Agenda Date: 9/23/20
Agenda Item: 8B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY AND CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS CLEAN ENERGY FUTURE-ENERGY EFFICIENCY ("CEF-EE") PROGRAM ON A REGULATED BASIS	)))))	ORDER ADOPTING STIPULATION DOCKET NOS. GO18101112 AND EO18101113

Parties of Record:

Stefanie A. Brand, Esq., Director**,** New Jersey Division of Rate Counsel
Matthew M. Weissman, Esq., General State Regulatory Counsel, Public Service Electric and Gas Company
Daniel Greenhouse, Esq. and **William D. Bittinger Esq.,** Eastern Environmental Law Center
Erin Cosgrove, Esq., Energy Efficiency Alliance of New Jersey
Steven S. Goldenberg, Esq., Giordano, Halleran and Ciesla, P.C. for New Jersey Large Energy Users Coalition
Christopher E. Torkelson, Esq., Eckert Seamans Cherin and Mellott, LLC for Market Participants

BY THE BOARD:

On October 11, 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program ("CEF EE Petition"). By this Order, the Board adopts a stipulation of settlement ("Stipulation") executed by PSE&G, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), the Eastern Environmental Law Center ("EELC"); the Energy Efficiency Alliance of New Jersey ("EEA-NJ"); and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively, "Signatory Parties") that addresses several issues in this matter. Direct Energy Business LLC, Direct Energy Business Marketing LLC, Direct Energy Services LLC, Gateway Energy Services Corporation, NJR Retail Services Company, NRG Energy Inc. ("NRG"), Just Energy Group Inc. ("Just Energy"), and Centrica Business Solutions ("Market Participants") filed a letter of non-opposition.

BACKGROUND

On January 13, 2008, L. 2007, c. 340 (the "RGGI Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency ("EE") and conservation measures must be essential elements of the state's energy future and that greater reliance on EE 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 EE industries are essential to maximize efficiencies.[1]

Pursuant to Section 13 of the RGGI Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may provide and invest in EE and conservation programs in its service territory on a regulated basis. Such investment in EE and 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.[2] Ratemaking treatment may include placing appropriate technology and program costs investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board.[3] An electric or gas utility seeking cost recovery for any EE and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.[4]

On May 23, 2018, Governor Murphy signed into law the Clean Energy Act of 2018 ("CEA" or the "Act").[5] The CEA plays a key role in achieving the State's goal of 100% clean energy by 2050 by establishing aggressive energy reduction requirements, among other clean energy strategies. The CEA emphasizes the importance of EE and peak demand reduction ("PDR") and requires the Board to adopt an efficiency program "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities"[6] The CEA also calls upon New Jersey's electric and gas public utilities[7] to play an increased role in delivering EE and PDR programs to customers by requiring the utilities to reduce the use of electricity and natural gas in their service territories.[8]

On the same day that Governor Murphy signed the CEA into law, he also issued Executive Order 28 ("EO 28"), directing the creation of a new Energy Master Plan ("EMP") for the state which "shall provide a comprehensive blueprint for the total conversion of the state's energy production profile to 100% clean energy sources on or before January 1, 2050, and shall further provide specific proposals to be implemented over the next 10 years in order to achieve the January 1, 2050 goal."[9] EE is one of the seven key strategies identified in New Jersey's 2019 EMP[10] and will play an essential role in meeting the State's long-term clean energy goals.

From February 2019 through May 2020, the Board solicited stakeholder feedback through numerous public meetings and technical working group meetings; and invited comments on three topic-specific proposals (program administration, cost recovery mechanisms, and application of

[1] N.J.S.A. 48:3-98.1(b).
[2] Id.
[3] Id.
[4] Id.
[5] P.L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et al.).
[6] N.J.S.A. 48:3-87(g).
[7] New Jersey's electric and gas public utilities include Atlantic City Electric Company ("ACE"), Butler Power and Light Company ("Butler"), Elizabethtown Gas Company ("Elizabethtown"), Jersey Central Power & Light Company ("JCP&L"), New Jersey Natural Gas Company ("NJNG"), Public Service Electric and Gas Company ("PSE&G"), Rockland Electric Company ("RECO"), and South Jersey Gas Company ("SJG") (collectively, "utilities").
[8] N.J.S.A. 48:3-87.9(a).
[9] Exec. Order No. 28 (May 23, 2018), 50 N.J.R. 1394(b) (June 18, 2018), ¶ 3.
[10] *2019 New Jersey Energy Master Plan: Pathway to 2050* (January 28, 2020), *available at* https://www.nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

utility targets), as well as on a full Energy Efficiency Transition Straw Proposal released on April 1, 2020.

Also during the EE transition process, on May 28, 2019, the Board completed a study pursuant to the CEA regarding the potential for reduction in energy usage and peak demand in the state and adopted preliminary quantitative performance indicators to establish utility targets for these reductions. On May 1, 2020, the utilities submitted to the Board and Rate Counsel the results of the demographic analysis required by the CEA, the purpose of which was to determine if all utility customers are able to participate fully in implementing EE measures, identify market barriers that prevent such participation, and make recommendations for measures to overcome such barriers. On May 4, 2020, Staff hosted a public meeting on equity in EE consisting of two panel sessions and a presentation on the results of the demographic analysis, accepting written comments through May 15, 2020.

On June 10, 2020, the Board approved an EE transition framework for EE and PDR 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.[11]

In addition, on July 13, 2020, the utilities solicited stakeholder input through a public stakeholder meeting on EE core program design, structure, and delivery. A question and answer session facilitated discussion on topics related to challenges and barriers for programs, enhancements to existing core programs, equity, and workforce development. Staff and the utilities accepted written comments through July 27, 2020.

PSE&G CEF-EE Program

In the CEF EE Petition, the Company sought approval to implement 22 sub-programs, including seven residential sub-programs, seven commercial and industrial ("C&I") sub-programs, and eight pilot sub-programs (collectively, "2018 EE Programs").

The CEF-EE residential sub-programs would, among other initiatives, promote the purchase and installation of high-efficiency appliances through rebates and on-bill incentives; provide customers with energy audits and installation of EE measures; educate residential builders and developers on energy efficient home design and construction; and educate kindergarten through 12th grade students on EE. The CEF-EE C&I sub-programs would, among other activities, promote the installation of energy efficient equipment; advance efficient design and equipment installation for new buildings; optimize energy consumption in existing buildings; and upgrade all of PSE&G's existing high-pressure sodium cobra head streetlights to more efficient light emitting diode ("LED") streetlights. Lastly, the CEF-EE pilot sub-programs would consist of PSE&G implementing and managing select, highly advanced approaches to EE that, after the conclusion of the pilot phase, might support future EE programs in New Jersey.

The total proposed investment for the 2018 EE Programs was approximately $2.8 billion, including $2.5 billion for investment and approximately $283 million in administrative costs over the proposed six-year term of the program, with a proposed 15-year amortization period for residential and C&I program investments. The proposed 2018 EE Programs would include $86.2 million for information technology ("IT") build investments and $28.9 million for IT run costs. PSE&G

[11] In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040, Order dated June 10, 2020 ("June 10, 2020 Order").

proposes to recover costs associated with the 2018 EE Programs via a new CEF-EE Program component ("CEF-EEC") of the Company's electric and gas Green Programs Recovery Charge ("GPRC"), which would be filed annually after the proposed initial period, which the Company proposes to begin upon Board approval of the CEF-EE Program. PSE&G proposed to earn a return on its net investment based on its most recent weighted average cost of capital ("WACC"). In addition, the Company requested Board approval of a decoupling mechanism for recovering lost revenues, the Green Enabling Mechanism ("GEM"). The GEM would provide for the recovery or refund of the difference between actual revenue and the level of "allowed" revenue per customer established in the most recently completed base rate case.

Under the CEF-EE Program proposal, following a one-year transition period, PSE&G would become the exclusive provider of Board-regulated EE programs in its service territory, with the New Jersey Division of Clean Energy providing oversight, standard setting, and policymaking after the transition.

Procedural History

On December 16, 2008, the Board issued an Order authorizing PSE&G to implement its Carbon Abatement Program, which included five sub-programs: 1) Residential Whole House Efficiency; 2) Residential Programmable Thermostat Installation; 3) Small Business Direct Install; 4) Large Business Best Practices and Technology Demonstration Pilot; and 5) Hospital Efficiency.[12]

On July 16, 2009, the Board issued an Order authorizing PSE&G to implement eight EE sub-programs as part of its Energy Efficiency Economic Stimulus Program ("EEE Program"): 1) Residential Whole House Efficiency Sub-Program; 2) Residential Multi-Family Housing Sub-Program; 3) Small Business Direct Install Sub-Program; 4) Municipal/Local/State Government Direct Install Sub-Program; 5) Hospital Efficiency Sub-Program; 6) Data Center Efficiency Sub-Program; 7) Building Commissioning/O&M Sub-Program; and 8) Technology Demonstration Sub-Program.[13]

By Order dated July 14, 2011, the Board authorized PSE&G to extend three of its eight sub-programs: 1) Residential Multi-Family Housing; 2) Municipal/Local/State Government Direct Install; and 3) Hospital Efficiency ("EEE Extension Sub-Programs").[14] On April 16, 2015, the Board authorized PSE&G to further extend the three sub-programs approved in the July 2011 Order ("EEE Extension II").[15]

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[12] In re the Petition of Public Service Electric and Gas Company Offering a Carbon Abatement Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO08060426, Order dated December 16, 2008 ("December 2008 Order").

[13] In re the Petition of Public Service Electric and Gas Company Offering an Energy Efficiency Economic Stimulus Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO09010058, Order dated July 16, 2009 ("July 2009 Order").

[14] In re the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of Its Energy Efficiency Economic Stimulus Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff for Gas Service, B.P.U.N.J. No. 15 Gas, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, and N.J.S.A. 48:3-98.1, BPU Docket No. EO11010030, Order dated July 14, 2011 ("July 2011 Order").

[15] In re the Petition of Public Service Electric and Gas Company to Continue Its Energy Efficiency Economic Extension Program on a Regulated Basis ("EEE Extension II"), BPU Docket No. EO14080897, Order dated April 16, 2015 ("April 2015 Order").

By Order dated August 23, 2017, in its approval of the Company's Energy Efficiency 2017 Program ("EE 2017 Program"), the Board authorized PSE&G to extend the EEE Extension Sub-Programs for two years.[16] The Board further authorized the Company to implement a Smart Thermostat Sub-Program and a Residential Data Analytics Smart Pilot Sub-Program.

CEF EE Petition

On May 3, 2018, PSE&G met with Staff and Rate Counsel for a pre-filing meeting, as required by the May 2008 Order, to discuss the Company's potential filings.

On October 11, 2018, PSE&G filed the CEF EE Petition with the Board. By letter dated November 14, 2018, Staff notified the Company that the CEF EE Petition was administratively deficient with respect to the minimum filing requirements ("MFRs") set forth in the Board's May 12, 2008 Order and amended through an Order issued on October 20, 2017 ("Deficiency Letter").[17] In response to the Deficiency Letter, PSE&G filed supplemental information on January 7, 2019. On January 9, 2019, Staff advised PSE&G that the CEF EE Petition was administratively complete as of January 7, 2019. Accordingly, the 180-day period for the Board to review the CEF EE Petition began on January 7, 2019 and was set to expire on July 6, 2019.

By Order dated October 29, 2018, the Board designated Commissioner Dianne Solomon as Presiding Commissioner, authorized to rule on all motions that arise during the pendency of the CEF-EE proceeding and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.[18] The Board directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 16, 2018 and authorized Commissioner Solomon to render decisions on stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180 review period, if submitted, provided that the stipulation extending the time period is executed by all the parties to the proceeding. The authority was limited to extensions that did not collectively exceed 180 days, with any further request for extensions to be directed to the Board.

By the November 16, 2018 deadline, nine entities filed to intervene, and six entities filed to participate. Specifically, NJNG; NJLEUC; Tendril Networks, Inc. ("Tendril") n/k/a Uplight; Market Participants[19]; EELC, on behalf of Environment New Jersey, Sierra Club, the Environmental

[16] In re the Petition of Public Service Electric and Gas Company for Approval of its Energy Efficiency 2017 Program and Recovery of Associated Costs, BPU Docket No. EO17030196, Order dated August 23, 2017 ("August 2017Order").

[17] 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 – Minimum Filing Requirements, BPU Docket No. QO17091004, Order Dated October 20, 2017.

[18] In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order dated October 29, 2018.

[19] On November 16, 2018, Direct Energy (representing five affiliated third party energy supplier companies, including Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, and NJR Retail Services Company) and Centrica Business Solutions filed a motion to intervene. On December 6, 2018, Direct Energy filed a supplemental motion that joined NRG and Just Energy in the original request to intervene on the same grounds as the original moving parties.

Defense Fund, New Jersey League of Conservation Voters, and Natural Resources Defense Council; Enel X North America, Inc. ("Enel X"); the Keystone Energy Efficiency Alliance ("KEEA") n/k/a EEANJ; MaGrann Associates; and Sunrun, Inc. ("Sunrun") moved to intervene. ACE; JCP&L; RECO; Google, LLC ("Google"); Lime Energy Co. ("Lime Energy"); and Philips Lighting North America Corporation n/k/a Signify moved to participate.

Commissioner Solomon issued a Prehearing Order on January 22, 2019 that established the issues to be determined by the Board, set forth a procedural schedule, granted intervener status to the NJLEUC and EELC, and granted participant status to the remaining movants, with the exception of KEEA ("Prehearing Order").[20] The Prehearing Order also granted admission pro hac vice to Paul F. Forshay, Esq. for NJLEUC and Kristine E. Marsilio, Esq. for Market Participants.

On January 29, 2019, Sunrun moved for reconsideration of the Prehearing Order insofar as it denied Sunrun intervener status. On the same date, the Market Participants moved for interlocutory review of the Prehearing Order insofar as it denied Direct Energy intervener status. Both entities argued that their interests as competitors in the EE field could only be adequately represented by themselves. On February 1 and February 8, 2019, PSE&G filed responses in opposition to the Market Participants' and Sunrun's motions, respectively. On February 5, 2019, Sunrun requested that the Board consider its motion for reconsideration as a motion for interlocutory review.

On February 8, 2019, KEEA advised Staff that, as of that date, it was represented by an attorney licensed to practice in New Jersey.

On February 27, 2019, the Board issued an Order granting KEEA's motion to intervene and denying the motions of the Market Participants and Sunrun.[21]

On March 8, 2019, the Market Participants filed for reconsideration of the Board's February 27, 2019 Order insofar as it denied the Market Participants' motion for interlocutory review and affirmed the Prehearing Order, which denied the Market Participants' motion to intervene and instead granted the Market Participants participant status. The Market Participants set forth several additional reasons and arguments for the Board to consider in support of their intervention. On March 18, 2019, PSE&G filed its opposition to the motion. On April 18, 2019, the Board authorized a Secretary's Letter advising the parties that, pursuant to N.J.A.C. 14:1-8.7, the Board would take additional time to consider the motion.

Following appropriate notice, six public hearings were held on the following dates in PSE&G's service territory: two hearings on March 13, 2019 in New Brunswick, two hearings on March 18, 2019 in Mount Holly, and two hearings on March 21, 2019 in Hackensack. Numerous members of the public made statements at the aforementioned hearings. The majority expressed support for the filed CEF-EE Program, and two members of the public expressed concerns regarding the impact of the filing on the competitive energy efficiency market.

[20] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated January 22, 2019.

[21] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated February 27, 2019.

Rate Counsel, Staff, and the EELC served discovery questions, to which the Company responded. Discovery conferences were held on March 6 and March 14, 2019.

With the CEF EE Petition, PSE&G filed the direct testimonies of Ms. Karen Reif, PSE&G Vice President, Renewables and Energy Solutions; Mr. Steven Swetz, PSE&G Senior Director, Corporate Rates and Revenue Requirements; and Daniel Hansen, PhD, Vice President, Christensen Associates Energy Consulting, LLC. PSE&G's Supplemental Filing on January 4, 2019 included the supplemental direct testimony of Ms. Reif.

On March 22, 2019, pursuant to the schedule set forth in the Prehearing Order, Rate Counsel filed the direct testimonies of Mr. Dante Mugrace, Senior Consultant, PCMG and Associates; David E. Dismukes, PhD, Consulting Economist, Acadian Consulting Group, LLC; and Ezra Hausman, PhD, President, Ezra Hausman Consulting. The EELC filed the direct testimony of Ms. Amanda Levin.

The parties participated in settlement conferences on March 25 and April 9, 2019.

On April 15, 2019, PSE&G filed the rebuttal testimony of Ms. Reif, Mr. Swetz, and Dr. Hansen, as well as the rebuttal testimony of a new witness, Mr. Isaac Gabel-Frank. Rate Counsel filed the rebuttal testimony of Dr. Dismukes, and EELC filed the rebuttal testimony of Ms. Levin.

Evidentiary hearings were held on May 1 and 2, 2019 at the Office of Administrative Law in Mercerville (Hamilton), New Jersey, before Commissioner Solomon. The parties introduced their respective pre-filed testimonies and exhibits, all discovery responses were moved into evidence, and, in accordance with the Prehearing Order, Rate Counsel witnesses Hausman, Mugrace, and Dismukes and EELC witness Levin presented oral sur-rebuttal testimony, and witnesses were cross-examined.

The following parties and participants submitted initial briefs: PSE&G, Rate Counsel, NJLEUC, EELC, Enel X, ACE, the Market Participants, Google, Lime Energy, Signify, Sunrun, Tendril n/k/a Uplight, and Staff. The following parties and participants submitted reply briefs: PSE&G, Rate Counsel, EELC, Google, and Sunrun.

The parties participated in additional settlement discussions on June 18 and July 15, 2019.

On June 19, 2019, the parties entered into a stipulation to extend the review period to August 19, 2019 to allow more time for review of the proposed CEF-EE Program by the Board. On June 27, 2019, Commissioner Solomon issued an Order adopting the stipulation and extending the review period to August 19, 2019.[22]

On August 6, 2019, the parties entered into a stipulation to further extend the review period to allow more time for settlement discussions. On August 12, 2019, Commissioner Solomon issued an Order adopting the stipulation and extending the review period from August 19, 2019 to September 18, 2019.[23]

[22] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated June 27, 2019.

[23] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and

By Order dated September 11, 2019, the Board approved a stipulation that authorized the extension of the 180-day period for Board action on the Company's CEF-EE Program from September 18, 2019 until no later than March 16, 2020; approved the extension of the Company's Multifamily Housing Sub-Program, Hospital Efficiency Sub-Program, Smart Thermostat Sub Program, and Residential Data Analytics Sub-Program through September 21, 2020; and reaffirmed the termination of the Company's Direct Install Sub-Program by October 31, 2019.[24]

On September 13, 2019, Sunrun submitted a letter to the Board noting the multiple extensions of the 180-day timeline and asking the Board to relax or disregard the procedural rules and allow Sunrun to participate in any future settlement discussions, potential final resolutions, and additional interim agreements.

By Order dated November 13, 2019, the Board found that the nature and extent of the Market Participants' interest warranted intervener status and that their inclusion would add measurably and constructively to the record in this proceeding. The Board granted the Market Participants' motion for reconsideration and reversed its previous ruling. Additionally, the Board reaffirmed its ruling in the February 27, 2019 Order as it related to Sunrun and denied Sunrun's request dated September 13, 2019.[25]

By Order dated February 19, 2020, the Board approved a stipulation that authorized the extension of an additional 180-day period for Board action on the Company's CEF-EE Program, until no later than September 30, 2020. The parties also agreed that PSE&G would further extend its EE 2017 Program through September 30, 2020.[26]

Following Board adoption of the EE transition framework on June 10, 2020, the parties participated in additional settlement conferences on June 25, July 14, July 16, July 28, July 31, August 14, August 19, August 25, August 28, and September 1, 2020.

STIPULATION

On September 22, 2020, the Signatory Parties executed the Stipulation, the relevant terms of which are provided below:[27]

I. General Terms

1. The Signatory Parties ("Parties") agree that, subject to Board approval of the Stipulation, PSE&G may implement a modified CEF-EE Program ("Program") under the terms and conditions described in the Stipulation. The Program will include implementation,

EO18101113, Order Dated August 12, 2019.

[24] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated September 11, 2019.

[25] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated November 13, 2019.

[26] In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated February 19, 2020.

[27] Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

administration and investment in 10 sub-programs, including four residential sub-programs, five commercial and industrial ("C&I") sub-programs, and one multifamily sub-program.

2. The Parties agree that PSE&G should be permitted to implement the 10 sub-programs identified in Attachment 1, attached to the Stipulation, subject to the final consensus of the Joint Utility Working Group, as outlined in paragraph 50 of the Stipulation.

3. PSE&G will launch sub-programs in accordance with Attachment 1 of the Stipulation, and adjustments will be made in the implementation of these sub-programs to coordinate delivery and assure consistency of core sub-programs with other utility core sub-programs, as necessary. To coordinate sub-program offerings across the state, the utilities are engaged in a joint effort to contract with a single third-party entity to serve as a dual-fuel statewide coordinator.

4. Customers in PSE&G's electric and/or gas service territory who meet the criteria for the respective CEF-EE sub-program offerings will be eligible to participate.

5. The CEF-EE Program budget is as follows:

Program Component	Description	Component Budget ($M)	Implementation Date
Res Efficient Products	Rebates and on-bill repayment for HVAC, smart thermostats, appliances, lighting, and other equipment	140	Marketplace: 10/1/20 All other: 1/1/21
Res Existing Homes	Rebates and on-bill repayment for energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services	55	1/1/21
Res Behavior	Data analytics, home energy reports, and online energy audits	25	1/1/21[28]
Res Multifamily	Energy audit and direct install of efficient equipment at no charge to tenants	9	1/1/21
Income Eligible	Energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services at no charge for income-eligible customers and for properties located within low and moderate-income census tracts	55	1/1/21

[28] Additional customers will be added to the Behavior Subprogram on January 1, 2021. EE 2017 will continue to serve existing customers through December 2020.

Program Component	Description	Component Budget ($M)	Implementation Date
C&I Prescriptive	Rebates and on-bill repayment for HVAC, lighting, motors and drives, refrigeration, water heaters, air compressors, and food service equipment	210	1/1/21
C&I Custom	Custom incentives for large energy efficiency projects, including on-bill repayment	100	1/1/21
C&I Small Non-Residential Efficiency (a/k/a Direct Install)	Rebates and on-bill repayment for direct-installed EE measures to small non-residential customers of lighting, controls, refrigeration, heating and air conditioning updates, etc.	165	10/1/20[29]
C&I Energy Management	Retro-commissioning and strategic energy management: optimizing existing systems with little to no equipment upgrades	6	1/1/21
C&I Engineered Solutions	Whole-building engineered energy saving solutions to hospitals, school districts, universities, municipalities, apartment buildings, other non-profit /public entities	205	10/1/20[30]
IT	Technology systems and services to ensure PSE&G customers have easy access to energy efficient products, incentives, and repayments	33[31]	N/A
Admin	Program administration; program management; education and outreach; program design and development; and IT run costs	Cap at 10% of investment	N/A
Investment Total		**1,003**	

6. Based on market response, the Company may shift the timing of investment spending between Program Years (October 1 – September 30) in any sub-program as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of Program targets during the term of the Program, in accordance with the procedure outlined in the Board's June 10, 2020 Order ("Framework Order").

[29] The EE 2017 Direct Install Subprogram will continue for Urban Enterprise Zones, Government, and Nonprofits. Expansion of the program beyond that will begin no earlier than January 1, 2021.
[30] The C&I Engineered Solutions Sub-program will continue for Hospitals and Multifamily. Expansion of the program beyond that will begin no earlier than January 1, 2021.
[31] An expected breakdown of these IT costs is provided at Attachment 2.

