72,000	\$ 10,900
Rebate Processing	\$ 9,600	\$ 2,491	\$ 600	\$ 6,509
Home Energy Assessments	\$ 300,000	\$ 191,126	\$ 88,874	\$ 20,000
Home Energy Assessments Admin Fees	\$ 144,000	\$ 144,000	\$ -	\$ -
Home Weatherization for Income Qualified	\$ 792,000	\$ 692,266	\$ 201,812	\$ (102,079)
HW for IQC Administrative Fees	\$ 79,200	\$ 69,523	\$ 20,181	\$ (10,504)
Home Energy Report - Opower ^{2,3}	\$ 720,000	\$ 684,857	\$ 6,500	\$ 48,643
	\$ 2,277,000	\$ 1,913,563	\$ 389,966	\$ (26,530)
Commercial Gas				
Steam Trap Survey & Cleaning Pilot	\$ 100,000	\$ 39,003	\$ 60,997	\$ -
	\$ 100,000	\$ 39,003	\$ 60,997	\$ -
Total Program Expenditures	\$ 2,377,000	\$ 1,952,566	\$ 450,964	\$ (26,530)
Total Program O&M & Expenditures	\$ 2,775,122	\$ 2,201,345	\$ 573,776	\$ 0

¹ Labor surplus funding shifted to Home Weatherization Program. Surplus due to ETG program management employee vacancies in 2019. Employee vacancies also explain the higher labor run rate in extension period.

² Excludes an invoice for \$175,286 received during the current EEP program period for expenditures incurred in the previous EEP (i.e. timing). This amount was not in the current program budget.

³ \$6,500 HER program funding during the extension period is to cover the remaining vendor call center support expenses. HER Program will not be offered during the extension period.

⁴ Unspent dollars from Labor, Rebates, Rebate Processing, Home Energy Assessments & Home Energy Report reallocated to income eligible Home Weatherization Program.

**Elizabethtown Gas Company
Energy Efficiency Program (EEP) - Docket No. GO18070682**

Proposed Program (18-Month Extension)

July 2020 - December 2021 ¹	Current Program	Proposed 18-Month Program ²
O&M EXPENDITURES		
HVAC Rebate	\$	53,084
HEA	\$	69,381
Home WX	\$	163,273
HER	\$	48,982
Steam Trap	\$	73,473
Labor	\$ 272,122	\$ 408,183
HVAC Rebate	\$	25,920
HEA	\$	43,200
Home WX	\$	51,840
HER	\$	15,840
Steam Trap	\$	7,200
Customer Education, Outreach	\$ 96,000	\$ 144,000
Program Evaluation	\$ 30,000	\$ 45,000
TOTAL O&M	\$ 398,122	\$ 597,183
PROGRAM EXPENDITURES		
Residential Gas HVAC/WH :		
Rebates, Grants, Incentives	\$ 232,200	\$ 330,885
Rebate Processing	\$ 9,600	\$ 13,680
Home Energy Assessments	\$ 300,000	\$ 418,500
Home Energy Assessments Admin Fees	\$ 144,000	\$ 216,000
Home Weatherization for Income Qualified	\$ 792,000	\$ 1,233,123
HW for IQC Administrative Fees	\$ 79,200	\$ 123,312
Home Energy Report - Opower	\$ 720,000	\$ 1,080,000
	\$ 2,277,000	\$ 3,415,500
Commercial Gas		
Steam Trap Survey & Cleaning Pilot	\$ 100,000	\$ 150,000
	\$ 100,000	\$ 150,000
Total Program Expenditures	\$ 2,377,000	\$ 3,565,500
Total EEP Expenditures	\$ 2,775,122	\$ 4,162,683

EEP CURRENT RUN-RATE

Total Current Program Approved Expenditures	\$	2,775,122
Months		12
Total Current Program Approved Exp per Month	\$	231,260
Months		18
Proposed 18-Month Program Expenditures	\$	4,162,683

¹ Subject to an implementation of a new Elizabethtown EE Program with an earlier effective date.

² Current program budgets were multiplied by 1.5 to arrive at the 18 month budget, however, some programs were reduced slightly so the money could be reallocated to the Home Weatherization Program based upon findings from the previous program evaluation and ETG's experience administering the programs. Overall proposed 18 month program budget is equal to the total current program budget multiplied by 1.5.

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all Customers except those Customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the SBC, Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

\$0.0051 per therm

The rate applicable under this Rider includes provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

In the "Global Warming Act," N.J.S.A.26-2C-45, or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to N.J.S.A. 48:3-98.1(c). The RGGI Order allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504 and GR16070618. The Company's current energy efficiency programs are effective through December 31, 2018 and described below.

The EEP enables the Company to recover all costs associated with the following energy efficiency programs approved by the Board order dated April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504:

1. Residential gas HVAC and hot water heater incentive programs;
2. Residential home energy assessment program;
3. Residential home weatherization for income qualified customers program;
4. Commercial steam trap survey and repair program; and
5. Enhanced customer education and outreach initiatives designed to encourage customers to conserve energy and lower their gas bills.

Date of Issue: November 14, 2019

Effective: Service Rendered
on and after November 15, 2019

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated November 13, 2019 in Docket No. GR19040486

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")
(continued)Determination of the EEP

On or about July 31 of each year, the Company shall file with the Board an EEP rate filing based on the costs and recoveries incurred during the previous EEP year ending June 30th as well as estimates, if applicable, through the upcoming calendar year to develop the EEP rate to be effective October 1st as follows:

The EEP monthly recoverable expenditure amounts shall be derived from taking the average of the cumulative beginning and end of month expenditures associated with the EEP investments less accumulated amortization and accumulated deferred income tax credits times the after tax weighted average cost of capital grossed up for the Company's revenue factor, as directed in the Board's August 21, 2013 Order in Docket No. GO12100946, plus monthly amortization using a four year amortization period.

The EEP rate shall be calculated by summing the (i) prior year's EEP over or under recovery balance, plus (ii) current year monthly recoverable expenditure amounts, less (iii) current year recoveries, plus (iv) current year carrying costs based on the monthly average over or under recovered balances, at a rate equal to the rate obtained on the Company's weighted average of its commercial paper and bank credit lines, if both sources have been utilized, not to exceed the weighted average cost of capital after tax as described above, plus (v) an estimated amount to recover the upcoming year's recoverable expenditures amount and dividing the resulting sum by the annual forecasted per therm quantities for the applicable Customers set forth above. The resulting rate shall be adjusted for all applicable taxes. The EEP rate shall be self-implementing on a refundable basis as directed by the BPU.

Date of Issue: November 14, 2019

Effective: Service Rendered
on and after November 15,
2019

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

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