7. During implementation, certain sub-programs may be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process, in accordance with the Framework Order, shall be as follows:

    - PSE&G can shift its sub-program budgets out of an individual sub-program within the Residential sector or within the C&I sector, up to 25% of the individual sub-program's total budget with Staff notification (which should be provided within 30 days following the change), 25–50% with Staff approval, and over 50% with Board approval.
    - PSE&G can shift budgets out of the residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), 5–10% with Staff approval, and over 10% with Board approval. Such budgets may be added to any sub-program(s) within the sector to which it is being transferred without limitation when the budget shift does not exceed 5%.
    - All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. Requests for budget adjustments within the three-year Program filing necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, which will trigger Staff review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of PSE&G's request, those requests will be automatically granted.

8. Customer information shall be used by the Company to deliver an effective customer experience in compliance with any applicable BPU regulations and statutory obligations. The Company shall adopt privacy and data handling policies and procedures for CEF-EE that are consistent with PSE&G's customer data security protections, the Framework Order, and any applicable BPU regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, PSE&G shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the CEF-EE or to evaluate the sub-programs, the Company commits to enforcing the contractual confidentiality requirement to the extent allowed by the law. Any "breach of security" with respect to customers' "personal information," as those terms are defined in N.J.S.A. 56:8-161, shall be treated in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:8-161 et seq., and Section 3b of the BPU's Cybersecurity Order of March 18, 2016 in Docket No. AO16030196.

9. PSE&G agrees customer-specific data belongs to the customer, who may request or authorize PSE&G to share it with suppliers, and data gathered during the operation of these sub-programs not specific to any particular customer belongs to the Company and will be used solely to support current or future regulated utility programs. Such data may not be used for other purposes without Board approval. Any financial benefits derived from the data will be offset against the costs of the program. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board.

10. PSE&G has used a competitive selection process to select current EE implementation vendors under existing EE Programs described in the Stipulation. The Company commits to conducting a competitive solicitation process to select vendors for the second and third program years that meet currently applicable requirements in a manner that permits the Company to prudently implement the sub-programs. Alternatively, to the extent that contracts with existing vendors can be extended to increase speed to market or reduce costs for customers, the Company will pursue these options and make reasonable efforts to integrate all currently applicable competitive selection procurement protocols into those contracts, while continuing to follow all competitive selection procurement protocols for other services required.

11. Within 30 days of May 31, 2021, PSE&G will convene at least one non-confidential stakeholder collaborative meeting to discuss potential partnerships with market participants and other stakeholders, and to obtain input regarding the design and implementation of "non-core" programs, including but not limited to demand response and PDR programs, non-pipe and non-wire alternative programs, and building electrification/decarbonization programs. PSE&G agrees to consider in good faith the issues and suggestions raised in the meeting and to develop recommendations regarding a future filing on additional programs identified in the meeting.

12. Within 120 days of Board approval of the Stipulation, PSE&G will convene at least one stakeholder collaborative meeting to discuss competitive issues in the provision of EE, including but not limited to the implementation of supplier consolidated billing.

13. Incentive structures are described in Attachment 1 of the Stipulation, and measure level details are included in Appendix A of Attachment 1 of the Stipulation, subject to modification consistent with the Framework Order and in cooperation with the BPU's Utility Working Group and the Utilities' Program Working Groups. The Company commits to complying with all Board Orders regarding the programs and program details it is required to offer.

II. Program Term

14. Implementation of the CEF-EE Program will commence on October 1, 2020 and will continue over the course of the next three years until September 30, 2023.

15. CEF-EE core programs that are continuations of the EE 2017 sub-programs PSE&G currently operates (Efficient Products Marketplace component[32] and Direct Install[33]) shall commence on October 1, 2020. CEF-EE core programs that PSE&G does not currently operate shall commence no earlier than January 1, 2021. Non-core sub-programs, including those sub-programs that are continuations of existing EE 2017 sub-programs, will commence on October 1, 2020. The EE 2017 Hospital and Multi-Family sub-programs will continue as components of the Engineered Solutions sub-program, with new elements of the Engineered Solutions sub-program commencing no earlier than January 1, 2021. The EE 2017 Data Analytics sub-program will continue as the Behavioral sub-program.

[32] Efficient Products – Marketplace will be expanded to offer several on-line products on October 1, 2020.
[33] See footnote 8.

PSE&G will continue to coordinate regarding transition of programs (including program delivery, program data, and marketing) with the current New Jersey Clean Energy Program administrator and other utilities with whom the Company has overlapping service territories. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement, as permissible under law, consistent elements of the core programs concurrently with all electric and gas utilities in the state. This consistency will include the following elements:

- Common forms for use by customers and contractors;
- Contractor requirements, open and competitive procurement protocols where feasible, and training; procurement protocols should include policies and practices (e.g., scoring systems) developed in collaboration with the Equity Working Group and Workforce Development Working Group that encourage supplier diversity (including contractors and subcontractors) and contractor coaching/mentoring of diverse business enterprises;
- Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for low- to moderate-income customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);
- Eligible measures;
- Incentive ranges;
- Incentive payment processes and timeframes;
- Customer and contractor engagement platforms;
- Data platforms and database sharing among program administrators, where appropriate; and
- Quality control standards and remediation policies.

16. The Company will file a subsequent multiyear program extension for Board approval by September 30, 2022 with a commencement date of October 1, 2023 to allow for efficient continuation of the CEF-EE Program and align the program term with the subsequent State-wide July-June program cycle.

III. CEF-EE Program Expenditures

17. The Parties agree that the total investment for the CEF-EE Program is $1.003 billion, which includes all capital expenditures (including IT), rebates and incentives, including financing costs and audit/installation labor, and outside services for third party sub-program implementation and EM&V. The budget for investment includes amounts that are spent during the three-year program cycle (October 1, 2020 – September 30, 2023) as well as amounts reserved to fund projects/incentives for customers who have enrolled in sub-programs during that three-year period, as defined in Appendix B of Attachment 1 of the Stipulation.

18. The agreed upon $1.003 billion investment amount does not include Company administrative costs, which will be capped at $100.3 million. Company administrative costs include PSE&G administrative, labor, IT run costs, and portfolio-level costs, such as program development and jobs initiatives for the three-year program cycle. The Company will recover its actual reasonable and prudently incurred administrative costs up to the $100.3 million cap through annual GPRC cost recovery filings. Staff and Rate Counsel

reserve their rights to challenge the prudency of all costs, including administrative costs, in future GPRC filings.

19. The Joint Utility Program Working Group is developing requirements for coordination of services to customers, including the sharing of costs and the allocation of savings. The investments and administrative costs do not include expenditures required for coordination with other utilities, including the Statewide Program Coordinator System. The Parties agree that any additional costs for such coordination efforts that go beyond the scope of the Program, and that are deemed prudently incurred after appropriate review, will be recoverable.

20. All Program expenditures will be filed with the Board and submitted for prudency review in annual cost recovery filings over the term of the Program by way of PSE&G's annual GPRC proceedings.

IV. Cost Benefit Analysis / Reporting

21. The Company submitted calculations as to the cost-effectiveness of each of the proposed sub-programs under five (5) different cost-benefit tests: the Participant Cost Test ("PCT"), the Program Administrator Cost ("PAC") Test, the Ratepayer Impact Measure ("RIM") Test, the Total Resource Cost ("TRC") Test, and the Societal Cost Test ("SCT"). Included in Attachment 3 to the Stipulation are summaries of the results of (1) the Company's Benefit Cost Analysis, including the New Jersey Cost Test ("NJCT"), (2) its Costs-to-Achieve Savings Analyses, and (3) its analysis of electric and gas QPI values in Program Years 1-3. On or before September 25, 2020, the Company will provide detailed supporting calculations and workpapers that are fully compliant with the MFRs established in the Framework Order. With regard to the QPIs, the Company will provide a description of how the proposed portfolio achieves the targets established for the Company, as required by MFR Section VII.

22. QPI performance periods will be those set forth in the Framework Order. In addition to CEF-EE projects and measures completed after July 1, 2021, EE 2017 projects and measures completed after July 1, 2021 shall be included in QPI measurement. Quarterly, annual, and triennial reports will be consistent with the requirements of the Framework Order, the details of which will be developed by the BPU's Utility Working Group.

23. The Company will perform EM&V for the CEF-EE Program in accordance with the Framework Order. All EE 2017 projects and measures completed after July 1, 2021 shall also be included in the CEF-EE EM&V plan.

V. Capital Structure/Return on Equity

24. PSE&G will earn a return on its net investment based upon the authorized return on equity ("ROE") and capital structure approved by the Board in its last base rate proceeding.

25. PSE&G's weighted average cost of capital ("WACC") for its CEF-EE Program investments will be set based on the WACC established in the Company's 2018 base rate case, which is 6.99%, or 9.02% on a pre-tax basis based on a common equity percentage of 54%, an ROE of 9.60%, and current tax rates. Attachment 4, Schedule SS-CEF-EE-1 of the Stipulation shows the calculation of the WACC for the CEF-EE Program.

26. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the appropriate corresponding subsequent monthly revenue requirement calculations. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but, in any event, no later than January 1 of the subsequent year. Any changes to current tax rates would be reflected in an adjustment to the pre-tax WACC and in any corresponding revenue requirement calculations.

VI. Cost Recovery

27. Cost recovery for the Program will be made and tracked via a new CEF-EEC component of the Company's electric and gas GPRC, which will be filed annually after the proposed initial period. PSE&G has submitted proposed tariff sheets (both red-lined and clean) as Attachment 5 of the Stipulation to reflect the updated GPRC tariff.

28. The Parties agree that, in light of the impacts of the current COVID-19 pandemic, the initial electric and gas CEF-EECs will be set at zero as of the date of the BPU Order in this proceeding. The Parties further agree that the CEF-EECs will be included in an update to the Company's pending 2020 GPRC Cost Recovery filing in Docket Nos. ER20060467 & GR20060468, and an initial rate can be set for each component in the settlement of that proceeding. In any event, the initial CEF-EECs will not be increased before January 1, 2021.

29. The electric and gas CEF-EECs will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered balance to be recovered from or returned to customers over the following year. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a final Board Order.

30. The calculation methodology of revenue requirements and the over/under deferred balance is detailed in Attachment 4 of the Stipulation. The Parties agree the Company will modify the revenue requirement calculation if needed to coordinate sharing of investment with partner utilities in shared service territories as a result of the Board's review and approval of the other utilities cost recovery methodology.

31. Revenues received under the CEF-EE Program, such as PJM Capacity Revenues, marketplace revenues negotiated with vendors, or any other source of revenues as a result of the implementation of the CEF-EE Program, as well as financial benefits from the usage of data as provided in paragraph 9 of the Stipulation, will be utilized to offset revenue requirements to customers.

32. The Company shall offer eligible EE into the PJM capacity market, consistent with the approach agreed upon by the BPU's Joint Utility Working Group, subject to the requirements of PJM. The Company will credit CEF-EE revenue requirements with any PJM capacity market revenues.

33. The Parties agree to amortize the CEF-EE investments, excluding IT, over a 10-year period. Investment other than financing costs will be expensed when incurred for tax purposes and flowed back to customers as shown in Attachment 4 of the Stipulation. IT

investments will be amortized in accordance with PSE&G's accounting policy and generally accepted accounting principles, which is forecasted to be a five-year book amortization period and three-year straight-line period for tax purposes. IT tax deductions will also be flowed back to customers, as shown in Attachment 4 of the Stipulation.

34. The Parties stipulate that the Company will file to adjust its electric and gas CEF-EECs, as part of the true-up petition ("True-Up Filing") for the GPRC, with copies provided to the Parties no later than July 1, 2021 and annually thereafter for the implementation of the proposed revised CEF-EECs on October 1 of each year. The True-Up Filing will provide information as required by the MFRs. Each True-Up Filing will contain a reconciliation of its projected CEF-EECs costs and recoveries and actual revenue requirements for the prior period, and a forecast of revenue requirements for the estimated time period before Board approval (October 1) and the 12-month period thereafter, which shall be based upon the Company's most current authorized ROE and capital structure as defined in the Stipulation. The True-Up Filing also will present actual costs incurred since the previous annual review, and those costs will then be reviewed for reasonableness and prudency.

35. The Parties agree that any over/under recovery of the actual revenue requirements compared to revenues will be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month.

    If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the prior months interest rate calculation will be used. The interest rate shall not exceed PSE&G's overall rate of return, as authorized by the Board, in calculating revenue requirements for the corresponding period. The interest amount charged to the CEF-EE Program electric and gas deferred balances will be computed using the methodology set forth in Attachment 4, Schedule SS-CEF-EE-6E and SS-CEF-EE-6G, respectively of the Stipulation. The calculation of monthly interest shall be net of tax based on the average monthly balance, consistent with the methodology set forth in Attachment 4, Schedules SS-CEF-EE-6E and SS-CEF-EE-6G of the Stipulation for the CEF-EE Program. Simple interest shall accrue on any over and under recovered balances and shall be included in the deferred balances at the end of each reconciliation period. Near the end of the initial and each subsequent recovery period, the corresponding electric and gas deferred balances will be included with forecasted revenue requirements for the succeeding period for the purpose of setting the revised electric and gas CEF-EECs.

36. The True-Up Filing will be subject to review by the Parties with opportunity for discovery and evidentiary hearings (if necessary) prior to the issuance of a Board Order establishing the Company's revised CEF-EECs. The issuance of a written Board Order will be preceded by adequate public notice and public hearings including evidentiary hearings, if necessary.

VII. Conservation Incentive Program ("CIP")

37. Given the volumetric rate structure to recover fixed costs and the potential for decline in revenue associated with the implementation of energy efficiency, the Parties agree—as consistent with the CEA—to account for lost sales revenue resulting from the decrease in customer energy usage.

Shareholder Contribution

38. The recovery of lost revenues due to programs like the CEF-EE will be made via a CIP based on the methodology outlined below and detailed in the schedules for gas and electric, as noted in Attachments 6G and 6E of the Stipulation, respectively. In addition, PSE&G agrees to implement initiatives to further customer conservation efforts, providing a funding amount ("shareholder contribution") of $3.3 million per year as long as the CIP remains in place, commencing with the start of the CIP deferrals, as defined below. All shareholder contribution expenditures will be allocated 55% to electric distribution (or approximately $1.8 million) and 45% to gas distribution (or approximately $1.5 million). Any under- spend in a year will be factored into the following year's spending amount. The shareholder contribution will not be included in customer rates. The shareholder contribution will support initiatives designed to aid customers in reducing their costs of natural gas and electricity and to reduce each utility's peak demand. The initiatives may include efforts such as education and outreach, as well as enhancements to standard incentives to further encourage customer engagement in the CEF-EE Program (e.g., the distribution of free EE kits within low- and moderate-income census tracts), grants to schools and community organizations, and a business EE portal.

    - Community Education and Outreach: This category covers community outreach activities, such as presentations, lunch and learns, outreach tables, trade shows, business conferences, and green fairs. It may also include grants or initiatives with community organizations. Particular emphasis will be placed on low- and moderate-income communities.

    - Municipal and NGO (non-governmental organization) Outreach: This category includes activities to work with municipalities and other organizations and may include funding for special studies or projects and partnerships to promote EE.

    - Customer Engagement: This category includes activities to increase customer awareness and engagement in programs, including enhanced incentives for promotional purposes, such as the offering of a flash sale. Particular emphasis will be placed on low- and moderate-income customers. A business engagement portal may be explored to evaluate the potential to provide customized information to this diverse customer segment.

    - Energy Efficient Economy: This category supports efforts to engage and develop a diverse supplier and workforce base to support the delivery of EE services.

Filing/Tariff Details

39. The Parties agree that, in light of the COVID-19 pandemic, the Company will submit its first electric CIP cost recovery filing by February 1, 2022, for new rates effective June 1, 2022, based on an initial deferral period of June 1, 2021 through May 31, 2022. The Parties further agree that the Company will submit its first gas CIP cost recovery filing by June 1, 2022, for new rates effective October 1, 2022, based on an initial deferral period of October 1, 2021 through September 30, 2022. The electric and gas CIPs will be adjusted annually thereafter. The Company will not book any CIP deferral prior to June 1, 2021 for electric and October 1, 2021 for gas. The filings will document actual results,

perform the required CIP collection tests described in more detail below, and propose the new CIP rate. Any variances from the annual filings will be trued-up in the subsequent year.

40. Attachment 5 to the Stipulation contains the electric and gas CIP tariffs. The CIP tariffs will reflect an initial rate of $0.00000 for both electric and gas.

41. The terms of the existing Weather Normalization Charge ("WNC") will be suspended as of October 1, 2021 at the time that the Gas CIP deferral begins. The 2021 Gas WNC cost recovery filing for the 2020-2021 Winter period can be implemented for new rates effective October 1, 2021, with any remaining over or under-collection included in the Company's first gas CIP tariff to be submitted by June 1, 2022.

CIP Methodology

42. The monthly CIP deferrals will be calculated as reflected in Attachments 5 and 6E/G to the Stipulation. For the gas CIP, the baseline usage per customer by applicable rate schedule is shown in Attachments 5 and 6G of the Stipulation and is based on the billing determinants approved in the Company's 2018 base rate case. The baseline usage per customer will be adjusted with each subsequent base rate case. The margin rate utilized in the calculation of the gas deferral is based on the current variable margin rate for each rate schedule and will be updated for any Infrastructure Investment Program ("IIP") rate adjustments or future base rate changes. For the electric CIP, the baseline revenue per customer by applicable rate schedule is shown in Attachments 5 and 6E of the Stipulation and is based on the billing determinants from the 2018 base rate case and the latest variable margin rates per rate schedule, including any IIP rate adjustments. The baseline usage and margin rates will be updated with each subsequent base rate case or IIP rate adjustment.

43. For purposes of determining recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into weather-related and non-weather-related components. The non-weather-related components will be limited by eligibility tests described in more detail below. The weather-related component will not be subject to those limitations.

44. The non-weather component will be calculated by first deducting the weather component. For gas, the weather impact will be calculated in the same manner as calculated for the Company's existing WNC. For electric, the weather impact will be calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based on 20 years of weather history of sales for residential customers only. The weather will be measured by the impacts on sales and associated distribution revenue of heating degree days ("HDD") for winter weather and the temperature humidity index ("THI") for summer weather. The average of the 20 years of data for HDD and THI will be considered normal. The difference in actual and normal HDD and THI will be multiplied by the sales coefficients to establish sales impacts. The sales impacts will be multiplied by the current tariff rates to derive the revenue impact. The weather normalization methodology is detailed in Schedule 4 of Attachments 6E and 6G of the Stipulation for electric and gas, respectively.

45. The Parties agree that recovery of non-weather related gas CIP impacts shall be subject to the application of two eligibility tests: a Modified BGSS Savings Test and a Variable Margin Test. The Parties further agree that recovery of non-weather related electric CIP impacts shall be subject to the application of two eligibility tests: a BGS Savings Test and a Variable Margin Test. In order to be eligible for recovery, non-weather related CIP impacts must pass both cost recovery tests. A description of the eligibility tests is provided below.

    a. **Modified BGSS Savings Test (Gas only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the gas CIP Tariff will be limited to BGSS Savings calculated under the following methodology. Consistent with the existing Modified BGSS Savings Test utilized by New Jersey Natural Gas Company and South Jersey Gas Company, the margin impact shall be multiplied by a factor of 75% prior to application of the BGSS Savings test. Further, the Parties agree to recognize three categories of savings when calculating the total savings used in the Modified BGSS Savings Test.
        i. Category One includes the Company's permanent savings realized from its permanent capacity releases or contract terminations on an ongoing basis. The permanent capacity releases and contract terminations are $45.395 million, as detailed by contract in Schedule 5 of Attachment 6G of the Stipulation. These amounts will remain constant after the re-setting of the CIP benchmarks in future base rate cases.
        ii. Category Two includes BGSS gas cost savings from reductions of capacity on a long-term basis, i.e., for periods of at least one year. This category of savings will include, but not be limited to: 1) additional contract terminations not included in Attachment 6G, Schedule 5 of the Stipulation; 2) release of capacity to an affiliate or non-affiliate; 3) contract restructuring; and 4) reductions in the commodity cost of gas supply effectuated through purchasing strategies.
        iii. Category Three is the Company's savings associated with avoided capacity costs to meet residential customer growth on a prospective basis, beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in residential customers for CIP multiplied by the corresponding Benchmark Use per Customer and by the average fixed capacity cost reflected in the Company's concurrent BGSS filing. Schedule 5 of Attachment 6G to the Stipulation illustrates the savings calculation.
        iv. Additional BGSS savings pursuant to subparagraphs 44(a)(ii) and (iii) above will only be counted within the Modified BGSS Savings Test after agreement is reached with Rate Counsel and Board Staff about BGSS savings transactions.

    b. **BGS Savings Test (Electric only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the electric CIP Tariff will be limited to BGS Savings calculated under the following methodology. Consistent with the Modified BGSS Savings Test described above for gas, the margin impact shall be multiplied by a factor of 75% prior to application of the BGS Savings test. Further,

the Parties agree to recognize three categories of savings when calculating the total savings used in the BGS Savings Test.

i. Category One includes the Company's permanent savings realized from the reduction in PJM Final Zonal Unforced Capacity ("UCAP") Obligation from the 2011/2012 energy year compared to the 2020/2021 energy year multiplied by the 2020/2021 PS Zonal Net Load Price. The permanent BGS savings are $64.506 million, as shown in Schedule 5 of Attachment 6E of the Stipulation. These amounts will remain after the re-setting of the CIP benchmarks in future base rate cases.

ii. Category Two includes BGS cost savings from ongoing reductions of the Company's PJM Final Zonal UCAP Obligation. This category of savings will be calculated as any annual incremental UCAP Obligation savings after the 2020/2021 energy year. Any annual incremental UCAP Obligation savings will be multiplied by the most recent PS Zonal Net Load Price. Due to the potential for Peak increases due to electric vehicles and electrification, savings are set as a minimum of the incremental obligation savings or zero.

iii. Category Three is the Company's savings associated with avoided capacity costs to meet customer growth on a prospective basis beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in customers for CIP multiplied by the corresponding obligation per customer and the current PS Zonal Net Load Price per month. Schedule 5 of Attachment 6E to the Stipulation illustrates the savings calculation.

iv. Additional savings pursuant to subparagraphs 44(b)(ii) and (iii) of the Stipulation will only be counted within the BGS Savings Test after agreement is reached with Rate Counsel and Board Staff.

c. **Variable Margin Test (Electric and Gas)** – The Parties further agree to adopt an additional recovery limitation to non-weather-related CIP margins equal to 6.5% of variable margins for the CIP accrual year. However, for the first annual deferral period only (June 1, 2021 through May 31, 2022 for Electric and October 1, 2021 through September 30, 2022 for Gas), the Parties agree to a recovery and refund limitation to non-weather-related CIP margins equal to 4.0 percent of variable margins. Specifically, variable margins for the gas CIP will be calculated based upon: (i) the number of customers, (ii) the applicable baseline use per customer ("BUC"), and (iii) the associated margin per therm. The margin revenues for each month for each gas CIP Group shall equal the actual number of customers multiplied by the BUC and multiplied by the margin revenue factor. For the electric CIP, variable margins will be calculated based on: (i) the number of customers and (ii) the baseline revenue per customer. The margin revenues for each month for each electric CIP Group shall equal the actual number of customers multiplied by the baseline revenue per customer. The resulting monthly values for both electric and gas shall be summed for all 12 months for all CIP Groups in order to yield the total Variable Margins for the year. Recoverable non-weather CIP amounts shall not exceed 6.5% (or 4.0% in the first year as defined above for electric and gas) of the aggregate variable margin revenues under this test.

46. The dual cost recovery tests set forth in the Stipulation shall operate in conjunction with each other in such a manner so that the total non-weather recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate Modified BGSS Savings Test and the Variable Margin Revenue Test for Gas and BGS Savings Test and Variable Margin Revenue Test for Electric. The Parties agree that any amounts that exceed the Modified BGSS Savings Test/BGS Savings Test and/or Variable Margin Revenue recovery limitations may be deferred for future recovery subject to the earnings test described below. The Company agrees to not seek recovery of interest on any deferred carry-forward amount.

47. Earnings Test – The Parties agree to include an earnings test, through which actual ROE shall be determined based on the actual net income of the utility for the most recent 12-month period divided by the average of the beginning and ending common equity balances for the corresponding period. The timing of the earnings test and definitions of Net Income and Common Equity are specified in the Electric and Gas CIP Tariffs provided in Attachment 5 of the Stipulation. The earnings test will be applicable to the total CIP deferral, including both weather and non-weather components. If the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period and shall not be carried over to subsequent filing periods.

VIII. Rate and Bill Impacts

48. Electric and gas customers will see no change in their current bill as a result of the Stipulation. Attachment 4, Schedules SS-CEF-EE-4E and SS-CEF-EE-4G of the Stipulation, provides the bill impacts to a typical residential electric and gas customer, respectively, over the life of the CEF-EE Program.

49. The Stipulation represents a mutual balancing of interests, contains interdependent provisions, and, therefore, is intended to be accepted and approved in its entirety. In the event that any particular aspect of the Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with the Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that the Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in the Stipulation as though the Stipulation had not been signed.

50. To the extent that any particular aspect of the Stipulation concerning establishment of core sub-programs and coordinated elements (such as incentives, marketplace, marketing, workforce development, and contractor procurement), or sub-program structure in overlapping territories are not consistent with the final consensus reached by the Joint Utility Working Group, the Parties agree that the conflicting aspects of the Stipulation shall be revised accordingly.

DISCUSSION AND FINDINGS

As noted in previous orders, in the months leading up to the date of this filing in October 2018, two significant policy shifts occurred. In May 2018, Governor Murphy ordered the Board and several executive branch agencies to work on an EMP that would chart a path for New Jersey to convert its energy production profile to 100% clean energy sources by January 1, 2050. The draft EMP was released in June 2019, and the final EMP was released in January 2020.

Also in May 2018, Governor Murphy signed into law the CEA, which set forth ambitious goals to advance energy efficiency in the state. In the two years following passage of the CEA, the Board, Staff, Rate Counsel, utilities, and a broad range of stakeholders worked diligently and collaboratively to review and consider options and best practices on a myriad of topics related to EE. The subject matter included details of program design and administration; application of utility targets; filing requirements; cost recovery mechanisms; performance incentives and penalties; evaluation, measurement, and verification; tracking and reporting requirements; a triennial review process; and ongoing stakeholder working groups. This work culminated in the adoption on June 10, 2020 of a comprehensive framework for the next generation of EE and PDR programs to be developed and implemented in New Jersey by electric and gas public utilities and the State pursuant to the CEA.

Having carefully reviewed the record in this matter, including the petition, testimony, and Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. The Board **FINDS** that the Stipulation will benefit New Jersey's residents, energy users, and ratepayers and is consistent with the goals of the CEA and the EMP, as well as the requirements of the Board's June 10, 2020 Order. The Board **FURTHER FINDS** that the Stipulation will bolster New Jersey's clean energy workforce and will greatly improve the ability of low- and moderate-income customers to take advantage of EE programs, initiatives, and opportunities. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY AUTHORIZES** PSE&G to implement a new component of its electric and gas GPRC to recover the costs associated with the CEF EE Programs ("CEF-EEC"). The initial CEF-EEC rates will be set to zero. The CEF-EECs will be included in an update to the Company's pending 2020 GRPC Cost Recovery filing in Docket Nos. ER20060467 and GR20060468, through which the initial rate will be established. As a result of the Stipulation, PSE&G's typical residential electric and gas customers will not experience any immediate changes to their current monthly bills. The Board also **HEREBY AUTHORIZES** PSE&G to implement its electric and gas CIPs, as forth in the Stipulation and related attachments, to account for lost revenue resulting from the potential decrease in customer energy usage.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets conforming to the terms of this Order by October 1, 2020.

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

The effective date of this Order is September 30, 2020.

DATED: September 23, 2020

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
PRESIDENT

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

UPENDRA J. CHIVUKULA
COMMISSIONER

ROBERT M. GORDON
COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH
SECRETARY

In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis

BPU Docket Nos. GO18101112 and EO18101113

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PSEG Services Corporation

September 22, 2020

IN THE MATTER OF THE PETITION OF
PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF ITS CLEAN ENERGY FUTURE-ENERGY
EFFICIENCY ("CEF-EE") PROGRAM ON A REGULATED BASIS

BPU Docket No. GO18101112 and EO18101113

VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625

Dear Secretary Camacho-Welch:

Attached please find the fully executed Stipulation in the above-referenced case resolving all aspects of this matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company; the Staff of the New Jersey Board of Public Utilities; the New Jersey Division of Rate Counsel; the Eastern Environmental Law Center, for Environment New Jersey, Environmental Defense Fund, New Jersey League of Conservation Voters and Natural Resources Defense Council; Keystone Energy Efficiency Alliance, n/k/a Energy Efficiency Alliance of New Jersey; and New Jersey Large Energy Users Coalition. While intervenor Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; Gateway Energy Services Corporation; Centrica Business Solutions; Just Energy Group, Inc.; and NRG, Inc. (the "Market Participants") are not signatories to the Stipulation, we have been advised that they have no opposition to the stipulation and will be submitting a letter to that effect.

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.

If you have any questions, please do not hesitate to contact me.

Thank you for your consideration in this matter.

Very truly yours,

Matthew M. Weissman

Attach.
C Attached Service List (E-Mail)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF	)	STIPULATION OF
PUBLIC SERVICE ELECTRIC AND GAS	)	SETTLEMENT
COMPANY FOR APPROVAL OF ITS	)	
CLEAN ENERGY FUTURE-ENERGY EFFICIENCY	)	BPU Docket Nos. GO18101112 and
PROGRAM ON A REGULATED BASIS	)	EO18101113

APPEARANCES:

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Erin Cosgrove, Esq., for the Keystone Energy Efficiency Alliance n/k/a Energy Efficiency Alliance of New Jersey.

Steven Goldenberg. Esq., Giordano Halleran & Ciesla, P.A. for the New Jersey Large Energy Users Coalition

Christopher E. Torkelson, Esq., Karen O. Moury, Esq., and **Kristine Marsilio, Esq.,** Eckert Seamans Cherin & Mellott, LLC for Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; Gateway Energy Services Corporation; Centrica Business Solutions; Just Energy Group, Inc.; and NRG, Inc. ("Market Participants")

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

It is hereby AGREED, by and between Public Service Electric and Gas Company ("PSE&G" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Board Staff" or "Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), the Keystone Energy Efficiency Alliance

("KEEA") n/k/a Energy Efficiency Alliance of New Jersey ("EEANJ"), the Environmental Advocates, the New Jersey Large Energy Users Coalition ("NJLEUC"), and the Market Participants (collectively referred to herein as the "Parties") to execute this Stipulation of Settlement and Agreement resolving PSE&G's petition in this docket and to join in recommending that the New Jersey Board of Public Utilities ("Board" or "BPU") issue a Final Decision and Order approving this Stipulation of Settlement and Agreement ("Stipulation").

BACKGROUND

On January 13, 2008, L. 2007, c. 340 ("RGGI Law") was signed into law and pronounced that energy efficiency ("EE") and conservation measures must be essential elements of the State's energy future. The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45. Pursuant to Section 13 of the RGGI Law, codified in part 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 EE and conservation programs in its service territory on a regulated basis. An electric or gas public utility's investment in EE and conservation programs is eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms. N.J.S.A. 48:3-98.1(b).

PSE&G has made several EE filings pursuant to Section 13 of the RGGI Law, including:

i. On June 23, 2008, PSE&G filed a petition with the Board seeking approval of its Carbon Abatement Program, which included five (5) sub-programs: 1) Residential Whole House Efficiency; 2) Residential Programmable Thermostat Installation; 3) Small Business Direct Install; 4) Large Business Best Practices and Technology Demonstration Pilot; and 5) Hospital Efficiency, which the Board approved on December 16, 2008;[1]

[1] *In the Matter of the Petition of Public Service Electric and Gas Company Offering a Carbon Abatement Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1*, BPU Docket No. EO08060426, Order (Dec. 16, 2008).

ii. On January 21, 2009, PSE&G filed a petition with the Board seeking approval of its Energy Efficiency Economic Stimulus Program ("EEE Program"), to implement eight (8) EE sub-programs: 1) Residential Whole House Efficiency; 2) Residential Multi-Family Housing; 3) Small Business Direct Install; 4) Municipal/Local/State Government Direct Install; 5) Hospital Efficiency; 6) Data Center Efficiency; 7) Building Commissioning/O&M; and 8) Technology Demonstration, which the Board approved on July 16, 2009;[2]

iii. On January 24, 2011, PSE&G filed a petition with the Board seeking approval to extend three (3) of the EEE sub-programs: Multi-Family Housing, Government/Municipal/Non-Profit Direct Install, and Hospital Efficiency, which the BPU approved on July 14, 2011;[3]

iv. On August 8, 2014, PSE&G filed a petition with the Board seeking a further extension of the three (3) EEE sub-programs with certain modifications, which the BPU approved on April 15, 2015;[4] and

v. On March 3, 2017, PSE&G filed a petition with the Board seeking a further extension of the three EEE sub-programs for two (2) years (subject to the agreement that the Company would terminate the Direct Install Sub-Program at the conclusion of the two (2) year term), along with a request for two (2) new sub-programs: 1) smart thermostats; and 2) data analytics, all of which the Board approved on August 23, 2017.[5]

On May 23, 2018, Governor Murphy signed the Clean Energy Act ("CEA") into law. The CEA builds upon the RGGI Law by employing clean energy strategies and establishing aggressive energy

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2 *In the Matter of the Petition of Public Service Electric and Gas Company Offering an Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1*, BPU Docket No. EO09010058, Decision (July 16, 2009).

3 *In the Matter of the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of its Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff for Gas Service, B.P.U.N.J. No. 15 Gas, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, and 48:3-98.1*, BPU Docket No. EO11010030, Decision and Order (July 14, 2011).

4 *In the Matter of the Petition of Public Service Electric and Gas Company to Continue its Energy Efficiency Economic Extension Program on a Regulated Basis ("EEE Extension II")*, BPU Docket No. EO14080897, Order Adopting Stipulation (Apr. 15, 2015).

5 *In the Matter of the Petition of Public Service Gas and Electric Company for Approval of its Energy Efficiency 2017 Program and Recovery of Associated Costs ("17 EE Program")*, BPU Docket No. EO17030196, Order Adopting Stipulation (Aug. 23, 2017).

reduction requirements with the goal of improving public health by ensuring a cleaner environment for current and future New Jersey residents. Specifically, the CEA requires that each utility implement EE measures that "achieve annual reductions in the use of electricity of two percent of the average annual usage in the prior three years within five years of implementation of its electric energy efficiency program" and "annual reductions in the use of natural gas of 0.75 percent of the average annual usage in the prior three years within five years of implementation of its gas energy efficiency program."[6] 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, with the aim to achieve the State's goal of 100% clean energy by 2050.

The CEA required the Board to complete a study to determine energy savings targets for each utility to achieve the full economic, cost effective potential for energy usage reductions and the timeframe to achieve those reductions. It also required the Board to adopt quantitative performance indicators ("QPIs") to establish utility targets for energy usage reduction and PDR, and to establish a stakeholder process to evaluate the economically achievable EE and PDR requirements, rate adjustments, QPIs, and the process for evaluating, measuring, and verifying energy usage reductions and peak demand reductions by the public utilities.

CEF-EE FILING

As with the Company's Carbon Abatement Program, and the EEE Program filing and its three (3) extensions, PSE&G filed for approval of its Clean Energy Future- Energy Efficiency ("CEF-EE") Program pursuant to Section 13 of the RGGI Law on October 11, 2018 ("CEF-EE Petition" or "Petition"). In accordance with the RGGI Law, the Company met with Board Staff and Rate Counsel on May 3, 2018 for a pre-filing meeting to discuss: (a) the nature of the EE program; (b) the program

6 *P.L. 2018, c. 17, § 3(a) and (e)(1).*

cost recovery mechanism to be proposed in the Petition; and (c) the minimum filing requirements ("MFRs") to be submitted along with the Petition.

On November 14, 2018, Staff informed the Company that it found the CEF-EE Petition to be administratively deficient with respect to the MFRs for EE, renewable energy, and conservation programs ("Deficiency Letter"). In response to Staff's Deficiency Letter, the Company filed supplemental information on January 4, 2019 ("Supplemental Filing"). On January 9, 2019, Board Staff notified the Company that it reviewed the Petition for completeness and determined the Petition administratively complete, thereby establishing the Board's 180-day review period. Accordingly, the Board's 180-day review period under N.J.S.A. 48:3-98.1 commenced on January 7, 2019, with an expiration date of July 6, 2019.

Accompanying its Petition, PSE&G filed the direct testimonies of Karen Reif, PSE&G Vice President, Renewables and Energy Solutions; Steven Swetz, PSE&G Senior Director, Corporate Rates and Revenue Requirements; and Daniel Hansen, PhD, Vice President, Christensen Associates Energy Consulting, LLC. PSE&G's Supplemental Filing on January 4, 2019 included the supplemental direct testimony of Ms. Reif.

The CEF-EE Program filing consisted of 22 sub-programs, including seven (7) residential sub-programs, seven (7) commercial and industrial ("C&I") sub-programs, and eight (8) pilot sub-programs. The CEF-EE residential sub-programs were proposed to, among other initiatives, promote the purchase and installation of high-efficiency appliances through rebates and on-bill incentives; provide customers with energy audits and installation of EE measures; educate residential builders and developers on energy efficient home design and construction; and educate kindergarten through 12th grade students on EE. These residential sub-programs were proposed to work together to upgrade efficiency in homes throughout PSE&G's service territory. The CEF-EE C&I sub-programs were proposed to, among other things, promote the installation of energy efficient equipment; advance

efficient design and equipment installation for new buildings; optimize energy consumption in existing buildings; and upgrade all of PSE&G's existing high-pressure sodium cobra head streetlights to more efficient light emitting diode ("LED") streetlights. Lastly, the CEF-EE pilot sub-programs were proposed to implement and manage select, advanced approaches to EE that, after the conclusion of the pilot phase, may support future EE programs in New Jersey.

The total proposed investment for the CEF-EE Program was approximately $2.8 billion, including $2.5 billion for investment—including $86.2 million for information technology ("IT") investments—and approximately $283 million in administrative costs, including $28.9 million for IT run costs, over the proposed six (6) year term of the Program, with a proposed 15-year amortization period for residential and C&I program investments. PSE&G proposed that the costs be recovered via a new CEF-EE Program component ("CEF-EEC") of the Company's electric and gas Green Programs Recovery Charge ("GPRC") that would be filed annually.

PSE&G proposed to earn a return on its net investment based on its most recent weighted average cost of capital ("WACC"). Additionally, the Company requested Board approval of a decoupling mechanism for recovering lost revenues, the Green Enabling Mechanism ("GEM"), which would provide for the recovery or refund of the difference between actual revenue and the level of "allowed" revenue per customer established in the most recently completed base rate case.

By Order dated October 29, 2018, the Board designated Commissioner Dianne Solomon as Presiding Commissioner, authorized to rule on all motions that arise during the pendency of the CEF-EE Petition and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. The Board directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 16, 2018. Moreover, to enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow for development of a complete record, the Board authorized Commissioner Solomon to render decisions on

stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180-day review period, if submitted, provided that the stipulation extending the time period is executed by all parties to the proceeding. The authority so delegated was limited to extensions that do not collectively exceed 180 days, with any further request for extensions to be directed to the Board.

By Order dated January 22, 2019, Commissioner Solomon issued a Prehearing Order that established the issues to be determined by the Board and set forth a procedural schedule ("Prehearing Order"). The Prehearing Order also granted the Motions for the Intervention of NJLEUC and the Environmental Advocates. The Motions for Intervention of EEANJ and the Market Participants (on Motion for Reconsideration) were granted by orders dated February 27, 2019 and November 13, 2019.

Public notice was provided, and six (6) public hearings were held on the CEF-EE Program on the following dates at three (3) locations in PSE&G's service territory: two (2) hearings on March 13, 2019 in New Brunswick, New Jersey; two (2) hearings on March 18, 2019 in Mt. Holly, New Jersey; and two (2) hearings on March 21, 2019 in Hackensack, New Jersey. A total of 62 members of the public made statements at the public hearings, the majority of whom commented in support of the CEF-EE Program. Two (2) members of the public expressed concerns regarding the CEF-EE Program's impact on the competitive EE market.

The Company, Rate Counsel, and the Environmental Advocates pre-filed direct and rebuttal testimony of their witnesses. Discovery questions were propounded by Board Staff, Rate Counsel, the Environmental Advocates, and the Company; PSE&G, Rate Counsel, and the Environmental Advocates responded thereto. Evidentiary hearings were conducted on May 1 and 2, 2019 before Commissioner Solomon. During the evidentiary hearings, PSE&G, Rate Counsel, and the Environmental Advocates introduced their respective pre-filed testimonies and exhibits, all discovery responses were moved into evidence, Rate Counsel witnesses presented sur-rebuttal testimony, and

witnesses were cross-examined. Initial post-hearing briefs were submitted on May 17, 2019 and reply briefs on May 29, 2019.

Several stipulations were approved by Commissioner Solomon to extend the 180-day period for decision pursuant to N.J.S.A. 48:3-98.1: (a) by Order dated June 27, 2019—extending the period from July 6, 2019 until August 19, 2019; (b) by Order dated August 12, 2019—extending the period from August 19, 2019 until September 18, 2019; (c) by Order dated September 11, 2019—extending the 180-day period for Board action on the Company's CEF-EE Program from September 18, 2019 until March 16, 2020 and authorizing PSE&G to extend four (4) of the five (5) then-current EE 2017 sub-programs for one (1) year, with an additional $32.995 million of expenditures to be added to the existing EE 2017 component of the GPRC ("EE 2017 Extension I").

The Parties held settlement meetings on January 14, 29, February 5, 7, and 11, 2020, which culminated in an interim settlement and further extension. A fully executed stipulation was submitted to the BPU: 1) providing an extension of time for BPU action on the CEF-EE Petition until September 30, 2020; and 2) allowing the Company to continue all five (5) existing EE sub-programs through September 30, 2020, with an additional $111 million of program investment and an additional $19 million for the Fixed Administrative Allowance and evaluation by outside contractors, to be recovered through the EE 2017 component of the Company's annual GPRC filing ("EE 2017 Extension II"). The Board approved that stipulation by Order dated February 19, 2020.

BPU ENERGY EFFICIENCY TRANSITION

Pursuant to the requirements of the CEA, the Board undertook a process to develop a framework for establishing EE and PDR programs to reduce the use of electricity and natural gas in New Jersey. At the outset of the proceeding, the Board contracted with Optimal Energy, Inc. ("Optimal") to perform a study to determine the potential for EE and PDR for each utility in the state and to develop preliminary energy savings targets and QPIs for electricity and natural gas usage reduction ("EE Potential Study").

As part of the Board's separate EE transition process applicable to all utility- and State-administered EE programs implemented pursuant to the CEA, the Board also established a stakeholder process to evaluate the economically achievable EE and PDR requirements, rate adjustments, QPIs, and the process for evaluating, measuring, and verifying energy usage reductions and peak demand reductions by the public utilities. Following several stakeholder meetings regarding the EE Potential Study, the Board adopted the energy savings targets and QPIs as preliminary and approved establishment of an Energy Efficiency Advisory Group ("EEAG") to participate in the ongoing EE transition stakeholder process related to the development of EE and PDR programs in New Jersey. Board Staff, Rate Counsel, and the utilities have also been working together through a Joint Utility Working Group to review progress on efforts to coordinate programs. The utilities have been working together to develop program details through the Utility Program Working Groups, which are comprised of multiple teams working on topics including Residential sub-programs, Commercial and Industrial sub-programs, Cross-Cutting issues (common issues between residential and C&I sub-programs), evaluation, rates, and a statewide coordinator system.

Board Staff worked to consider and incorporate public comments and technical data received throughout the EE transition process in the refinement of the framework for EE and PDR programs. Staff also released proposals for comment on program administration and cost recovery and, ultimately, following the submission of comments, on March 20, 2020 issued the full "Energy Efficiency Transition Straw Proposal." Public comments were again considered prior to submission to the Board for approval. On June 10, 2020, the Board accepted Staff's proposed framework ("Framework Order") for the performance targets, program administration, cost recovery, evaluation, measurement, verification ("EM&V"), and filing and reporting standards for implementation of New Jersey's EE and PDR programs.

POST EE FRAMEWORK ORDER

Following the Board's issuance of the Framework Order, the Parties recommenced settlement discussions concerning PSE&G's CEF-EE proposal. The Company has also continued its participation in the Joint Utility Working Groups as per the Framework Order. Settlement discussions were held on June 25, July 14, 16, 28, 31, August 14, 19, 25, 27, and September 1, and 2 with the goal of reaching a settlement for BPU approval in advance of the September 30, 2020 deadline for Board action.

The Company, Board Staff, Rate Counsel, and the intervening parties (collectively "Signatories") have reached an agreement resolving all issues in this proceeding as guided by the principles set forth in the Framework Order and by the Joint Utility Working Group and the Utility Program Working Groups. In light of the foregoing, the Signatories have executed this Stipulation of Settlement and Agreement, the terms of which are set forth below. Specifically, the Signatories hereby STIPULATE AND AGREE to the following:

STIPULATED MATTERS

I. General Terms

1. The Parties agree that, subject to Board approval of this Stipulation of Settlement and Agreement, PSE&G may implement a modified CEF-EE Program under the terms and conditions described herein. The Program will include implementation, administration and investment in 10 sub-programs, including four (4) residential sub-programs, five (5) Commercial and Industrial (C&I) sub-programs, and one (1) multifamily sub-program.

2. The Parties agree that PSE&G should be permitted to implement the 10 sub-programs identified in Attachment 1, attached hereto and incorporated herein by reference, subject to the final consensus of the Joint Utility Working Group, as outlined in paragraph 50

3. PSE&G will launch sub-programs in accordance with Attachment 1, and adjustments will be made in the implementation of these sub-programs to coordinate delivery and assure consistency of core sub-programs with other utility core sub-programs, as necessary. To coordinate sub-program offerings across the state, the utilities are engaged in a joint effort to contract with a single third-party entity to serve as a dual-fuel statewide coordinator.

4. Customers in PSE&G's electric and/or gas service territory who meet the criteria for the respective CEF-EE sub-program offerings will be eligible to participate.

5. The CEF-EE Program budget is as follows:

Program Component	Description	Component Budget ($M)	Implementation Date
Res Efficient Products	Rebates and on-bill repayment for HVAC, smart thermostats, appliances, lighting, and other equipment	140	Marketplace: 10/1/20 All other: 1/1/21
Res Existing Homes	Rebates and on-bill repayment for energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services	55	1/1/21
Res Behavior	Data analytics, home energy reports, and online energy audits	25	1/1/21[7]
Res Multifamily	Energy audit and direct install of efficient equipment at no charge to tenants	9	1/1/21
Income Eligible	Energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services at no charge for income-eligible customers and for properties located within low and moderate-income census tracts	55	1/1/21
C&I Prescriptive	Rebates and on-bill repayment for HVAC, lighting, motors and drives, refrigeration, water heaters, air compressors, and food service equipment	210	1/1/21

[7] Additional customers will be added to the Behavior Subprogram on January 1, 2021. EE 2017 will continue to serve existing customers through December 2020.

Program Component	Description	Component Budget ($M)	Implementation Date
C&I Custom	Custom incentives for large energy efficiency projects, including on-bill repayment	100	1/1/21
C&I Small Non-Residential Efficiency (a/k/a Direct Install)	Rebates and on-bill repayment for direct-installed EE measures to small non-residential customers of lighting, controls, refrigeration, heating and air conditioning updates, etc.	165	10/1/20[8]
C&I Energy Management	Retro-commissioning and strategic energy management: optimizing existing systems with little to no equipment upgrades	6	1/1/21
C&I Engineered Solutions	Whole-building engineered energy saving solutions to hospitals, school districts, universities, municipalities, apartment buildings, other non-profit /public entities	205	10/1/20[9]
IT	Technology systems and services to ensure PSE&G customers have easy access to energy efficient products, incentives, and repayments	33[10]	N/A
Admin	Program administration; program management; education and outreach; program design and development; and IT run costs	Cap at 10% of investment	N/A
Investment Total		**1,003**	

6. Based on market response, the Company may shift the timing of investment spending between Program Years (October 1 – September 30) in any sub-program as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of Program targets during the term of the Program, in accordance with the procedure outlined in the

[8] The EE 2017 Direct Install Subprogram will continue for Urban Enterprise Zones, Government, and Nonprofits. Expansion of the program beyond that will begin no earlier than January 1, 2021.

[9] The C&I Engineered Solutions Sub-program will continue for Hospitals and Multifamily. Expansion of the program beyond that will begin no earlier than January 1, 2021.

[10] An expected breakdown of these IT costs is provided at Attachment 2.

Framework Order.

7. During implementation, certain sub-programs may be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process, in accordance with the Framework Order, shall be as follows:

- PSE&G can shift its sub-program budgets out of an individual sub-program within the Residential sector or within the C&I sector, up to 25% of the individual sub-program's total budget with Staff notification (which should be provided within 30 days following the change), 25–50% with Staff approval, and over 50% with Board approval.

- PSE&G can shift budgets out of the Residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), 5–10% with Staff approval, and over 10% with Board approval. Such budgets may be added to any sub-program(s) within the sector to which it is being transferred without limitation when the budget shift does not exceed 5%.

- All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. Requests for budget adjustments within the three-year Program filing necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, which will trigger Staff review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of PSE&G's request, those requests will be automatically granted.

8. Customer information shall be used by the Company to deliver an effective customer experience in compliance with any applicable BPU regulations and statutory obligations. The Company shall adopt privacy and data handling policies and procedures for CEF-EE that are consistent with PSE&G's customer data security protections, the Framework Order, and any applicable BPU regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, PSE&G shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the CEF-EE or to evaluate the sub-

programs, the Company commits to enforcing the contractual confidentiality requirement to the extent allowed by the law. Any "breach of security" with respect to customers' "personal information," as those terms are defined in N.J.S.A. 56:8-161, shall be treated in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:8-161 et seq., and Section 3b of the BPU's Cybersecurity Order of March 18, 2016 in Docket No. AO16030196.

9. PSE&G agrees customer-specific data belongs to the customer, who may request or authorize PSE&G to share it with suppliers, and data gathered during the operation of these sub-programs not specific to any particular customer belongs to the Company and will be used solely to support current or future regulated utility programs. Such data may not be used for other purposes without Board approval. Any financial benefits derived from the data will be offset against the costs of the program. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board.

10. PSE&G has used a competitive selection process to select current EE implementation vendors under existing EE Programs described above. The Company commits to conducting a competitive solicitation process to select vendors for the second and third program years that meet currently applicable requirements in a manner that permits the Company to prudently implement the sub-programs. Alternatively, to the extent that contracts with existing vendors can be extended to increase speed to market or reduce costs for customers, the Company will pursue these options and make reasonable efforts to integrate all currently applicable competitive selection procurement protocols into those contracts, while continuing to follow all competitive selection procurement protocols for other services required.

11. Within 30 days of May 31, 2021, PSE&G will convene at least one (1) non-confidential stakeholder collaborative meeting to discuss potential partnerships with market participants and other stakeholders, and to obtain input regarding the design and implementation of "non-core" programs,

including but not limited to demand response and PDR programs, non-pipe and non-wire alternative programs, and building electrification/decarbonization programs. PSE&G agrees to consider in good faith the issues and suggestions raised in the meeting and to develop recommendations regarding a future filing on additional programs identified in the meeting.

12. Within 120 days of Board approval of this Stipulation, PSE&G will convene at least one stakeholder collaborative meeting to discuss competitive issues in the provision of EE, including but not limited to the implementation of supplier consolidated billing.

13. Incentive structures are described in Attachment 1 of this Stipulation, and measure level details are included in Appendix A of Attachment 1, subject to modification consistent with the Framework Order and in cooperation with the BPU's Utility Working Group and the Utilities' Program Working Groups. The Company commits to complying with all Board Orders regarding the programs and program details it is required to offer.

II. Program Term

14. Implementation of the CEF-EE Program will commence on October 1, 2020 and will continue over the course of the next three years until September 30, 2023.

15. CEF-EE core programs that are continuations of the EE 2017 sub-programs PSE&G currently operates (Efficient Products Marketplace component[11] and Direct Install[12]) shall commence on October 1, 2020. CEF-EE core programs that PSE&G does not currently operate shall commence no earlier than January 1, 2021. Non-core sub-programs, including those sub-programs that are continuations of existing EE 2017 sub-programs, will commence on October 1, 2020. The EE 2017 Hospital and Multi-Family sub-programs will continue as components of the Engineered Solutions sub-

[11] Efficient Products – Marketplace will be expanded to offer several on-line products on October 1, 2020.

[12] See footnote 8.

program, with new elements of the Engineered Solutions sub-program commencing no earlier than January 1, 2021. The EE 2017 Data Analytics sub-program will continue as the Behavioral sub-program.

PSE&G will continue to coordinate regarding transition of programs (including program delivery, program data, and marketing) with the current NJCEP program administrator and other utilities with whom the Company has overlapping service territories. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement, as permissible under law, consistent elements of the core programs concurrently with all electric and gas utilities in the state. This consistency will include the following elements:

- Common forms for use by customers and contractors;
- Contractor requirements, open and competitive procurement protocols where feasible, and training; procurement protocols should include policies and practices (e.g., scoring systems) developed in collaboration with the Equity Working Group and Workforce Development Working Group that encourage supplier diversity (including contractors and subcontractors) and contractor coaching/mentoring of diverse business enterprises;
- Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for low- to moderate-income customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);
- Eligible measures;
- Incentive ranges;
- Incentive payment processes and timeframes;
- Customer and contractor engagement platforms;
- Data platforms and database sharing among program administrators, where appropriate; and
- Quality control standards and remediation policies.

16. The Company will file a subsequent multiyear Program extension for Board approval by September 30, 2022 with a commencement date of October 1, 2023 to allow for efficient continuation of the CEF-EE Program and align the program term with the subsequent State-wide July-June program cycle.

III. CEF-EE Program Expenditures

17. The Parties agree that the total investment for the CEF-EE Program is $1.003 billion, which includes all capital expenditures (including IT), rebates and incentives, including financing costs and audit/installation labor, and outside services for third party sub-program implementation and EM&V. The budget for investment includes amounts that are spent during the three-year program cycle (October 1, 2020 – September 30, 2023) as well as amounts reserved to fund projects/incentives for customers who have enrolled in sub-programs during that three (3) year period, as defined in Appendix B of Attachment 1.

18. The agreed upon $1.003 billion investment amount does not include Company administrative costs, which will be capped at $100.3 million. Company administrative costs include PSE&G administrative, labor, IT run costs, and portfolio-level costs, such as program development and jobs initiatives for the three year program cycle. The Company will recover its actual reasonable and prudently incurred administrative costs up to the $100.3 million cap through annual GPRC cost recovery filings. Staff and Rate Counsel reserve their rights to challenge the prudency of all costs, including administrative costs, in future GPRC filings.

19. The Joint Utility Program Working Group is developing requirements for coordination of services to customers, including the sharing of costs and the allocation of savings. The investments and administrative costs do not include expenditures required for coordination with other utilities, including the Statewide Program Coordinator System. The Parties agree that any additional costs for such coordination efforts that go beyond the scope of the Program, and that are deemed prudently incurred after appropriate review, will be recoverable.

20. All Program expenditures will be filed with the Board and submitted for prudency review in annual cost recovery filings over the term of the Program by way of PSE&G's annual GPRC proceedings.

IV. Cost Benefit Analysis / Reporting

21. The Company submitted calculations as to the cost-effectiveness of each of the proposed sub-programs under five (5) different cost-benefit tests: the Participant Cost Test ("PCT"), the Program Administrator Cost ("PAC") Test, the Ratepayer Impact Measure ("RIM") Test, the Total Resource Cost ("TRC") Test, and the Societal Cost Test ("SCT"). Attached hereto as Attachment 3 are summaries of the results of (1) the Company's Benefit Cost Analysis including the New Jersey Cost Test (NJCT), (2) its Costs-to-Achieve Savings Analyses, and (3) its analysis of Electric and Gas QPI values in Program Years 1-3. On or before September 25, 2020 the Company will provide detailed supporting calculations and workpapers that are fully compliant with the MFRs established in the Framework Order. With regard to the QPIs, the Company will provide a description of how the proposed portfolio achieves the targets established for the Company as required by MFR VII.

22. QPI performance periods will be those set forth in the Framework Order. In addition to CEF-EE projects and measures completed after July 1, 2021, EE 2017 projects and measures completed after July 1, 2021 shall be included in QPI measurement. Quarterly, annual and triennial reports will be consistent with the requirements of the Framework Order, the details of which will be developed by the BPU's Utility Working Group.

23. The Company will perform EM&V for the CEF-EE Program in accordance with the Framework Order. All EE 2017 projects and measures completed after July 1, 2021 shall also be included in the CEF-EE EM&V plan.

V. Capital Structure/Return on Equity

24. PSE&G will earn a return on its net investment based upon the authorized return on equity ("ROE") and capital structure approved by the Board in its last base rate proceeding.

25. PSE&G's weighted average cost of capital ("WACC") for its CEF-EE Program investments will be set based on the WACC established in the Company's 2018 base rate case, which

is 6.99%, or 9.02% on a pre-tax basis based on a common equity percentage of 54%, an ROE of 9.60%, and current tax rates. Attachment 4, Schedule SS-CEF-EE-1 of this Stipulation shows the calculation of the WACC for the CEF-EE Program.

26. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the appropriate corresponding subsequent monthly revenue requirement calculations. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but, in any event, no later than January 1 of the subsequent year. Any changes to current tax rates would be reflected in an adjustment to the Pre-Tax WACC and in any corresponding revenue requirement calculations.

VI. Cost Recovery

27. Cost recovery for the Program will be made and tracked via a new CEF-EE Program component ("CEF-EEC") of the Company's electric and gas GPRC, which will be filed annually after the proposed initial period. PSE&G has submitted proposed tariff sheets (both red-lined and clean) as Attachment 5 of this Stipulation to reflect the updated GPRC tariff.

28. The Parties agree that, in light of the impacts of the current COVID-19 pandemic, the initial electric and gas CEF-EECs will be set at zero as of the date of the BPU Order in this proceeding. The Parties further agree that the CEF-EECs will be included in an update to the Company's pending 2020 GPRC Cost Recovery filing in Docket Nos. ER20060467 & GR20060468, and an initial rate can be set for each component in the settlement of that proceeding. In any event, the initial CEF-EECs will not be increased before January 1, 2021.

29. The electric and gas CEF-EECs will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered

balance to be recovered from or returned to customers over the following year. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a final Board Order.

30. The calculation methodology of revenue requirements and the over/under deferred balance is detailed in Attachment 4. The Parties agree the Company will modify the revenue requirement calculation if needed to coordinate sharing of investment with partner utilities in shared service territories as a result of the Board's review and approval of the other utilities cost recovery methodology.

31. Revenues received under the CEF-EE Program, such as PJM Capacity Revenues, marketplace revenues negotiated with vendors, or any other source of revenues as a result of the implementation of the CEF-EE Program, as well as financial benefits from the usage of data as provided in paragraph 9 herein, will be utilized to offset revenue requirements to customers.

32. The Company shall offer eligible EE into the PJM capacity market, consistent with the approach agreed upon by the BPU's Joint Utility Working Group, subject to the requirements of PJM. The Company will credit CEF-EE revenue requirements with any PJM capacity market revenues.

33. The Parties agree to amortize the CEF-EE investments, excluding IT, over a 10-year period. Investment other than financing costs will be expensed when incurred for tax purposes and flowed back to customers as shown in Attachment 4. IT investments will be amortized in accordance with PSE&G's accounting policy and generally accepted accounting principles, which is forecasted to be a five (5)-year book amortization period and three (3)-year straight-line period for tax purposes. IT tax deductions will also be flowed back to customers, as shown in Attachment 4.

34. The Parties stipulate that the Company will file to adjust its electric and gas CEF-EECs, as part of the true-up petition ("True-Up Filing") for the GPRC, with copies provided to the Parties no

later than July 1, 2021 and annually thereafter for the implementation of the proposed revised CEF-EECs on October 1 of each year. The True-Up Filing will provide information as required by the MFRs. Each True-Up Filing will contain a reconciliation of its projected CEF-EECs costs and recoveries and actual revenue requirements for the prior period, and a forecast of revenue requirements for the estimated time period before Board approval (October 1) and the 12-month period thereafter, which shall be based upon the Company's most current authorized ROE and capital structure as defined above. The True-Up Filing also will present actual costs incurred since the previous annual review, and those costs will then be reviewed for reasonableness and prudency.

35. The Parties agree that any over/under recovery of the actual revenue requirements compared to revenues will be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the prior months interest rate calculation will be used. The interest rate shall not exceed PSE&G's overall rate of return, as authorized by the Board, in calculating revenue requirements for the corresponding period. The interest amount charged to the CEF-EE Program electric and gas deferred balances will be computed using the methodology set forth in Attachment 4, Schedule SS-CEF-EE-6E and SS-CEF-EE-6G, respectively of this Stipulation. The calculation of monthly interest shall be net of tax based on the average monthly balance, consistent with the methodology set forth in Attachment 4, Schedules SS-CEF-EE-6E and SS-CEF-EE-6G of this Stipulation for the CEF-EE Program. Simple interest shall accrue on any over and under recovered balances and shall be included in the deferred balances at the end of each reconciliation period. Near the end of the initial and each subsequent recovery period, the

corresponding electric and gas deferred balances will be included with forecasted revenue requirements for the succeeding period for the purpose of setting the revised electric and gas CEF-EECs.

36. The True-Up Filing will be subject to review by the Parties with opportunity for discovery and evidentiary hearings (if necessary) prior to the issuance of a Board Order establishing the Company's revised CEF-EECs. The issuance of a written Board Order will be preceded by adequate public notice and public hearings including evidentiary hearings, if necessary.

VII. Conservation Incentive Program ("CIP")

37. Given the volumetric rate structure to recover fixed costs and the potential for decline in revenue associated with the implementation of energy efficiency, the Parties agree—as consistent with the CEA—to account for lost sales revenue resulting from the decrease in customer energy usage.

Shareholder Contribution

38. The recovery of lost revenues due to programs like the CEF-EE will be made via a CIP based on the methodology outlined below and detailed in the schedules for gas and electric, as noted in Attachments 6G and 6E, respectively. In addition, PSE&G agrees to implement initiatives to further customer conservation efforts, providing a funding amount ("shareholder contribution") of $3.3 million per year as long as the CIP remains in place, commencing with the start of the CIP deferrals, as defined below. All shareholder contribution expenditures will be allocated 55% to electric distribution (or approximately $1.8 million) and 45% to gas distribution (or approximately $1.5 million). Any under-spend in a year will be factored into the following year's spending amount. The shareholder contribution will not be included in customer rates. The shareholder contribution will support initiatives designed to aid customers in reducing their costs of natural gas and electricity and to reduce each utility's peak demand. The initiatives may include efforts such as education and outreach, as well as enhancements to standard incentives to further encourage customer engagement in the CEF-EE Program (e.g., the distribution of free EE kits within low- and moderate-income census tracts), grants

to schools and community organizations, and a business EE portal.

- Community Education and Outreach: This category covers community outreach activities, such as presentations, lunch and learns, outreach tables, trade shows, business conferences, and green fairs. It may also include grants or initiatives with community organizations. Particular emphasis will be placed on low- and moderate-income communities.
- Municipal and NGO (non-governmental organization) Outreach: This category includes activities to work with municipalities and other organizations and may include funding for special studies or projects and partnerships to promote EE.
- Customer Engagement: This category includes activities to increase customer awareness and engagement in programs, including enhanced incentives for promotional purposes, such as the offering of a flash sale. Particular emphasis will be placed on low- and moderate-income customers. A business engagement portal may be explored to evaluate the potential to provide customized information to this diverse customer segment.
- Energy Efficient Economy: This category supports efforts to engage and develop a diverse supplier and workforce base to support the delivery of EE services.

Filing/Tariff Details

39. The Parties agree that, in light of the COVID-19 pandemic, the Company will submit its first electric CIP cost recovery filing by February 1, 2022, for new rates effective June 1, 2022, based on an initial deferral period of June 1, 2021 through May 31, 2022. The Parties further agree that the Company will submit its first gas CIP cost recovery filing by June 1, 2022, for new rates effective October 1, 2022, based on an initial deferral period of October 1, 2021 through September 30, 2022. The electric and gas CIPs will be adjusted annually thereafter. The Company will not book any CIP deferral prior to June 1, 2021 for electric and October 1, 2021 for gas. The filings will document actual results, perform the required CIP collection tests described in more detail below, and propose the new CIP rate. Any variances from the annual filings will be trued-up in the subsequent year.

40. Attachment 5 to this Stipulation contains the electric and gas CIP tariffs. The CIP tariffs will reflect an initial rate of $0.00000 for both electric and gas.

41. The terms of the existing Weather Normalization Charge ("WNC") will be suspended as of October 1, 2021 at the time that the Gas CIP deferral begins. The 2021 Gas WNC cost recovery filing for the 2020-2021 Winter period can be implemented for new rates effective October 1, 2021,

with any remaining over or under-collection included in the Company's first gas CIP tariff to be submitted by June 1, 2022.

CIP Methodology

42. The monthly CIP deferrals will be calculated as reflected in Attachments 5 and 6E/G to this Stipulation. For the gas CIP, the baseline usage per customer by applicable rate schedule is shown in Attachments 5 and 6G and is based on the billing determinants approved in the Company's 2018 base rate case. The baseline usage per customer will be adjusted with each subsequent base rate case. The margin rate utilized in the calculation of the gas deferral is based on the current variable margin rate for each rate schedule and will be updated for any Infrastructure Investment Program ("IIP") rate adjustments or future base rate changes. For the electric CIP, the baseline revenue per customer by applicable rate schedule is shown in Attachments 5 and 6E and is based on the billing determinants from the 2018 base rate case and the latest variable margin rates per rate schedule, including any IIP rate adjustments. The baseline usage and margin rates will be updated with each subsequent base rate case or IIP rate adjustment.

43. For purposes of determining recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into weather-related and non-weather-related components. The non-weather-related components will be limited by eligibility tests described in more detail below. The weather-related component will not be subject to those limitations.

44. The non-weather component will be calculated by first deducting the weather component. For gas, the weather impact will be calculated in the same manner as calculated for the Company's existing WNC. For electric, the weather impact will be calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based on 20 years of weather history of sales for residential customers only. The weather will be measured by the impacts on sales and associated distribution revenue of heating degree days ("HDD") for winter weather and

the temperature humidity index ("THI") for summer weather. The average of the 20 years of data for HDD and THI will be considered normal. The difference in actual and normal HDD and THI will be multiplied by the sales coefficients to establish sales impacts. The sales impacts will be multiplied by the current tariff rates to derive the revenue impact. The weather normalization methodology is detailed in Schedule 4 of Attachments 6E and 6G for electric and gas, respectively.

45. The Parties agree that recovery of non-weather related gas CIP impacts shall be subject to the application of two eligibility tests: a Modified BGSS Savings Test and a Variable Margin Test. The Parties further agree that recovery of non-weather related electric CIP impacts shall be subject to the application of two eligibility tests: a BGS Savings Test and a Variable Margin Test. In order to be eligible for recovery, non-weather related CIP impacts must pass both cost recovery tests. A description of the eligibility tests is provided below.

- **a. Modified BGSS Savings Test (Gas only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the gas CIP Tariff will be limited to BGSS Savings calculated under the following methodology. Consistent with the existing Modified BGSS Savings Test utilized by New Jersey Natural Gas Company and South Jersey Gas Company, the margin impact shall be multiplied by a factor of 75% prior to application of the BGSS Savings test. Further, the Parties agree to recognize three (3) categories of savings when calculating the total savings used in the Modified BGSS Savings Test.

    i. Category One includes the Company's permanent savings realized from its permanent capacity releases or contract terminations on an ongoing basis. The permanent capacity releases and contract terminations are $45.395 million, as detailed by contract in Schedule 5 of Attachment 6G. These amounts will remain constant after the re-setting of the CIP benchmarks in future base rate cases.

ii. Category Two includes BGSS gas cost savings from reductions of capacity on a long-term basis, i.e., for periods of at least one (1) year. This category of savings will include, but not be limited to: 1) additional contract terminations not included in Attachment 6G, Schedule 5; 2) release of capacity to an affiliate or non-affiliate; 3) contract restructuring; and 4) reductions in the commodity cost of gas supply effectuated through purchasing strategies.

iii. Category Three is the Company's savings associated with avoided capacity costs to meet residential customer growth on a prospective basis, beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in residential customers for CIP multiplied by the corresponding Benchmark Use per Customer and by the average fixed capacity cost reflected in the Company's concurrent BGSS filing. Schedule 5 of Attachment 6G to this Stipulation illustrates the savings calculation.

iv. Additional BGSS savings pursuant to subparagraphs 44(a)(ii) and (iii) above will only be counted within the Modified BGSS Savings Test after agreement is reached with Rate Counsel and Board Staff about BGSS savings transactions.

- **b. BGS Savings Test (Electric only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the electric CIP Tariff will be limited to BGS Savings calculated under the following methodology. Consistent with the Modified BGSS Savings Test described above for gas, the margin impact shall be multiplied by a factor of 75% prior to application of the BGS Savings test. Further, the Parties agree to recognize three (3) categories of savings when calculating the total savings used in the BGS Savings Test.

i. Category One includes the Company's permanent savings realized from the reduction in PJM Final Zonal Unforced Capacity ("UCAP") Obligation from the 2011/2012 energy year compared to the 2020/2021 energy year multiplied by the 2020/2021 PS Zonal Net Load Price. The permanent BGS savings are $64.506 million, as shown in Schedule 5 of Attachment 6E. These amounts will remain after the re-setting of the CIP benchmarks in future base rate cases.

ii. Category Two includes BGS cost savings from ongoing reductions of the Company's PJM Final Zonal UCAP Obligation. This category of savings will be calculated as any annual incremental UCAP Obligation savings after the 2020/2021 energy year. Any annual incremental UCAP Obligation savings will be multiplied by the most recent PS Zonal Net Load Price. Due to the potential for Peak increases due to electric vehicles and electrification, savings are set as a minimum of the incremental obligation savings or zero.

iii. Category Three is the Company's savings associated with avoided capacity costs to meet customer growth on a prospective basis beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in customers for CIP multiplied by the corresponding obligation per customer and the current PS Zonal Net Load Price per month. Schedule 5 of Attachment 6E to this Stipulation illustrates the savings calculation.

iv. Additional savings pursuant to subparagraphs 44(b)(ii) and (iii) above will only be counted within the BGS Savings Test after agreement is reached with Rate Counsel and Board Staff.

- **Variable Margin Test (Electric and Gas)** – The Parties further agree to adopt an

additional recovery limitation to non-weather-related CIP margins equal to 6.5% of variable margins for the CIP accrual year. However, for the first annual deferral period only (June 1, 2021 through May 31, 2022 for Electric and October 1, 2021 through September 30, 2022 for Gas), the Parties agree to a recovery and refund limitation to non-weather-related CIP margins equal to 4.0 percent of variable margins. Specifically, variable margins for the gas CIP will be calculated based upon: (i) the number of customers, (ii) the applicable baseline use per customer ("BUC"), and (iii) the associated margin per therm. The margin revenues for each month for each gas CIP Group shall equal the actual number of customers multiplied by the BUC and multiplied by the margin revenue factor. For the electric CIP, variable margins will be calculated based on: (i) the number of customers and (ii) the baseline revenue per customer. The margin revenues for each month for each electric CIP Group shall equal the actual number of customers multiplied by the baseline revenue per customer. The resulting monthly values for both electric and gas shall be summed for all 12 months for all CIP Groups in order to yield the total Variable Margins for the year. Recoverable non-weather CIP amounts shall not exceed 6.5% (or 4.0% in the first year as defined above for electric and gas) of the aggregate variable margin revenues under this test.

46. The dual cost recovery tests set forth in this paragraph shall operate in conjunction with each other in such a manner so that the total non-weather recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate Modified BGSS Savings Test and the Variable Margin Revenue Test for Gas and BGS Savings Test and Variable Margin Revenue Test for Electric. The Parties agree that any amounts that exceed the Modified BGSS Savings Test/BGS Savings Test and/or Variable Margin Revenue recovery limitations may be deferred for future recovery subject to the earnings test described below. The Company agrees to not seek recovery of interest on

any deferred carry-forward amount.

47. Earnings Test – The Parties agree to include an earnings test, through which actual ROE shall be determined based on the actual net income of the utility for the most recent 12-month period divided by the average of the beginning and ending common equity balances for the corresponding period. The timing of the earnings test and definitions of Net Income and Common Equity are specified in the Electric and Gas CIP Tariffs provided in Attachment 5. The earnings test will be applicable to the total CIP deferral, including both weather and non-weather components. If the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period and shall not be carried over to subsequent filing periods.

VIII. Rate and Bill Impacts

48. Electric and gas customers will see no change in their current bill as a result of this Stipulation. Attachment 4, Schedules SS-CEF-EE-4E and SS-CEF-EE-4G, provides the bill impacts to a typical residential electric and gas customer, respectively, over the life of the CEF-EE Program.

49. This Stipulation represents a mutual balancing of interests, contains interdependent provisions, and, therefore, is intended to be accepted and approved in its entirety. In the event that any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

50. To the extent that any particular aspect of this Stipulation concerning establishment of

core sub-programs and coordinated elements (such as incentives, marketplace, marketing, workforce development, and contractor procurement), or sub-program structure in overlapping territories are not consistent with the final consensus reached by the Joint Utility Working Group, the Parties agree that the conflicting aspects of this Stipulation shall be revised accordingly.

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

52. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Parties 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, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

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Attorney for the Staff of the New Jersey
Board of Public Utilities

By: Matko Ilic
Matko Ilic, Esq.
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Dated: September 22, 2020

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Dated: September 21, 2020

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Contents

Note: Note that subprogram and incentive designs may be adjusted as required to coordinate with other NJ utilities.

1.1. Residential Sector Subprograms

The proposed residential subprograms will work together to significantly upgrade efficiency in homes throughout PSE&G's service territory. All sub-segments are addressed, from new construction and refurbishments, to existing homes, to an online marketplace for installation service, with additional dedicated support for multi-family and lower income customers. Where needed, additional customer support is provided through on-bill repayments and other incentives. To further improve the culture of energy efficiency use in its territory, PSE&G will sponsor subprograms through education and behavioral subprograms.

1.1.1. Residential Efficient Products

The Residential Efficient Products Subprogram will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, including an online marketplace, in-store rebates, reduced point of sale costs, and a network of trade allies. The subprogram will provide incentives for energy efficient lighting, appliances, smart thermostats, electronics, and heating and cooling equipment. Installation services may also be offered for some equipment. Measures range in type and price, but include both electric and natural gas technologies that improve energy efficiency in the home. Up-front rebates will be offered on all technologies to reduce initial costs, and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

The subprogram is designed to:

- Provide incentives to customers for the installation of products to reduce energy use in the home and information about other subprograms that encourage the installation of high efficiency equipment, such as lighting, room air conditioners, HVAC units, electronics and appliances.
- Provide midstream incentives to retailers to increase sales of ENERGY STAR products.
- Provide a marketing mechanism for retailer and high efficiency product suppliers to promote energy efficient equipment and products to end users.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Provide online and other channels for customers to acquire select ENERGY STAR and other qualified products.
- Utilize energy efficiency kits to introduce and promote energy efficiency technologies that can be easily installed in the home. The kits will serve as a gateway to other programs by including energy efficiency and conservation educational materials and promotional materials for other program opportunities, including the utility, Comfort Partners and NJCEP programs.
- Provide energy efficiency kits to local foodbank and non-profit organizations and at energy assistance outreach events to reach low- to moderate-income customers, with schools to promote energy efficiency education in classrooms, to new movers, customers upon request, and within utility marketplaces to support customer engagement.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique 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, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

Market Segment/Efficiency Targeted

The Residential Efficient Products Subprogram will be available to all residential electric and/or natural gas customers in the PSE&G service territory. The subprogram 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 trade allies and customers via straightforward prescriptive rebates. Technologies incentivized through this subprogram include lighting, HVAC, other heating/cooling equipment, smart thermostats, and other efficient products. The subprogram will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances. PSE&G will offer enhanced incentives for Low-to-Moderate income (LMI) customers (up to 400% of federal poverty level) for certain products to enable the program to reach all customer types. Eligibility for these enhanced incentives can be determined based on screening an individual customer however PSE&G will also implement automatic eligibility for enhanced incentives based upon a physical location (e.g. properties located in low and moderate census tracts, environmental justice community, Urban Enterprise Zone) to increase PSE&G's presence in LMI communities. Customer eligibility based on the property location in a low-income and moderate-income U.S. census tract can be determined by inputting individual addresses and accessing U.S. census tract maps available at the Federal Financial Institutions Examination Council website at https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx.

Delivery Method

PSE&G will use its brand, its customer outreach infrastructure, and its marketplace relationships to increase the availability, awareness, and customer uptake of energy efficient products. On-bill repayments will be available to customers to cover the remaining cost (after applying the rebate discount) for the balance of the efficient product cost for select products and services.

A third-party implementation contractor(s) will be selected to assist with the administration, oversight, and delivery of the subprogram. This contractor will assist in the expansion of the PSE&G branded online marketplace, will work to promote the subprogram through word-of-mouth, advertising, and awareness, and will work with PSE&G to review and adjust the product and service list. These activities will occur prior to commercial operation and during the delivery of the subprogram. The third-party implementation contractor will also assist in securing partnerships with retailers, wholesalers, and trade allies to assure all PSE&G customers are able to easily purchase energy efficient products and equipment through the subprogram. Customer engagement and sales channels may include:

- **Point of Sale Rebates:** Prescriptive rebate applications will be made available at the point of sale. PSE&G will explore the viability of using a digital, smartphone-based application platform, to enable customers to purchase efficient equipment at traditional consumer retail outlets and instantly redeem rebates at point-of-sale in both physical stores and online. Allowing easy access to rebates encourages customers to purchase qualifying efficient products. Appliance recycling will also be available to customers whereby they may schedule a pick-up to have eligible inefficient appliances (e.g. old refrigerators) removed and a rebate issued.
- **Post Purchase Rebates:** Rebates will also be made available to customers after they have made their purchase. Applications will be available online to submit either electronically or in hard copy with proof-of-purchase.
- **Online Marketplace:** PSE&G will expand the self-branded online marketplace currently being deployed for the EE2017 Smart Thermostat Program to incorporate other products and services in this direct-to-customer platform. This online marketplace is a branded, easy to use source for the online purchase of efficient products and services. Participants will be able to browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant

rebates and the option for on-bill repayments on purchases above a certain threshold. PSE&G will validate customer eligibility prior to applying rebates.

- **Midstream Rebates:** PSE&G will promote a midstream rebate component to encourage purchase of efficient equipment via directly marking down the price of the efficient equipment at the point of sale. PSE&G will work with retail partners (such as Home Depot, Lowes, etc.) to assure that marked down measures are available throughout the PSE&G service territory. Midstream rebates encourage market transformation and wider availability of efficient equipment. Efficient products that are rebated via a midstream approach will not be eligible for retail channel rebates.
- **Trade Allies:** PSE&G will establish a network of trade allies to promote and deliver the subprogram with a consistent experience to the customer. The trade ally network will consist of qualified installation contractors, plumbers, electricians, and other trade service professionals. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G will refer customers to a list of qualified trade allies. By allowing participants to select a trade ally they are comfortable with (either through an existing relationship or by reference from PSE&G), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will qualify entities to participate in the trade ally network and oversee trade ally performance to verify quality standards are met.

By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Targeted trade ally firms may include:

- HVAC & appliance distributors, contractors, and retail providers
- General contractors, plumbers, electricians, and other trade service professionals

Regardless of the delivery mechanism, PSE&G will take steps to ensure customers are made aware of PSE&G's engagement in helping to off-set up-front costs of the efficient products.

Proposed Incentives

PSE&G proposes to provide a range of incentives depending on the measure type, 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. Incentive levels will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures, while minimizing any potential free ridership.

Incentives will be available in several ways and are adapted to the retail partner needs and market response. The strategies that might be used include:

- Mail-in applications available from the retailer/contractor and the subprogram website
- Online rebate forms
- In-store “Instant Reward” coupons that are redeemed in-store at the time of purchase.
- Special sale events in retail stores
- Manufacturer buy down to Retailer
- Midstream incentives to retailers to encourage them to carry and stock efficient products

Incentives may change based on market prices, as well as manufacturer and distributor co-funding. Other incentive alternatives may be used as the market evolves and new and innovative customer and trade ally engagement opportunities become apparent.

Marketing Approach

PSE&G will implement a multi-pronged direct and indirect marketing campaign to promote this subprogram. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness, as well as tie-ins with other PSE&G subprograms. Retailers, wholesalers, and trade allies will be contacted directly and through trade associations to develop networks and promote involvement in the subprogram. PSE&G will also look to leverage the behavior subprogram for 'warm leads' into the subprogram through both the home energy reports and online audit tool. Finally, appliance recycling will provide customers with rebates that can be redeemed in the online marketplace, further driving customer incentive and participation in the subprogram.

Targeting and promotion within the subprogram will be enabled through intelligence gained through other residential subprograms, primarily Behavioral, Existing Homes, and other activity in the Efficient Products Subprogram. Integrated IT solutions will enable PSE&G to provide customized information to customers with prioritized action items, to maximize availability and uptake.

A combination of strategies will be used to train and support retailers, including media advertising, outreach community forums, events, and direct outreach to customers and retailers. Marketing activities include:

- Point of purchase displays and materials, joint advertising with retailers, coupons, and special "instant sales events"
- Public relations materials
- Brochures that describe the benefits and features of the subprogram including application forms and processes. The brochures will be available for various public awareness events (presentations, seminars etc.)
- Bill inserts, bill messages, email messages, Facebook and Twitter, pop-up stores.
- Company website content providing subprogram information resources, contact information, online application forms, online retail store and links to other relevant service and information resources
- Customer representatives trained to promote the subprogram to their customers
- Presence at conferences and public events used to increase general awareness of the subprogram and distribute subprogram promotional materials

Contractor Role

PSE&G will oversee the build-out of the online marketplace as well as the retail and Trade Ally network, which will be administered by third-party implementation contractors. A third-party implementation contractor will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the PSE&G subprogram vision, eligible efficient products, rebates, and ways to participate. Additionally, the third-party implementation contractor will engage trade allies, including local construction, electrical, plumbing, and other contractors to educate them on subprogram benefits and build an approved trade ally network which will reliably install energy efficient equipment for participating customers. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and trade ally availability to provide suggestions to assure that the subprogram is continually providing PSE&G customers with their needs. A third-party implementation contractor will be responsible for the management of the online marketplace. This third-party implementation contractor will also process the online instant rebates, verify eligibility of customers and manage the delivery of items purchased on the website.

To select qualified third-party implementation contractors, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

1.1.2. Residential Existing Homes

The Residential Existing Homes Subprogram provides a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. Under the Residential Existing Homes Subprogram, participants undergo an energy audit and receive free installation of low-cost direct install energy efficiency measures, as well as an energy efficiency action-plan that includes recommendations for potential upgrades and available incentives. The audit will be incentivized, while the work to complete recommended energy efficiency measures will receive rebates with the ability for customers to use on-bill repayments for the balance of the costs. Home energy audits will be conducted by PSE&G and/or local trade allies (including, e.g. home improvement contractors) that are qualified to perform comprehensive home assessments, and a follow-up audit may be conducted after completing home energy improvements to verify proper installation and function of home efficiency improvements.

This subprogram is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy savings than the Residential Efficient Products Subprogram. The subprogram will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency Home Performance with ENERGY STAR (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy savings opportunities.

Market Segment/Efficiency Targeted

The Residential Existing Homes Subprogram will be available to all single-family and single-family attached electric and/or natural gas customers in the PSE&G service territory. Potential measures incentivized through this subprogram include but are not limited to insulation, air sealing, lighting, smart thermostats, low-flow devices, smart strips, and HVAC. This subprogram will drive deeper levels of activity and investment in homes than the Residential Efficient Products Subprogram by including a suite of home performance measures and the advice of PSE&G and/or qualified trade ally professionals that can identify efficiency opportunities in residential homes.

In addition to the comprehensive approach described above, a Quick Home Energy Check-Up (QHEC) option may be offered, to help customers understand their best opportunities to save energy through an in-home consultation and also secure energy savings during that visit through the direct installation of energy saving measures. It will be designed to help renters as well as homeowners and promotes additional energy savings opportunities and upgrades available to the customer.

Delivery Method

The subprogram will be managed by a third-party implementation contractor as outlined in detail in the Contractor Role:

- **In-Home Energy Audit:** In-home energy audits are conducted by PSE&G and/or local trade allies. During the audit, customers will receive free installation of low-cost measures, such as LED lighting, low-flow devices, and smart strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat set points. Smart

thermostats may be made available while the auditors are on premises through the Residential Efficient Products Subprogram. Following the in-home audit, the participant will be provided an energy efficiency action-plan that summarizes the findings of the audit and recommends technology and building performance improvements that will maximize the efficiency of the home. This report will also include detail regarding estimated cost, available rebates, and availability of on-bill repayment.

- **In-Home Efficiency Improvements:** If the customer chooses to pursue some or all of the recommended home efficiency measures, a second appointment will be scheduled to implement the measures. At the completion of the work, PSE&G and/or the trade ally will test the home to validate the energy savings and to ensure that all mechanical equipment is operating safely. Subprogram management staff, including the third-party implementation contractor, may spot check installations as needed.
- **Local Trade Ally Network:** The local trade ally network will be qualified, trained, and managed by the third-party implementation contractor, and may deliver audits and/or energy efficiency services.

Measures from the Residential Efficient Products Subprogram, such as home appliances (e.g. clothes washers) may be installed by PSE&G and/or the trade ally if requested by the participant and if within the scope of services. These measures are not typically addressed in a home performance subprogram because they are generally only replaced at end-of-life.

Proposed Incentives

PSE&G will provide a subsidized in-home audit, as well as a suite of low-cost direct-install measures. Home performance measures recommended by PSE&G and/or the trade ally carry incentives that will be available individually but may also be offered as part of bundled performance incentives depending on customer interest and budget. If utilized, home performance incentives will be structured on the basis of estimated total energy reduction in the home and the total cost of installed measures, such that customers can receive an overall, packaged incentive that is subject to a maximum of either a specific cap, to be evaluated and modified periodically, or a percentage of total installation cost. On-bill repayment will also be available to qualified customers to reduce upfront cost barriers. In order to use on-bill repayments, participants will be evaluated to determine their risk and ability to repay. In coordination with the Joint Utilities, PSE&G will establish qualification minimums for on-bill repayments, which may include bill payment history.

Marketing Approach

PSE&G will utilize many marketing avenues to assure subprogram awareness and participation is maximized. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, media advertising, and hard-copy materials to promote awareness among trade allies and customers. An additional marketing pathway PSE&G plans to utilize is through the network of other subprograms being offered in the CEF-EE Program. The integration of all subprograms will allow for direct marketing to customers through the Residential Behavioral and Residential Efficient Products Subprograms. The connections with these subprograms also provides two-way marketing potential, in that customers engaged in the Residential Behavioral and Residential Efficient Products Subprograms will be provided with information and literature about the opportunity to participate in the Residential Existing Homes Subprogram. Information garnered from subprograms, such as the Residential Behavioral and Residential Efficient Products could be used to identify prime candidates for participation in the Residential Existing Homes Subprogram. For example, a review of usage data contained in HERs from the Residential Behavioral Subprogram could allow PSE&G to identify customers who are particularly susceptible to changes in weather, and would be ideal candidates for an audit. Likewise, the Residential Efficient Products Subprogram could provide leads to customers interested in energy efficiency.

Contractor Role

PSE&G will supervise the subprogram, as well as select a third-party implementation contractor to manage the subprogram.

The third-party implementation contractor will oversee all aspects of the subprogram, including training and engagement, QA/QC, and rebate processing (including measures installed during audits). A large part of the third-party implementation contractor will focus on developing, training, and growing a qualified trade ally network. This will include trade ally training sessions, workshops, and market development events to grow and develop the trade ally network, with a priority placed on encouraging them to integrate home efficiency performance into their business and become Building Performance Institute (BPI) and ENERGY STAR certified contractors. The third-party implementation contractor will maintain a close relationship with entities delivering the audits and efficiency measures to ensure consistent subprogram delivery experience and high customer satisfaction. The third-party implementation contractor will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of trade ally installation work.

The trade ally marketplace may consist of companies in the fields of residential HVAC, home improvement, weatherization and insulation, and other relevant areas. In order to facilitate trade ally access to participants, PSE&G or the third-party implementation contractor will administer a web portal where customers can find local trade allies based on geography and other criteria.

To select a qualified third-party implementation contractor PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives, especially ENERGY STAR certified programs
- Knowledge of the current marketplace
- Ability to educate and train contractors
- Local presence
- Cost

1.1.3. Residential Behavioral

The Residential Behavior Subprogram will provide customers with granular and easy-to-understand information about their energy use, a comparison of their usage against other similar customers, and suggested action steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other efficiency subprograms.

Direct mailed and/or electronic home energy reports (HERs) will be the cornerstone of the subprogram 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. High usage alerts will also be issued 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.

The subprogram will also offer an internet-based home energy self-audit to all residential customers. This audit will allow customers to better understand their energy usage and their opportunities for energy savings.

An online portal will be used to provide customers with usage information, recommendations, tips, and links to energy efficiency subprograms provided by PSE&G, including the online marketplace with access to the Residential Efficient Products Subprogram and the Residential Existing Homes Subprogram. The online customer portal will integrate the information from the HERs and online audit to further assist customers as they look to realize deeper equipment and appliance-based savings. PSE&G will utilize the information gathered from the HERs and online audits to not only better understand the residential customer base, but also assist in making smart decisions moving forward with the energy efficiency subprograms.

Information on customers participating in other subprograms such as the Residential Efficient Products and Residential Existing Homes Programs will be linked into the HERs as to provide up-to-date information and recommendations to participants.

Market Segment/Efficiency Targeted

The subprogram will provide HERs to a minimum of 650,000 residential customers. This quantity of customers represents the number of unique customers in the program. These customers will receive multiple home energy reports per year, in accordance with best practices in the industry This quantity of customers will be reviewed periodically and modified as needed to maximize cost-effective energy savings. The online energy audit will be available to all PSE&G electric and/or natural gas residential customers. The HERs and online audit will offer tailored recommendations to reduce electric and/or natural gas consumption.

The subprogram may also provide HERs to participants of other residential subprograms, such as Residential Efficient Products and Residential Existing Homes. The subprogram will primarily target single family homes; however, PSE&G may also evaluate potential in the multi-family and income eligible markets.

Delivery Method

PSE&G will extend its current Data Analytics Subprogram to additional customers using a selected HER vendor.

PSE&G's HER vendor will identify and distribute HERs to residential customers at no charge to the participant. The online audit will be available for all PSE&G residential customers free of charge. High usage alerts will be provided to customers receiving HERs via email to customers for whom PSE&G has a valid email address.

Proposed Incentives

All services under this subprogram will be provided at no cost to the customer.

Marketing Approach

The recipients of the HERs will be selected by PSE&G, its selected HER vendor, and its evaluation contractor. The online audit will be marketed through bill-insert mailers, digital advertising, and other means to assure that all customers are aware of the availability of these resources. Participants in other PSE&G energy efficiency subprograms will be referred to the online audit tool and online portal as appropriate.

Contractor Role

PSE&G will utilize a third-party implementation contractor to provide the services under this subprogram including HERs, the portal, the online audit, and high usage alerts.

1.1.4. Residential Income Eligible

The Residential Income Eligible Subprogram is targeted at customers whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL). Properties located within low and moderate income census tracts will also be eligible for this program. The subprogram will complement, and not duplicate or compete with, the Co-Managed Comfort Partners Program. The Residential Income Eligible Subprogram provides free direct installation of energy efficient technologies and weatherization services to qualifying PSE&G customers with limited income. The subprogram generates energy savings for residential lower-income customers through an in-home energy audit and the direct installation of a wide range of energy efficiency measures such as efficient lighting, efficient refrigerators, HVAC, as well as weatherization upgrades for air-sealing and attic and wall insulation. The subprogram also provides for the installation of health and safety measures as appropriate, and may also include actions to address building shell issues that prevent the installation of energy efficiency measures, such as moisture/mold remediation, roof repairs, electrical repairs, and asbestos remediation, consistent with the approach under the New Jersey Comfort Partners Procedure Manual.

In addition to the core subprogram attributes described above, the subprogram will also provide for the distribution of free LED light bulbs via food banks/pantries or other distribution venues that serve income eligible customers, along with educational information on energy efficiency. The subprogram will coordinate low-income services with local, state and federal agencies to provide comprehensive assistance. The subprogram may also seek to work with workforce development organizations, in order to provide a sufficient pool of qualified workforce that will be required to support a significant growth in energy efficiency services.

Market Segment/Efficiency Targeted

The Residential Income Eligible Subprogram targets residential customers in PSE&G's electric and/or gas service territory whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL) and those properties located within low and moderate income U.S. census tracts. Customers who receive Federal Supplemental Security Income ("SSI"), Home Energy Assistance ("HEAP"), Universal Service Fund ("USF"), Lifeline, Pharmaceutical Assistance to the Aged and Disabled ("PAAD"), Temporary Assistance to Needy Families ("TANF"), or Section 8 Housing will also be eligible.

Delivery Method

This subprogram will be managed by PSE&G with the support of a qualified third-party implementation contractor with experience delivering services in similar subprograms. It is envisioned that PSE&G's third-party implementation contractor will facilitate subprogram delivery across the multiple subprogram vendors as well as PSE&G's workforce. Eligible customers will receive an in-home energy assessment from PSE&G. The applicable measures and services will be installed either by subprogram vendors, or by PSE&G's workforce. PSE&G, with its third-party implementation contractor will be responsible for activities including, but not limited to, the following:

- Ensuring customers meet eligibility requirements
- Marketing collateral development and deployment
- Reviewing, approving, and tracking of documentation for completed projects
- Payment processing, fund management, and reporting
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Call center services
- Customer satisfaction and problem resolution
- Provide technical training to workforce

Proposed Incentives

Equipment and installation costs for all eligible measures will be provided free to eligible customers, subject to subprogram terms and conditions.

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of programmable and smart thermostats; insulation upgrades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as may be needed to enable the installation of energy efficiency measures (e.g. repair or replacement of a broken window, repair of a hole in the wall and/or roof, mold remediation, or the installation of rain gutters).

Failed or failing heating or cooling systems can be replaced for efficiency and/or health and safety reasons, on a case-by-case basis, as subprogram funds permit. For customer homes that require treatment beyond the scope of the subprogram, such services may be coordinated with other agencies.

Marketing Approach

Marketing efforts will be focused toward property owners, non-profit organizations, churches, and community organizations to bring awareness to the subprogram and initiate effective participation. Key elements of the marketing strategy include:

- Targeted outreach through local agencies
- Websites and newsletters
- Press releases
- Posters in municipal buildings
- Neighborhood canvassing

Contractor Role

PSE&G will administer and manage the overall subprogram with the support of a third-party implementation contractor(s). The third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G. To select a qualified third-party implementation contractor, PSE&G will prioritize criteria including, but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualification for delivering low-income energy efficiency subprograms
- Cost

1.2. Multifamily Sector Subprogram

1.2.1. Residential Multi-Family

The Residential Multi-Family Subprogram provides a turnkey service for multi-family property owners, managers, and the residents of multi-family facilities to help improve the energy efficiency of their facilities and reduce their operating costs. This service provides direct installation of energy-efficient measures in individual living units. The primary measures to be installed include LED lighting, low-flow showerheads and faucet aerators, and smart power strips. The subprogram will also provide literature on energy saving tips achieved through other behavioral actions (e.g. thermostat settings, maximizing dishwasher and clothes washer loads, etc.).

Market Segment/Efficiency Targeted

The subprogram targets multi-family property owners, property managers, and residents. All multi-family buildings with three or more units in PSE&G's electric or natural gas service territory are eligible to participate, although it is anticipated that the majority of participating units will be from low income or moderate income multi-family units, and will have 12 or more units.

The subprogram will look to achieve direct, easy to install, energy savings through the provision of measures such as LED lighting, low-flow showerheads and faucet aerators, and smart power strips.

Delivery Method

The Multi-Family Subprogram will be delivered by PSE&G and/or a qualified third-party implementation contractor with experience delivering similar subprograms. The subprogram manager will recruit multi-family property owners and oversee the direct installation of free low-cost measures (e.g. lighting, showerheads) in individual units. The service is provided at no cost to property owners or occupants. This subprogram design (including the provision of no cost services) is intended to overcome market barriers and assure that benefits are provided to tenants.

PSE&G and/or the implementation contractor will be responsible for activities including, but not limited to, the following:

- Developing relationships with property management companies, owners, associations, and their members to recruit participants
- Training, education, and coordination with direct-install staff and/or contractors
- Marketing collateral development and deployment
- Procuring energy efficiency equipment and materials
- Reviewing, approving, and tracking of documentation for completed projects
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Customer satisfaction and problem resolution
- Provide notice to tenants and property owners prior to conducting work

Proposed Incentives

Equipment and installation costs for all measures directly installed in tenant units will be provided free to eligible properties.

Marketing Approach

The marketing strategy will focus on informing property owners, managers, associations, tenant groups, municipalities, and community organizations about the availability and benefits of the subprogram and how to participate. Marketing activities will be focused on serving the lower income multi-family sector. Key elements of the marketing strategy include:

- Targeted outreach through direct mailings and presentations to inform property owners, managers, apartment associations, tenant groups, municipalities and community organizations about the benefits of the subprogram and participation processes
- Brochures highlighting the benefits and features of the subprogram as well as the participation processes
- Website content providing subprogram information resources and contact information
- In-person visits by subprogram representatives to properties with three or more units

- Walk-through energy assessments of properties to encourage the building owners or facility managers to allow participation in the direct installation component of the subprogram as well as encourage participation in the other PSE&G efficiency subprograms

Contractor Role

PSE&G will administer and manage the overall subprogram. Depending on the final design of the delivery process, PSE&G may utilize the support of a third-party implementation contractor(s). In this event, the third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G.

Key elements of the implementation strategy and core responsibilities of the implementation contractor may include:

- **Targeted Outreach to Property Owners**: Subprogram representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the subprogram. The subprogram team will assist customers as necessary to coordinate direct installations and complete rebate application requirements. In addition, property owners will be reached through direct mail, participation in association events, one-on-one meetings with subprogram staff, and other channels. Special emphasis will be placed on properties with as little as three units and greater. This has been traditionally an over-looked segment in other utility-run subprograms around the country.
- **In-Unit Direct Installs**: Subprogram representatives will identify interested property owners and schedule appointments for the free installation of energy saving devices in the individual living units and common areas. In-unit HVAC tune-ups will be offered at no cost to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the energy saving devices installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.
- **Subprogram Operations**: The third-party implementation contractor handles implementation related administrative requirements, including the following:

    - Marketing and educational materials
    - Field services
    - Product ordering and inventory
    - Data tracking and reporting
    - Investment tracking and reporting
    - Prescriptive, custom and comprehensive application processing
    - Trade ally and customer outreach/training
    - Customer satisfaction/problem resolution

To select a qualified third-party contractor, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualifications
- Cost

In the event PSE&G delivers the program with its own workforce, contractor role would be minimal, limited to customer acquisition and alignment with other subprograms.

1.3. Commercial & Industrial Sector Subprograms

PSE&G's commercial and industrial customers are very diverse. These subprograms address each segment, including those with limited time and resources to make efficiency improvements. The subprogram designs are intended to enable PSE&G to address the unique needs of each sub-sector. For example, if a large customer has ready access to financing and more advanced approaches to energy management, PSE&G will offer customized financial support to reduce paybacks on investments and bring about increased installation of measures. For small businesses or municipal customers, PSE&G will provide more substantial management, financial support, and on-bill repayment.

1.3.1. C&I Prescriptive

The C&I Prescriptive Subprogram will promote the installation of high-efficiency electric and natural gas equipment by C&I customers. The subprogram is designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls
- Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by participating trade allies such as electrical contractors, mechanical contractors, and their distributors
- Ensure the participation process is clear and simple

The subprogram will offer a broad range of energy efficient equipment and appliances through a variety of channels, including reduced point of sale costs, and a network of trade allies. The subprogram will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. These measures will range in type and price but include both electric and natural gas technologies that improve energy efficiency. Up-front rebates will be offered on all technologies to reduce initial costs and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique customer relationships to positively impact the entire sales process surrounding efficient equipment, from education and awareness with customers, engagement with trade ally contractors and equipment distributors, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

Market Segment/Efficiency Targeted

The C&I Prescriptive Subprogram will be available to all commercial, industrial, and other non-residential electric and natural gas customers located within PSE&G's service territory. The subprogram is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates. Potential technologies incentivized through this subprogram include energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures.

Delivery Method

To maximize customer participation and streamline the customer experience, PSE&G will use its strong customer and marketplace relationships to support multiple implementation strategies to achieve subprogram goals.

- **Trade Allies:** PSE&G will establish a network of trade allies (e.g. electricians, HVAC contractors, lighting retailers and distributors, building energy managers, etc.) to promote the efficiency opportunities and incentives to their clients, and deliver the subprogram with a consistent

experience to the customer. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G or the third-party implementation contractor can refer customers to a list of qualified trade allies to perform more intricate work. By allowing participants to select a partner they are comfortable with (either through an existing relationship or by reference from PSE&G or the third-party implementation contractor), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will oversee trade ally performance to verify quality standards are met and qualify contractors to participate in the Trade Ally network. By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms include:

  - Design, engineering, and controls firms
  - HVAC distributors, contractors, and retail providers
  - Food service retailers and service providers
  - Commercial lighting distributors and wholesalers

- **Retail:** PSE&G subprogram staff, third-party implementation contractors, and field representatives will work with retailers and distributors that directly target C&I customers so they are aware of the participation process and available equipment incentives. This will include training and instruction to participating retailers and distributors about the PSE&G prescriptive rebate forms as well as enrollment of distributors to participate in midstream subprogram offerings.
- **Midstream:** PSE&G will aggressively 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. PSE&G anticipates offering midstream point of sale discounts across numerous equipment types, including, but not limited to: LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream subprogram approach will not be eligible for rebates in any other PSE&G rebate subprogram.
- **Digital:** The subprogram will be marketed directly to C&I customers on the PSE&G website, where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, and incentives across all efficient equipment types and end-uses. In addition, the website will offer information on qualified local trade allies to enable easy access to equipment retailers for customers.
- **Rebate-as-a-Service:** PSE&G will evaluate the viability of using a digital, smartphone based application platform, where business customers purchasing efficient equipment for commercial use at traditional consumer retail outlets can instantly redeem rebates at point-of-sale in both physical stores and online. This channel will help PSE&G offer rebates to very small commercial customers and local businesses outside of the C&I Small Non-Residential Efficiency Subprogram.
- **Targeted Customer Outreach:** In select cases, PSE&G staff and its third-party implementation contractor 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. Subprogram staff can help facilitate completion of rebate applications and serve as a direct resource to these customers.

Proposed Incentives

Incentive levels and the list of eligible equipment will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures. Incentive levels will vary depending on the efficient measure, and the unit level being rebated (e.g. incentives for equipment, and/or incentive based on the system size or square footage where the system is being applied).

Marketing Approach

The C&I Prescriptive Subprogram will engage with customers and trade allies at multiple levels, including broad-based energy efficiency awareness campaigns, direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. In some cases, subprogram staff and representatives will reach out directly to large commercial customers. Use of appropriate types of media are anticipated to be included in the marketing plan, such as direct mail, email, print, and digital media. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the subprogram, raise awareness and encourage participation.

Contractor Role

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will assist with optimizing the subprogram's strategic direction, including but not limited to:

- Customer outreach/subprogram delivery strategy
- Offered efficiency measures and efficiency levels
- Promotion of emerging technologies
- Incentive levels and strategies
- Customer/trade ally/retailer engagement and enrollment in the subprogram
- Marketing
- Customer satisfaction
- Equipment installation and subprogram data tracking
- Rebate processing

1.3.2. C&I Custom

The Commercial and Industrial (C&I) Custom Subprogram will offer incentives for electric and natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by the C&I Prescriptive Subprogram, or any other proposed custom subprogram offering including the C&I Engineered Solutions Subprogram. Typical measures incentivized by the C&I Custom Subprogram are either less common measures or efficiency opportunities in specialized applications that may include specialized manufacturing processes or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Large customers with facilities and engineering teams will develop and submit custom efficiency project rebate applications for review. A third-party implementation contractor will also play an active role in supporting project identification, developing energy savings calculations, and assessing project economics as required. Potential participants are required to submit an application for pre-approval to reserve funding, and if accepted by PSE&G, 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. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

Market Segment/Efficiency Targeted

The C&I Custom Subprogram targets all C&I customers in PSE&G's electric and/or natural gas service territory with cost effective savings opportunities that are not covered by the C&I Prescriptive or Small

Non-Residential Efficiency Programs, and in building types not eligible for participating in the C&I Engineered Solutions Subprogram (non-MUSH/multifamily common areas/non-profit). However, customers participating in the C&I Custom Subprogram will generally be larger energy users with more complex needs and non-standard efficiency opportunities. Customers targeted for participation typically include building types such as light/heavy industrial, manufacturing, data centers, and distribution centers, among others.

Delivery Method

The C&I Custom Subprogram will be supervised by PSE&G and delivered by a qualified third-party implementation contractor. The following delivery strategies will be pursued:

- **Targeted Customer Outreach:** High-use customers will be targeted by subprogram staff to develop relationships with facilities and energy managers, operations staff, and procurement personnel to inform them of the benefits of participating in the custom subprogram. Subprogram staff will provide technical support, assist customers in identifying efficiency opportunities, and assist with review and preparation of their rebate application.
- **Technical Customer Assistance:** An important element of the C&I Custom Subprogram is the availability of technical support from qualified subprogram staff. PSE&G subprogram management staff and their representatives will be available to support customers with project identification and analysis, including assistance with targeted energy audits and savings estimates.
- **Trade Allies:** Developing relationships in the trade ally community will spread broader awareness of the existence of the custom subprogram option and obtain referrals for potential projects.

Measurement & Verification (M&V) for projects above a certain estimated incentive size, or projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after project implementation to determine savings and incentive levels. PSE&G is evaluating a threshold of approximately $100k to necessitate energy monitoring before and after implementation. The Company is also considering the impact of the type of equipment as a driver for energy monitor. PSE&G plans to coordinate with the other utilities to use a consistent approach to the extent feasible.

Proposed Incentives

The C&I Custom Subprogram incentives will be set based on an incentive level per first year kWh or therm saved. These incentive levels will be reviewed and updated periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across a full spectrum of market opportunities. Incentive level design may change over time based on the specific end-use where the savings are being acquired. Additionally, incentive level restrictions may be established that could include limits to total incentives as a percentage of project costs or minimum project payback periods. Overall total facility and customer level incentive limits may also be established to ensure funding is available to as many C&I customers as possible, while also still providing robust incentives to capture the full suite of energy savings from large projects. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

Marketing Approach

The C&I Custom Subprogram will engage with customers and trade allies at multiple levels, including a combination of direct customer, trade ally, and local organization outreach, promotion through key industry events and conferences, and digital marketing, including an informational/engagement web platform to educate and reach relevant contractors and customers. Use of all types of media are anticipated to be included in the marketing plan, including, but not limited to, online and targeted print advertising. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the

subprogram and raise awareness and encourage participation. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

Contractor Role

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction, including, but not limited to, the following activities:

- Offered incentive levels and strategies
- Customer satisfaction
- Measurement and verification during on-site visits
- Subprogram data tracking
- Rebate payments

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

1.3.3. C&I Small Non-Residential Efficiency

The C&I Small Non-Residential Efficiency Subprogram is focused on installation of efficiency measures in small non-residential customers that typically lack the time, knowledge, or financial resources necessary to pursue energy efficiency. The subprogram is designed to provide non-residential owners with easy investment decisions for the direct installation of energy efficiency projects. The subprogram will pay the up-front cost to install the recommended energy efficiency measures with the participating customer repaying a portion of the cost either in a lump sum or interest-free on their PSE&G bill. The reduced overall costs and on-bill repayments mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The C&I Small Non-Residential Efficiency Subprogram plays an important role in the marketplace because private providers of energy efficiency services typically do not target small non-residential customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small non-residential customers are often hard to reach, and the subprogram fills an important gap by delivering efficiency services to these customers directly.

The audit will be provided to customers free of charge and will offer recommendations on energy efficiency projects to reduce energy usage and costs. The aggregation of this data will allow PSE&G to better understand its customers and can be used to inform other subprograms and future subprogram designs, such as the C&I Prescriptive Subprogram, the C&I New Construction Subprogram, and the Business Energy Reports Pilot Subprogram.

The subprogram will also focus on the smallest customers within the small business segment. PSE&G anticipates portions of the subprogram to be directed at restaurants, small offices, and other small businesses that often are left behind in less-comprehensive energy efficiency subprograms. Through a number of delivery mechanisms, PSE&G will assure that all business types are able to participate in this subprogram.

Market Segment/Efficiency Targeted

PSE&G expects small non-residential customers with an average 12-month individual facility annual electricity peak demand usage of less than 200 kW to be the eligibility threshold; however, this figure may be adjusted by PSE&G up to 500 kW subject to Staff approval and alignment with the threshold established by the Joint Utilities, to ensure the subprogram is properly addressing the market in PSE&G's service territory. The subprogram will also be structured to focus on and secure participants especially in the lower-usage tiers.

The subprogram seeks to address high-return, relatively low-cost measures (e.g. LED lighting retrofits), but customers may choose to pursue further retrofits that are eligible for additional incentives. Example end-use categories covered by the subprogram include lighting, HVAC, controls, refrigeration, motors, low-flow devices, pipe wrap and domestic hot water equipment.

Delivery Method

The C&I Small Non-Residential Efficiency Subprogram interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site audit to identify energy efficiency retrofit opportunities. Following the audit, participants are provided with a report assessing the site and recommending investments that could further improve the energy efficiency of the facility.

Based on the results of the audit report, the subprogram will offer to initially pay 100% of the project cost to install the recommended energy efficiency measures with the participating customer (or landlord) repaying a portion of the cost either in a lump sum or interest free on their PSE&G bill. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers. PSE&G will provide for the installation of all work and assure it is completed on time and to specifications. This approach frees up the participant, which, as a small non-residential customer, may not have the time or resources to focus on implementation issues.

The subprogram budget will be split into tranches based upon customer consumption size, or other designated factors, to focus contractors to complete work on specific tranches. This will assure that non-residential customers, even those that are the smallest and often overlooked, receive ample focus. Contractors will be limited to specific tranches to assure minimum volumes and scale can be reached while also providing for adequate cost effectiveness. PSE&G may also elect to provide additional contractor-focused bonus incentives to further encourage contractor emphasis on specific sectors. The tranche divisions will be implemented to combat contractors' inherent focus on larger customer facilities. The subprogram may also be marketed and structured into customer types. For example, one element of the subprogram structure may focus on restaurants, while another is focused on convenience stores and bodegas.

Proposed Incentives

One of the key benefits of the subprogram is that it is a simple, turnkey solution for small non-residential customers that requires no up-front customer investment. The initial site visit, energy audit, and installation of recommended efficiency measures are provided at no initial cost to participants. This up-front incentive value will be evaluated periodically to assure that the subprogram incentive is adequate and provides the correct signal to the marketplace regarding energy efficiency. Participants will reimburse PSE&G a portion

of total project cost interest-free through on-bill repayments, thereby eliminating the up-front cost burden of installing energy efficiency measures. The incentive portion of the total project cost is up to 70%, with the option to provide up to 80% incentive for underserved markets such as small businesses up to 100kW, or customers in Urban Enterprise Zones, etc. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers.

Marketing Approach

The C&I Small Non-Residential Efficiency Subprogram will be marketed to customers through a combination of direct outreach by subprogram staff and a third-party implementation contractor, web-based engagement and customer information analytics, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Direct outreach from a third-party implementation contractor may include unsolicited visits to customer premises to distribute hard-copy subprogram materials, inform customers about the subprogram directly, and solicit participation. This strategy is useful for enrolling small non-residential customers that may be interested in participating, but have not heard of the subprogram and do not have resources to prioritize reaching out to PSE&G.

PSE&G will evaluate the potential to utilize Business Energy Reports or customer information analytics to identify and target customers best suited for participation in the subprogram.

Contractor Role

PSE&G will administer and manage the subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's management and strategic direction, including, but not limited to:

- Initial participant recruitment, audit, and equipment installation
- Subprogram data tracking
- Direct customer outreach/subprogram delivery strategy
- Development of measure mix
- Marketing
- Promotion of emerging technology
- Customer satisfaction

The third-party implementation contractor will take on the responsibility of managing the subprogram, directing the qualification of contractors, and will work to assure that ample contractors are available to complete all work derived from the subprogram.

A group of selected vendors will perform the audits and installations, working with PSE&G and the third-party implementation contractor's oversight to undertake all construction and installation work identified in the audit process.

1.3.4. C&I Energy Management

The C&I Energy Management Subprogram includes two major subprogram initiatives: Retro-commissioning and Strategic Energy Management. Both subprograms are designed to optimize energy consumption in existing C&I buildings through management of major energy using systems, user behavior, and low-cost, easy-to-install efficiency measures at the time of an initial site visit or a follow-up. In many cases, revised building management processes can produce meaningful energy savings without capital

investment in new equipment or controls; however, recommended investment areas may also be identified through this subprogram. Details of the subprogram initiatives are as follows:

- **Retro-commissioning (RCx)**: Also known as 'existing building commissioning', retro-commissioning focuses on identifying operations and maintenance improvements in existing commercial buildings to ensure optimal performance of building systems and system interactions. Retro-commissioning applies the same systematic process to buildings as is applied during initial building commissioning, and may be performed every three to five years to ensure optimal building performance. Retro-commissioning is typically among the most cost-effective energy savings strategies applied in commercial buildings and may produce other non-energy benefits, including extending the life of existing equipment and improving thermal comfort and indoor air quality.
- **Strategic Energy Management (SEM)**: This subprogram is primarily geared toward industrial and manufacturing buildings and is a holistic approach to managing energy usage 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 led by an external instructor focused on developing and executing an energy management strategy via workshops, webinars, and group/individual training sessions with cohorts of facility managers. SEM applies continuous improvement principles to energy management to encourage and enable a culture of energy efficiency within an organization to develop measurable long-term savings.

Market Segment/Efficiency Targeted

All commercial, industrial, and other non-residential customers located within PSE&G's electric and/or natural gas territory are eligible to participate in this subprogram.

RCx targets the existing commercial building stock, and is particularly relevant for medium to large non-industrial building types including office, lodging, education, healthcare, laboratory, warehouse/storage, supermarkets, and more. The primary target market for the RCx subprogram will be C&I customers utilizing a building management system.

SEM targets existing large and very large commercial and industrial customers and building types, and is particularly relevant to large energy users engaged in manufacturing processes. For SEM to be successful, the subprogram will invest significant resources upfront to focus on recruiting and pre-qualifying customers to participate in the subprogram. SEM's objective is to change a company's focus and engagement with energy management over the long-term, in a continuous manner. A core goal is to recruit customers who demonstrate genuine and committed interest in working with PSE&G over a long period of time. These "energy champions" will ideally include multiple staff at each company, placed in different departments and various levels of seniority and decision making in the company.

Eligible measures will vary depending on the business segment served, but are likely to include at least the following:

- 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
- System rebalancing and decreasing supply air pressure set-point
- Reducing supply air temperature and fan speed in air handling units
- Aligning zone temperature set-points to match the building's occupancy patterns
- Operating equipment only when building is occupied or when equipment is needed
- Lighting controls including occupancy/vacancy controls, photo-sensors, and timer controls

Delivery Method

The RCx and SEM Programs will be delivered by a third-party implementation contractor(s). Both subprograms require customer and trade ally involvement in the form of on-site access to existing equipment, management protocols, and energy management/facilities staff.

To support the marketplace and develop a project pipeline, the following delivery strategies, among others, will be pursued:

- **Targeted Customer Outreach:** Subprogram staff and their representatives will make outreach efforts directly to PSE&G customers that own or operate facilities identified by internal screening activity as potential participants. Factors considered in initial screening may include building age/size/type and historical energy use patterns.
- **Technical Customer Assistance:** An important element of the C&I Energy Management Subprogram is the availability of technical support, guidance, training and orientation from PSE&G's third-party implementation contractor(s). Subprogram staff will be available to support customers and determine if they may qualify for participation for either RCx or SEM. Depending on the customer's goals and likely energy savings potential, significant customer engagement may be undertaken for the SEM subprogram.
- **On-Site Implementation:** Both the RCx and SEM subprograms require subprogram staff to visit customer premises to identify energy savings opportunities (including through the logging and analysis of energy consumption data) and develop strategies and solutions for acquiring these savings.

The RCx subprogram will be delivered through a network of approved retro-commissioning service providers (RSPs) operating in PSE&G's service territory that have been trained in subprogram protocols and participation processes. Once an application has been accepted, one of the expert engineering RSPs conducts a detailed energy assessment to investigate and identify low-cost energy-saving operational improvements through a systematic evaluation of energy using systems. RCx involves a series of steps to qualify appropriate customers for participation and to ensure the subprogram will produce meaningful energy savings. These steps may include:

- **Initial Customer Screening:** Customer-submitted applications are reviewed to assess the likelihood of energy savings. Customers may also be identified through a data analytics engine using PSE&G data and through data acquired via the Business Energy Reports Pilot or other methods.
- **Project Scoping:** The building owner or primary representative will be contacted by PSE&G subprogram staff or their representatives to schedule a time for an on-site visit. This visit will entail inspecting the building and major energy using equipment, reviewing past energy consumption, and identifying preliminary opportunities for energy-use reduction.
- **Agreement and Implementation:** A rigorous evaluation of building systems is conducted and an incentive agreement is finalized with the customer regarding project measures, implementation strategy, and incentives.
- **Follow-up:** Additional training may be provided to building owners/operators after completion of an RCx project to ensure savings persistence.

Example SEM implementation efforts also include the following:

- **Onsite Energy Management Assessment:** Identify current strengths and weaknesses in existing energy management practices.

- **Metering Training:** Instruction on the use of metering equipment to identify energy saving opportunities and an introduction to energy modelling.
- **Coach-led Training Sessions:** Targeted at any combination of building operations/facilities staff, management personnel, and other company staff, training sessions are used to build awareness and detect inefficient operating practices.
- **Benchmarking:** Energy consumption benchmarking is a key aspect of SEM, and both baseline and ongoing energy use monitoring strategies are employed to encourage data-driven energy management and short-term feedback.

Proposed Incentives

Incentives will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure the incentive design is optimally driving energy savings and participation. The incentive design structure and payment per first year kWh and therm saved may be different between the RCx and SEM subprogram participants. Additionally, incentive levels may vary depending on the end-use where the savings are achieved, and the overall comprehensiveness and estimated longevity of the energy savings. These incentives are subject to change based on final subprogram design and the go-to-market implementation plan.

Marketing Approach

The C&I Energy Management Subprogram will engage with customers at multiple levels, including through a combination of direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Engagement with building and facilities managers for large commercial and industrial customers will all be an important pathway for PSE&G to present information about the subprogram, raise awareness, and encourage participation. PSE&G's brand and its relationships with these customer types will drive participation. The subprogram will leverage PSE&G's existing relationships with customers through subprogram staff and account management team.

Education and promotional materials will be developed for building owners and operators to reinforce the benefits of energy efficiency improvements and improved systems performance, including educational brochures, customer and market provider seminars, subprogram promotional material, and website content.

The marketing strategy will identify key customer segments and vertical markets for targeting, and will prepare specific outreach activities for these customers. The strategy will be designed to inform customers of the availability and benefits of the subprogram and how they can participate in the RCx or SEM subprograms.

The marketing and communications plan will include:

- Creating and updating Subprogram Fact Sheets, Case Studies
- Hosting an annual Subprogram product knowledge workshop
- Participating in local conferences and industry events to promote the RCx and SEM programs

Contractor Role

PSE&G will administer and manage the overall subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction including, but not limited to, conducting the following tasks:

- Customer outreach/subprogram delivery strategy
- Select, train and manage network of RCx trade ally contractors
- Energy modeling and equipment metering
- Leading SEM coaching and engagement sessions
- Incentive levels and strategies
- Marketing
- Customer satisfaction
- Subprogram data tracking
- Rebate processing

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

1.3.5. C&I Engineered Solutions

The C&I Engineered Solutions Subprogram will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals (MUSH), non-profit entities and multi-family facilities. The subprogram will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on-site, while requiring no up-front funding from the customer.

Through this subprogram, 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, and participants may select their preferred installation providers. 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 interest free on-bill repayments over a period of five years (and ten years for HMFA qualified multi-family facilities). Through this subprogram design, participants in market segments that have typically been underserved are able to achieve greater energy savings.

Market Segment/Efficiency Targeted

C&I public service (MUSH), non-profit, and multi-family entities located within PSE&G's electric and/or natural gas service territory are eligible to participate in this subprogram. The subprogram will provide energy audits and incentives to entities that directly serve the public, but often have difficultly investing in energy efficiency. The measures included in this subprogram may include HVAC, building envelope, motors, lighting, controls, energy storage, and other energy consuming equipment.

Delivery Method

PSE&G will retain qualified vendors to undertake the audit and engineering services required to deliver this subprogram. Participants will contract with their preferred installation providers to install the measures included in projects.

The subprogram delivery will typically occur in four steps:

- **Audit:** PSE&G shall assess the required level of American Society of Heating, Refrigerating, and Air Conditioning Engineers (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 selected PSE&G vendor will then perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. PSE&G and its representatives 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, an engineering analysis may be required. PSE&G will conduct a screening of the payback and project cost effectiveness and select a set of approved energy efficiency measures for the project. The subprogram engineering vendor will prepare bid-ready documents and work with the participant to prepare a project scope of work, which will be used by the customer to obtain installation cost estimates for the project.
- **Scope of Work/Contractor Bids:** The participant will issue a scope of work to obtain bids to complete the identified project. PSE&G, the subprogram engineering vendor and the participant will review and evaluate the bids/costs received, with the participant making the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness and the participant is presented the funding commitment proposal from PSE&G. Once (i) the participant and PSE&G have executed the funding commitment and (ii) the installation provider and the participant have executed applicable agreements and contracts, the first progress payment equal to approximately 30% of the installation cost can be issued to the customer to initiate the project (Stage 1 Progress Payment).
- **Measures Installation and Inspections:** PSE&G and the energy engineering vendor, acting as construction administration agent, will monitor project progress. Upon verification of satisfactory project progress, a series of Stage 2 progress payments up to 50% of total project commitment can be issued. When the project is 100% complete, a final project true-up, and final inspection are undertaken. 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 building owners can pay their contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by PSE&G or a designated third-party implementation contractor.

Proposed Incentives

The subprogram will provide a 100% incentive for an up-front ASHRAE Level I, II, or III audit. The specific audit level will be determined based upon the type, size, and age of the facility. In addition, PSE&G 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 on-bill.

PSE&G will retain the option and flexibility to adjust the incentive offered to participants to enable a whole-building approach that will include additional ECMs in the project.

The full cost of the energy efficiency projects (including engineering, transaction costs and cost of construction) will be covered through a combination of subprogram incentive and customer repayments.

Marketing Approach

PSE&G will leverage existing relationships with municipalities, universities, schools, and other public agencies to promote the subprogram and will conduct further outreach through school, university, and municipal associations. In addition, PSE&G will generate a marketing campaign to hospitals, healthcare facilities, non-profits, and multi-family agencies to increase awareness of the subprogram. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

Contractor Role

PSE&G will select qualified subprogram participating vendors to undertake all auditing and engineering work associated with the subprogram. Participants are permitted to select their preferred installation providers to complete work on-site. PSE&G may also utilize a third-party implementation contractor to assist in the outreach, marketing, and trade ally coordination, to support the large number of municipalities and schools within the PSE&G service territory. The installation provider will adhere to the project specifications set forth by PSE&G and the engineering vendor and approved by the participant. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and vendor availability and provide suggestions for improvement.

To select a qualified third-party implementation contractor, PSE&G will prioritize criteria such as:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

APPENDIX A – MEASURE-LEVEL DETAILS

The chart below contains preliminary measure-by-measure details used to develop the subprograms. It is anticipated that incentive levels may change prior to and during the implementation of each Subprogram.

Table 1. Measure Level Details

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Eff Products	Storage WH, EF=0.82	GAS	per water heater	$125.00
Res Eff Products	Instant WH, EF>=0.82	GAS	per water heater	$150.00
Res Eff Products	Heat Pump WH	ELEC	per water heater	$400.00
Res Eff Products	Circulator with demand control	GAS	per water heater	$40.00
Res Eff Products	Indirect water heater with Energy Star hot water boiler	GAS	per water heater	$400.00
Res Eff Products	Condensing Boiler 90-95%	GAS	Per Boiler	$400.00
Res Eff Products	ENERGY STAR RAC	ELEC	Per Room AC	$50.00
Res Eff Products	ENERGY STAR CAC (16 SEER 13 EER)	ELEC	Per Air Conditioner	$400.00
Res Eff Products	ENERGY STAR Fan	ELEC	Per Fan	$15.00
Res Eff Products	ENERGY STAR Mini Split HP	ELEC	Per Heat Pump	$400.00
Res Eff Products	SEER 18 HSPF 8.5, installed according to specifications	ELEC	Per Heat Pump	$450.00
Res Eff Products	ENERGY STAR heat pump	ELEC	Per System	$450.00
Res Eff Products	WiFi thermostat	ELEC	Per Thermostat	$100.00
Res Eff Products	WiFi thermostat	GAS	Per Thermostat	$75.00
Res Eff Products	Condensing Furnace 95-97%	GAS	Per Furnace	$400.00
Res Eff Products	VRF Heat Pump	ELEC	Per VRF System	$400.00
Res Eff Products	Most efficient Direct Unit Heater available	GAS	Per Direct Heater	$400.00
Res Eff Products	ECM circulator pump	ELEC	Per pump	$75.00
Res Eff Products	ECM Motor	ELEC	Per HVAC system	$100.00
Res Eff Products	Condensing boiler combo	GAS	Per Water Heating System	$350.00
Res Eff Products	Properly maintained CAC, 2.6 ton	ELEC	Per AC System	$25.00
Res Eff Products	ENERGY STAR Freezer	ELEC	per Freezer	$75.00
Res Eff Products	ENERGY STAR Most Efficient Refrigerator	ELEC	per Refrigerator	$75.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Eff Products	Heat Pump Clothes Dryer	ELEC	per dryer	$75.00
Res Eff Products	EnergyStar Side-Loading Clothes Washer	GAS	Per Clothes Washer	$75.00
Res Eff Products	EnergyStar Side-Loading Clothes Washer	ELEC	Per Clothes Washer	$75.00
Res Eff Products	EnergyStar Ceiling Fan, no light	ELEC	per Ceiling Fan	$15.00
Res Eff Products	EnergyStar Portable Dehumidifier	ELEC	per Dehumidifier	$35.00
Res Eff Products	Energy Star Dryer	ELEC	per Dryer	$50.00
Res Eff Products	Energy Star Dryer	GAS	PER DRYER	$50.00
Res Eff Products	Energy Star Air Cleaner	ELEC	per Air Cleaner	$50.00
Res Eff Products	Energy Star Television	ELEC	per Television	$10.00
Res Eff Products	Energy Star 5.0 TV Set Top Box	ELEC	per TV Set Top Box	$1.50
Res Eff Products	Energy Star 7.0 LCD Monitor	ELEC	Per Monitor	$2.50
Res Eff Products	ECM Whole Home Fan	ELEC	per Fan	$15.00
Res Eff Products	Induction Cooktop Stove	ELEC	per stove	$25.00
Res Eff Products	Variable Speed Pool Pump	ELEC	per in-ground pool	$250.00
Res Eff Products	Above ground pool with pump timer	ELEC	per above-ground pool	$10.00
Res Eff Products	LED Screw-in General Service Lamp	ELEC	Per Bulb	$3.00
Res Eff Products	Networked/ Connected - Indoor LED Lamp	ELEC	Per Bulb	$5.00
Res Eff Products	LED Replacement Lamp (Tube)	ELEC	Per Bulb	$3.00
Res Eff Products	LED ENERGY STAR Fixture	ELEC	Per Fixture	$10.00
Res Eff Products	Networked/ Connected - Indoor LED Luminaire	ELEC	Per Fixture	$10.00
Res Eff Products	LED Outdoor Flood Light Fixture	ELEC	Per Fixture	$5.00
Res Eff Products	LED Nightlight	ELEC	Per Bulb	$1.59
Res Eff Products	Manual Dimming Control All Types	ELEC	Per Bulb	$2.21
Res Eff Products	Occupancy Sensor	ELEC	Per Bulb	$5.33
Res Eff Products	Daylighting Control	ELEC	Per Bulb	$5.00
Res Eff Products	Low flow aerator	ELEC	per faucet	$6.00
Res Eff Products	Low flow aerator	GAS	per faucet	$7.00
Res Eff Products	Low flow showerhead	GAS	per shower	$8.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Eff Products	Low flow showerhead	ELEC	per shower	$9.00
Res Eff Products	Pipe wrap (hot water)	GAS	per house	$10.00
Res Eff Products	Pipe wrap (hot water)	ELEC	per house	$10.00
Res Eff Products	Secondary Freezer Not Replaced	ELEC	per Freezer	$75.00
Res Eff Products	Secondary Refrigerator Not Replaced	ELEC	per Refrigerator	$75.00
Res Eff Products	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$15.00
Res Eff Products	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$25.00
Res Existing Homes	Sealed duct in unconditioned spaces	ELEC	Per Household	$150.00
Res Existing Homes	Ground Source Heat Pump	ELEC	Per GSHP	$450.00
Res Existing Homes	ENERGY STAR RAC	ELEC	Per Room AC	$35.00
Res Existing Homes	ENERGY STAR CAC (16 SEER 13 EER)	ELEC	Per Air Conditioner	$450.00
Res Existing Homes	ENERGY STAR heat pump	ELEC	Per System	$350.00
Res Existing Homes	VRF Heat Pump	ELEC	Per VRF System	$350.00
Res Existing Homes	Fan system with heat recovery	GAS	Per Fan System	$300.00
Res Existing Homes	Properly installed CAC	ELEC	Per Air Conditioner	$50.00
Res Existing Homes	Added Desuperheater	ELEC	per GSHP	$250.00
Res Existing Homes	Drainwater Heat Exchanger	ELEC	per house	$300.00
Res Existing Homes	LED Screw-in General Service Lamp	ELEC	Per Bulb	$10.00
Res Existing Homes	Networked/ Connected - Indoor LED Lamp	ELEC	Per Bulb	$10.00
Res Existing Homes	LED Replacement Lamp (Tube)	ELEC	Per Bulb	$5.00
Res Existing Homes	LED ENERGY STAR Fixture	ELEC	Per Fixture	$8.00
Res Existing Homes	Networked/ Connected - Indoor LED Luminaire	ELEC	Per Fixture	$10.00
Res Existing Homes	LED Outdoor Flood Light Fixture	ELEC	Per Fixture	$5.00
Res Existing Homes	LED Nightlight	ELEC	Per Bulb	$2.00
Res Existing Homes	Manual Dimming Control All Types	ELEC	Per Bulb	$2.00
Res Existing Homes	Occupancy Sensor	ELEC	Per Bulb	$5.00
Res Existing Homes	Daylighting Control	ELEC	Per Bulb	$5.00
Res Existing Homes	Condensing Boiler 90-95%	GAS	Per Boiler	$400.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Existing Homes	Condensing Furnace 95-97%	GAS	Per Furnace	$400.00
Res Existing Homes	Low flow aerator	ELEC	per faucet	$4.00
Res Existing Homes	Low flow aerator	GAS	per faucet	$4.00
Res Existing Homes	Low flow showerhead	ELEC	per shower	$11.00
Res Existing Homes	Low flow showerhead	GAS	per shower	$11.00
Res Existing Homes	Pipe wrap (hot water)	GAS	per house	$22.00
Res Existing Homes	Pipe wrap (hot water)	ELEC	per house	$22.48
Res Existing Homes	Standard flow showerhead with TSV	ELEC	per shower	$34.00
Res Existing Homes	Water Heater set to 120F	ELEC	per water heater	$5.00
Res Existing Homes	Instant WH, EF>=0.82	GAS	per water heater	$300.00
Res Existing Homes	WH timer	ELEC	per water heater	$5.00
Res Existing Homes	Single-Pane window with low-E film	ELEC	per living unit	$138.60
Res Existing Homes	Home that has air sealing performed	ELEC	per house	$350.00
Res Existing Homes	Home that has air sealing performed	GAS	per house	$350.00
Res Existing Homes	Insulated ductwork	GAS	per living unit	$300.00
Res Existing Homes	Home with insulated basement	GAS	per house	$500.00
Res Existing Homes	Home with insulated ceiling roof	GAS	per house	$500.00
Res Existing Homes	Home with insulated knee walls	GAS	per house	$400.00
Res Existing Homes	Home with insulated rim joists	GAS	per house	$350.00
Res Existing Homes	Home with insulated walls	GAS	per house	$350.00
Res Existing Homes	Insulated ductwork	ELEC	per living unit	$500.00
Res Existing Homes	Home with insulated basement	ELEC	per house	$500.00
Res Existing Homes	Home with insulated ceiling roof	ELEC	per house	$500.00
Res Existing Homes	Home with insulated knee walls	ELEC	per house	$350.00
Res Existing Homes	Home with insulated rim joists	ELEC	per house	$350.00
Res Existing Homes	Home with insulated walls	ELEC	per house	$500.00
Res Existing Homes	Boiler with reset controls	GAS	Per Boiler	$200.00
Res Existing Homes	Insulated piping	GAS	Per Household	$11.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Existing Homes	HVAC system sized according to Manual J	ELEC	Per System	$125.00
Res Existing Homes	Heat Pump operating according to specifications	ELEC	Per Heat Pump	$75.00
Res Existing Homes	Properly maintained furnace	GAS	Per Furnace	$25.00
Res Existing Homes	Steam heating system with properly adjusted vents	GAS	Per household	$40.00
Res Existing Homes	Secondary Freezer Not Replaced	ELEC	per Freezer	$50.00
Res Existing Homes	Secondary Refrigerator Not Replaced	ELEC	per Refrigerator	$50.00
Res Existing Homes	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$20.00
Res Existing Homes	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$30.00
Res Behavior	Home Energy Reports	ELEC	per report	$11.00
Res K-12 Education	K-12 Education Behavior (HER)	GAS	per report	$0.00
Res K-12 Education	K-12 Education Behavior (HER)	ELEC	per report	$0.00
Res K-12 Education	Low flow aerator	ELEC	per faucet	$4.00
Res K-12 Education	Low flow aerator	GAS	per faucet	$4.00
Res K-12 Education	Low flow showerhead	GAS	per shower	$11.00
Res K-12 Education	Low flow showerhead	ELEC	per shower	$11.00
Res K-12 Education	LED Screw-in General Service Lamp	ELEC	Per Bulb	$9.00
Res K-12 Education	Networked/ Connected - Indoor LED Lamp	ELEC	Per Bulb	$41.00
Res K-12 Education	LED Nightlight	ELEC	Per Bulb	$9.00
Res New Construction	Res New Construction - Per Home Gas Component	GAS	per living unit	$1,250.00
Res New Construction	Res New Construction - Per Home Elec Component	ELEC	per living unit	$1,250.00
Res MF	Home Energy Reports	ELEC	per report	$6.00
Res MF	Home Energy Reports	GAS	per report	$6.00
Res MF	Low flow aerator	ELEC	per faucet	$4.00
Res MF	Low flow aerator	GAS	per faucet	$4.00
Res MF	Low flow showerhead	GAS	per shower	$11.00
Res MF	Low flow showerhead	ELEC	per shower	$11.00
Res MF	Standard flow showerhead with TSV	ELEC	per shower	$34.00
Res MF	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$33.00

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res MF	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$45.00
Res MF	LED Screw-in General Service Lamp	ELEC	Per Bulb	$9.00
Res MF	LED Nightlight	ELEC	Per Bulb	$0.00
Income Eligible	Condensing Furnace 95-97%	GAS	Per Furnace	$2,637.98
Income Eligible	Condensing Boiler 90-95%	GAS	Per Boiler	$3,754.57
Income Eligible	LED Outdoor Flood Light Fixture	ELEC	Per Fixture	$60.30
Income Eligible	LED Screw-in General Service Lamp	ELEC	Per Bulb	$8.76
Income Eligible	LED ENERGY STAR Fixture	ELEC	Per Fixture	$43.17
Income Eligible	LED Nightlight	ELEC	Per Bulb	$9.17
Income Eligible	Low flow aerator	ELEC	per faucet	$4.00
Income Eligible	Low flow aerator	GAS	per faucet	$4.00
Income Eligible	Low flow showerhead	GAS	per shower	$11.00
Income Eligible	Low flow showerhead	ELEC	per shower	$11.00
Income Eligible	Pipe wrap (hot water)	GAS	per house	$22.48
Income Eligible	Pipe wrap (hot water)	ELEC	per house	$22.48
Income Eligible	Standard flow showerhead with TSV	ELEC	per shower	$34.00
Income Eligible	Water Heater set to 120F	GAS	per water heater	$5.00
Income Eligible	Instant WH, EF>=0.82	GAS	per water heater	$1,828.65
Income Eligible	WH timer	GAS	per water heater	$136.00
Income Eligible	Single-Pane window with low-E film	ELEC	per living unit	$789.60
Income Eligible	Home that has air sealing performed	ELEC	per house	$1,007.40
Income Eligible	Home that has air sealing performed	GAS	per house	$1,007.40
Income Eligible	Insulated ductwork	ELEC	per living unit	$667.00
Income Eligible	Home with insulated basement	ELEC	per house	$1,500.00
Income Eligible	Home with insulated ceiling roof	ELEC	per house	$1,800.00
Income Eligible	Home with insulated knee walls	ELEC	per house	$900.00
Income Eligible	Home with insulated rim joists	ELEC	per house	$500.00
Income Eligible	Home with insulated walls	ELEC	per house	$1,500.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Income Eligible	Boiler with reset controls	GAS	Per Boiler	$300.00
Income Eligible	Insulated ductwork	GAS	per living unit	$667.00
Income Eligible	Home with insulated basement	GAS	per house	$1,500.00
Income Eligible	Home with insulated ceiling roof	GAS	per house	$1,800.00
Income Eligible	Home with insulated knee walls	GAS	per house	$900.00
Income Eligible	Home with insulated rim joists	GAS	per house	$500.00
Income Eligible	Home with insulated walls	GAS	per house	$1,500.00
Income Eligible	Insulated piping	GAS	Per Household	$22.48
Income Eligible	HVAC system sized according to Manual J	ELEC	Per System	$250.00
Income Eligible	Heat Pump operating according to specifications	ELEC	Per Heat Pump	$130.00
Income Eligible	Properly maintained furnace	GAS	Per Furnace	$125.00
Income Eligible	Steam heating system with properly adjusted vents	GAS	Per household	$125.02
Income Eligible	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$33.00
Income Eligible	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$50.00
C&I Prescriptive	Instant WH 0.82 or 0.94 TE (Gas)	GAS	per kBtu/hr	$2.00
C&I Prescriptive	Comm Storage WH Et=0.8, with heat recovery (Gas)	GAS	per kBtu/hr	$200.00
C&I Prescriptive	HW Recirc System w Demand control (Gas)	GAS	per recirculation system	$1,000.00
C&I Prescriptive	Insulated HW pipe in unconditioned space (Gas)	GAS	per linear foot pipe	$8.00
C&I Prescriptive	Advanced Smart (Tier 2) Power Strip (Electric)	ELEC	per Power Strip	$20.00
C&I Prescriptive	Boiler with reset controls (Gas)	GAS	Per kBtu/h	$0.24
C&I Prescriptive	HVAC with WiFi thermostat (Gas)	GAS	per thermostat	$75.00
C&I Prescriptive	HVAC with WiFi thermostat (Electric)	ELEC	per thermostat	$75.00
C&I Prescriptive	HVAC system with EMS (Gas)	GAS	Per 1000 sqft	$500.00
C&I Prescriptive	HVAC with CO2-based control (Gas)	GAS	Per 1000 sqft	$30.00
C&I Prescriptive	HVAC with CO2-based control (Electric)	ELEC	Per 1000 sqft	$40.00
C&I Prescriptive	Boiler Tune-Up	GAS	kbtu/hr input	$0.33
C&I Prescriptive	Furnace Tune-Up	GAS	kbtu/hr input	$0.33
C&I Prescriptive	Furnace with ECM Fan Motor (Electric)	ELEC	Per kBtu/h	$1.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	VFD-Controlled Motor (Electric)	ELEC	per HP	$100.00
C&I Prescriptive	ECM Circulator Pump (Electric)	ELEC	Per HP	$635.00
C&I Prescriptive	Insulated pipe (Gas)	GAS	per linear foot pipe	$8.00
C&I Prescriptive	Chilled Water Pump with VFD (Electric)	ELEC	per HP	$150.00
C&I Prescriptive	Variable Air Volume HVAC (Electric)	ELEC	Per ton	$200.00
C&I Prescriptive	Cooling Tower Fan with VFD (Electric)	ELEC	per HP	$100.00
C&I Prescriptive	PTAC/PTHP with occupancy sensor (Electric)	ELEC	Per ton	$100.00
C&I Prescriptive	Air Handler with DOAS (Gas)	GAS	Per ton	$275.00
C&I Prescriptive	Ventilation with heat recovery (Gas)	GAS	Per ventilator	$375.00
C&I Prescriptive	Hotel Guest Room Occupancy Sensor (Electric)	ELEC	per 1000 sq ft	$150.00
C&I Prescriptive	Interior Occupancy Sensor (Electric)	ELEC	per 1000 sq ft	$100.00
C&I Prescriptive	LED Outdoor Building Exterior (Electric)	ELEC	per 1000 sq ft	$25.00
C&I Prescriptive	Exterior Occupancy Sensor (Electric)	ELEC	per 1000 sq ft	$10.00
C&I Prescriptive	LED Track Lighting (Electric)	ELEC	per 1000 sq ft	$7.50
C&I Prescriptive	Solid State (LED) Recessed Downlight (Electric)	ELEC	per 1000 sq ft	$30.00
C&I Prescriptive	LED Refrigerator/Freezer Case (Electric)	ELEC	per 1000 sq ft	$0.10
C&I Prescriptive	Refrigerator Case Light Sensor (Electric)	ELEC	per 1000 sq ft	$1.50
C&I Prescriptive	Freezer Case Light Sensor (Electric)	ELEC	per 1000 sq ft	$0.50
C&I Prescriptive	LED Exit Sign (Electric)	ELEC	per 1000 sq ft	$25.00
C&I Prescriptive	Bi-Level Stairway Lighting (Electric)	ELEC	per 1000 sq ft	$15.00
C&I Prescriptive	LED Bollard (Electric)	ELEC	per 1000 sq ft	$0.50
C&I Prescriptive	Daylight Dimming Control (Electric)	ELEC	per 1000 sq ft	$200.00
C&I Prescriptive	LED Troffer/Surface/Suspended (Electric)	ELEC	per 1000 sq ft	$300.00
C&I Prescriptive	LED Display Case Lighting (Electric)	ELEC	per 1000 sq ft	$1.50
C&I Prescriptive	LED Replacement Lamp (Tube) (Electric)	ELEC	per 1000 sq ft	$50.00
C&I Prescriptive	LED Other Linear Fixture (Electric)	ELEC	per 1000 sq ft	$50.00
C&I Prescriptive	LED Low/High Bay (Electric)	ELEC	per 1000 sq ft	$250.00
C&I Prescriptive	LED Pole/Arm Mounted (Electric)	ELEC	per 1000 sq ft	$50.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	LLLC - Low Impact Application (Electric)	ELEC	per 1000 sq ft	$400.00
C&I Prescriptive	LED Channel Signage (Electric)	ELEC	per 1000 sq ft	$3.00
C&I Prescriptive	LED Parking Garage and Canopy (Electric)	ELEC	per 1000 sq ft	$50.00
C&I Prescriptive	Market Avg Eff Spray Valve (1.16 GPM) (Gas)	GAS	per Spray Valve	$25.00
C&I Prescriptive	ENERGY STAR Commercial Refrigerator (Electric)	ELEC	per Refrigerator	$300.00
C&I Prescriptive	ENERGY STAR Commercial Freezer (Electric)	ELEC	per Freezer	$300.00
C&I Prescriptive	Pool with Cover (Gas)	GAS	per sqft of pool surface	$1.00
C&I Prescriptive	Demand Controlled Ventilation (DCV) Exhaust Hood (Electric)	ELEC	per HP	$800.00
C&I Prescriptive	Refrigerated Vending Machine with control system (Electric)	ELEC	Vending Machine	$100.00
C&I Prescriptive	Non-Refrigerated Vending Machine with control system (Electric)	ELEC	Vending Machine	$100.00
C&I Prescriptive	Refrigeration – Cooler Night Covers LT (Electric)	ELEC	Per foot	$6.00
C&I Prescriptive	Refrigeration – Cooler Night Covers MT (Electric)	ELEC	Per foot	$6.00
C&I Prescriptive	Refrigeration – Cooler Night Covers HT (Electric)	ELEC	Per foot	$6.00
C&I Prescriptive	Evaporator Fan Control (Electric)	ELEC	Per Compressor HP	$30.00
C&I Prescriptive	Add Door to Open Display Case (Electric)	ELEC	Per foot	$200.00
C&I Prescriptive	electronically commutated motors Motor (Electric)	ELEC	Motor	$75.00
C&I Prescriptive	Automatic door Closer (Electric)	ELEC	autocloser	$75.00
C&I Prescriptive	Freezer and Cooler Door Strip Curtians (Electric)	ELEC	Per square foot	$2.00
C&I Prescriptive	Insulated Lines (Electric)	ELEC	Per foot	$1.00
C&I Prescriptive	Anti sweat heat control (Electric)	ELEC	Per foot	$20.00
C&I Prescriptive	Defrost Controls (Electric)	ELEC	Per evap Fan	$125.00
C&I Prescriptive	Floating Head- Air Cooled (Electric)	ELEC	Per Ton	$100.00
C&I Prescriptive	Floating Head- Evap Cooled (Electric)	ELEC	Per Ton	$40.00
C&I Prescriptive	Freezer and Cooler Door Gaskets (Electric)	ELEC	Per foot	$20.00
C&I Prescriptive	Condensing Storage WH 90% TE (Gas)	GAS	per kBtu/hr	$5.00
C&I Prescriptive	Indirect WH 85% CAE (Gas)	GAS	per kBtu/hr	$4.00
C&I Prescriptive	Elec Storage WH 2.30 Et (Electric)	ELEC	per kBtu/hr	$2.00
C&I Prescriptive	Volume Water Heater 92% TE (Gas)	GAS	per kBtu/hr	$5.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	High performance hood (Gas)	GAS	Hood	$500.00
C&I Prescriptive	hood controls (Gas)	GAS	Hood	$1,000.00
C&I Prescriptive	High Pressure Steam Trap, Greater than 75 PSIG, Tested	GAS	PER UNIT	$300.00
C&I Prescriptive	Medium Pressure Steam Trap, 15 PSIG to 75 PSIG, Tested	GAS	PER UNIT	$200.00
C&I Prescriptive	95% or 97% AFUE and ECM motor (Gas)	GAS	Per kBtu/h	$2.76
C&I Prescriptive	ENERGY STAR RAC (Electric)	ELEC	per kBtu/hr	$1.47
C&I Prescriptive	90% Et Condensing Boiler (Gas)	GAS	Per kBtu/h	$7.92
C&I Prescriptive	CEE-compliant heat pump (Electric)	ELEC	per ton cooling	$100.00
C&I Prescriptive	ENERGY STAR Minisplit (Electric)	ELEC	per ton cooling	$100.00
C&I Prescriptive	VRF HP (Electric)	ELEC	per ton cooling	$1,250.00
C&I Prescriptive	15.0 EER Ground-Source HP (Electric)	ELEC	Per Ton	$80.00
C&I Prescriptive	ROB DX Packaged System, EER=10.8, 30 tons (Electric)	ELEC	Per Ton	$24.93
C&I Prescriptive	ROB DX Packaged System, EER=10.8, 30 tons, AFUE 95% (Gas)	GAS	Per Ton	$90.00
C&I Prescriptive	Condensing integrated boiler and water heater (Gas)	GAS	Per kbtuhr	$1.36
C&I Prescriptive	Variable Speed Centrifugal Chiller (Electric)	ELEC	Per ton	$100.00
C&I Prescriptive	95 AFUE make-up air unit (Gas)	GAS	Per kBtu/h	$2.61
C&I Prescriptive	HVLS fan (Electric)	ELEC	Per 1000 sqft	$100.00
C&I Prescriptive	High-efficiency PTHP (Electric)	ELEC	Per ton	$40.00
C&I Prescriptive	High-efficiency PTAC (Electric)	ELEC	Per ton	$40.00
C&I Prescriptive	Condensing unit heater, 90% AFUE (Gas)	GAS	per kBtu/h	$5.32
C&I Prescriptive	Gas-fired low-intensity infrared heating unit (Gas)	GAS	per kBtu/h	$1.10
C&I Prescriptive	HVAC system with high-efficiency air-cooled chiller (Electric)	ELEC	Per ton cooling	$100.00
C&I Prescriptive	HVAC system with high-efficiency water-cooled chiller (Electric)	ELEC	Per ton cooling	$100.00
C&I Prescriptive	HVAC system with dual enthalpy sensor outside air economizer (Electric)	ELEC	Per tons cooling	$80.00
C&I Prescriptive	Heat Pump Multi-Family Laundromat Dryer (Electric)	ELEC	per Dryer	$300.00
C&I Prescriptive	Variable Speed Pool Pump (Electric)	ELEC	per in-ground pool	$300.00
C&I Prescriptive	ENERGY STAR Refrigerator-Freezer (Electric)	ELEC	per Refrigerator	$61.00
C&I Prescriptive	ES 3.0 Beverage Vending Machine (Electric)	ELEC	per Beverage Vending Machine	$100.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	Electric Clothes Dryer - High Efficiency- Electric (Electric)	ELEC	per Dryer	$100.00
C&I Prescriptive	Electric Clothes Dryer - High Efficiency- Gas (Gas)	GAS	per Dryer	$200.00
C&I Prescriptive	HE Commercial Cloths Washer (Gas)	GAS	Per Washer	$100.00
C&I Prescriptive	Ozone Laundry Washing Machine (Gas)	GAS	Per Washer	$2,500.00
C&I Prescriptive	ENERGY STAR Electric Convection Oven (Electric)	ELEC	per oven	$750.00
C&I Prescriptive	ENERGY STAR Electric Combination Oven (Electric)	ELEC	per oven	$750.00
C&I Prescriptive	ENERGY STAR Gas Convection Oven (Gas)	GAS	per oven	$600.00
C&I Prescriptive	ENERGY STAR Gas Combination Oven (Gas)	GAS	per oven	$1,250.00
C&I Prescriptive	ENERGY STAR Hot Food Holding Cabinet (Electric)	ELEC	per hot food holding cabinet	$750.00
C&I Prescriptive	ENERGY STAR Ice Machine or CEE Tier 2 (Electric)	ELEC	per ice machine	$100.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Electric (Electric)	ELEC	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Gas (Gas)	GAS	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - electric (Electric)	ELEC	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - gas (Gas)	GAS	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR Low Temperature Commercial Dishwasher - Electric (Electric)	ELEC	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR Low Temperature Commercial Dishwasher - Gas (Gas)	GAS	per dishwasher	$300.00
C&I Prescriptive	Existing Compressor (Electric)	ELEC	Per compressor	$275.00
C&I Prescriptive	High Efficiency Compressor (Electric)	ELEC	Per compressor	$125.00
C&I Prescriptive	Oversized Condenser- Air Cooled (Electric)	ELEC	Per Ton	$125.00
C&I Prescriptive	Oversized Condenser- Evap Cooled (Electric)	ELEC	Per Ton	$125.00
C&I Prescriptive	Refrigeration/Freezer Door Heater Controls	ELEC	per door	$20.00
C&I Prescriptive	ENERGY STAR Commercial Fryers	ELEC	per fryer	$300.00
C&I Custom	C&I Custom - Elec	ELEC	per kWh	$0.20
C&I Custom	C&I Custom - Gas	GAS	per therm	$1.64
C&I Small Non-Residential Efficiency	C&I Small Non-Residential Efficiency Electric	ELEC	per kWh	$0.20
C&I Small Non-Residential Efficiency	C&I Small Non-Residential Efficiency Gas	GAS	per therm	$1.50
C&I New Construction	C&I NC Electric	ELEC	per kWh	$0.16

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I New Construction	C&I NC Gas	GAS	per therm	$2.00
C&I Energy Management	RCX Electric	ELEC	per kWh	$0.05
C&I Energy Management	RCX Gas	GAS	per therm	$0.96
C&I Energy Management	Strategic Energy Mgmt Electric	ELEC	per kWh	$0.05
C&I Energy Management	Strategic Energy Mgmt Gas	GAS	per therm	$0.96
C&I Engineered Solutions	MUSH Engineered Solution - Audit	ELEC	PROGRAM	$21,223.14
C&I Engineered Solutions	MUSH Engineered Solution - Audit	GAS	PROGRAM	$9,987.36
C&I Engineered Solutions	MUSH Engineered Solution - Engineering	ELEC	PROGRAM	$43,889.46
C&I Engineered Solutions	MUSH Engineered Solution - Engineering	GAS	PROGRAM	$20,653.86
C&I Engineered Solutions	MUSH Engineered Solution - Construction Begins (1st Pay)	ELEC	PROGRAM	$129,696.98
C&I Engineered Solutions	MUSH Engineered Solution - Construction Begins (1st Pay)	GAS	PROGRAM	$61,033.87
C&I Engineered Solutions	MUSH Engineered Solution - 50% Complete (2nd Pay)	ELEC	PROGRAM	$129,696.98
C&I Engineered Solutions	MUSH Engineered Solution - 50% Complete (2nd Pay)	GAS	PROGRAM	$61,033.87
C&I Engineered Solutions	MUSH Engineered Solution - Construction Finished (3rd Pay)	ELEC	PROGRAM	$129,696.98
C&I Engineered Solutions	MUSH Engineered Solution - Construction Finished (3rd Pay)	GAS	PROGRAM	$61,033.87
C&I Streetlight	STREETLIGHTING - HPS 58 TO LED 36	ELEC	PER FIXTURE	$305.83
C&I Streetlight	STREETLIGHTING - HPS 117 TO LED 56	ELEC	PER FIXTURE	$309.23
C&I Streetlight	STREETLIGHTING - HPS 171 TO LED 73	ELEC	PER FIXTURE	$353.44
C&I Streetlight	STREETLIGHTING - HPS 300 TO LED 107	ELEC	PER FIXTURE	$353.41
C&I Streetlight	STREETLIGHTING - HPS 450 TO LED 180	ELEC	PER FIXTURE	$473.49
C&I Streetlight	LED CONTROLLER	ELEC	PER FIXTURE	$124.74
C&I Streetlight	LED CONTROLLER INSTALL	ELEC	PER FIXTURE	$0.00
C&I Streetlight	INDUCTION CONTROLLER	ELEC	PER FIXTURE	$124.74
C&I Streetlight	INDUCTION CONTROLLER INSTALL	ELEC	PER FIXTURE	$61.43
C&I Streetlight	Smart City Pilot	ELEC	Per Controller	$90.33

APPENDIX B: Enrollment

Subprogram	Enrollment
Residential Efficient Products	Customer application received
Residential Existing Homes	Customer application received
Residential Behavioral	Customer included in treatment group
Residential Multi-Family	Customer application received
Residential Income Eligible	Customer application received
C&I Prescriptive	Customer application received
C&I Custom	Customer application received
C&I Small Non-Residential Efficiency	Customer application received (Audit Access Agreement)
C&I Energy Management	Customer application received
C&I Engineered Solutions	Customer application received (Customer Access Consent Agreement)

ATTACHMENT 2 – IT COST BREAKDOWN

Platform	Description	Investment ($M)
SAP	ERP/Billing platform	8.9
Salesforce	Customer relationship management platform	5.5
Mulesoft	Integration system using Application Programming Interfaces (APIs)	2.9
Online Integration	Web based customer self-service portal, Mobile App, Digital Assistant, IVR integration, and e-signature enablement	6.1
Energy Efficiency Tracking System	Platform for tracking EE program investments, energy savings, enrollments and customer participation, and tracking BPU reporting requirements	2.8
Program-specific support	Support for Behavioral and Marketplace platforms	1.0
Analytics	Platform to provide insights into program participation, energy savings and overall program effectiveness, leveraging data lakes and advanced algorithms	5.8
Total		33.0

Note: values rounded to the nearest $0.1M

Note: The cost breakdown above is based on program scope as documented in this Stipulation. PSE&G will have flexibility to move the dollars among the platforms within the approved budget of $33M.

Benefit Cost Analysis Results

Subprograms	NJCT*	SCT	TRC	PCT	PAC	RIM
Res Eff Products	1.7	2.3	0.7	7.7	0.9	0.6
Res Existing Homes	1.6	2.4	0.8	4.9	1.2	0.7
Res Behavior	2.2	2.6	1.2	n/a**	1.2	0.6
Res MF	1.3	2.4	0.7	n/a**	0.7	0.5
Income Eligible	1.2	1.8	0.5	n/a**	0.5	0.4
C&I Prescriptive	2.7	3.5	1.3	6.6	2.0	1.2
C&I Custom	3.0	4.7	1.5	6.9	2.1	1.3
C&I Small Non-Residential Efficiency	2.7	4.3	1.3	5.4	1.9	1.1
C&I Energy Management	1.8	4.0	1.3	8.7	1.4	1.0
C&I Engineered Solutions	1.8	3.0	0.9	5.3	1.1	0.9
Residential Programs	1.7	2.4	0.8	8.7	1.0	0.6
Commercial & Industrial Programs	2.5	3.7	1.2	6.1	1.8	1.1
Low Income Programs	1.2	1.8	0.5	n/a*	0.5	0.4
Total Portfolio	**2.2**	**3.2**	**1.0**	**7.0**	**1.4**	**0.9**

**- NJCT assumptions and calculations are consistent with the August 24th, 2020 order and subsequent guidance*

***- PCT results for Res Behavior, Res MF, & Income Eligible are n/a as these subprograms are provided at no cost*

Cost-to-Achieve Savings Analysis

CEF-EE CTA	Electric ($/annualized kWh)		Gas ($/annualized therm)	
	Guidance +/- 10%*	CEF-EE CTA	Guidance +/- 10%*	CEF-EE CTA
Residential Sector	0.29 - 0.35	0.19	7.82 - 9.56	2.06
Eff Products		0.32		3.42
Existing Homes		0.59		12.50
Behavior		0.05		0.68
C&I Sector	0.33 - 0.41	0.46	3.72 - 4.54	2.36
Prescriptive		0.45		0.16
Custom		0.31		2.46
Direct Install		0.27		1.94
Energy Management		0.17		3.16
Engineered Solutions		1.91		9.03
Multifamily Sector	1.09 - 1.33	0.35	16.82 - 20.56	2.54
Multifamily		0.35		2.54
Low Income Sector**	1.89 - 2.31	0.88	25.53 - 31.21	20.98
Income Eligible		0.88		20.98

* Guidance is based on Core Program Cost Guidelines established in the June 10th Board Order.

** Co-managed low income sector targets used for income eligible subprogram

Values for the QPIs in years 1-3

Electric Results*	**PY1 (Jul21-Jun22)**	**PY2 (Jul22-Jun23)**	**PY3 (Jul23-Jun24)**
Annual Energy Savings (kWh)	439,366,569	487,189,790	368,845,495
Annual Peak Demand Savings (MW)	38,277	50,580	41,190
Lifetime Energy Savings (kWh)	2,985,212,297	4,705,957,570	4,110,966,390
Lifetime Persistent Peak Demand Savings (MW)	376,882	634,685	525,044
Utility Cost Test (NPV of Benefits)**	1.43	1.43	1.43
Low-Income Lifetime Savings (kWh)	137,524,557	33,327,854	20,891,897
Small Business Lifetime Savings (kWh)	547,176,929	615,127,006	920,902,348

Gas Results*	**PY1 (Jul21-Jun22)**	**PY2 (Jul22-Jun23)**	**PY3 (Jul23-Jun24)**
Annual Energy Savings (Therms)	12,425,905	19,736,673	11,701,416
Annual Peak Demand Savings***	-	-	-
Lifetime Energy Savings (Therms)	94,604,425	151,631,297	108,635,745
Lifetime Persistent Peak Demand Savings***	-	-	-
Utility Cost Test (NPV of Benefits)**	1.43	1.43	1.43
Low-Income Lifetime Savings (Therms)	13,104,732	18,229,550	11,427,375
Small Business Lifetime Savings (Therms)	2,162,032	2,430,520	3,638,714

** QPIs are based on July 2021 to June 2024 program years as established in the June 10th Board Order. Should PSE&G's program year be changed to align with the schedule of its program, these values will be adjusted accordingly. Currently PY3 represents a partial year of programs that would be supplemented with PSE&G's second triennial program approval.*

*** The Utility Cost Test, also known as the Program Administrator Cost Test (PAC) result represents the result across the entire program cycle.*

**** The approach to calculating the Gas Peak Demand Savings has not yet been finalized. Collaboration with other utilities to establish the appropriate methodology is ongoing.*

PSE&G Clean Energy Future Energy Efficiency Program
Weighted Average Cost of Capital (WACC)

Schedule SS-CEF-EE-1

	Percent	Cost	Weighted Cost	Revenue Conversion Factor	Pre-Tax Weighted Cost	Discount Rate
Long Term Debt	45.53%	3.9567%	1.8017%	1.0000	1.8017%	
Custumer Deposits	0.47%	0.8700%	0.0041%	1.0000	0.0041%	
Sub-total	46.00%		1.8058%		1.8058%	1.2982%
Common Equity	54.00%	9.60%	5.1836%	1.3910	7.2105%	5.1836%
Total	100.00%		6.99%		9.02%	6.4818%
Monthly WACC			0.5825%		0.7514%	

Reflects a tax rate of 28.11%

PSE&G Clean Energy Future Energy Efficiency Program
Electric Revenue Requirements Calculation

Schedule SS-CEF-EE-2E

Monthly WACC effective 11/1/2018	0.75136%
Inc. tax rate effective 11/1/2018	28.11%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Monthly Calculation	PSE&G Program Investment	Program Investment from/to Partner utility	Capitalized IT Costs	Gross Plant	PSE&G + Partner Utility Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Beginning Acumulated Deferred Income Tax
Jan-20	-	-	-	-	-	-	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-	-	-	-	-	-	-
Mar-20	-	-	-	-	-	-	-	-	-	-	-	-
Apr-20	-	-	-	-	-	-	-	-	-	-	-	-
May-20	-	-	-	-	-	-	-	-	-	-	-	-
Jun-20	-	-	-	-	-	-	-	-	-	-	-	-
Jul-20	-	-	-	-	-	-	-	-	-	-	-	-
Aug-20	-	-	-	-	-	-	-	-	-	-	-	-
Sep-20	-	-	-	-	-	-	-	-	-	-	-	-
Oct-20	1,176,140	-	-	1,176,140	4,901	-	4,901	1,171,239	1,127,626	4,895	79,826	-
Nov-20	1,130,607	-	-	2,306,746	14,512	-	19,413	2,287,334	1,082,291	14,298	75,934	79,826
Dec-20	1,148,983	-	-	3,455,729	24,010	-	43,423	3,412,306	1,100,865	23,588	76,594	155,760
Jan-21	1,594,628	-	-	5,050,357	35,442	-	78,865	4,971,492	1,570,964	34,815	109,220	232,355
Feb-21	1,631,273	-	-	6,681,630	48,883	-	127,748	6,553,882	1,607,708	48,152	110,884	341,575
Mar-21	1,669,128	-	1,079,699	9,430,457	62,635	8,997	199,381	9,231,076	1,675,654	70,797	114,105	452,459
Apr-21	5,557,437	-	-	14,987,893	92,746	17,995	310,121	14,677,772	2,736,810	111,421	186,665	566,565
May-21	5,557,437	-	-	20,545,330	139,058	17,995	467,174	20,078,156	2,750,365	147,412	185,070	753,230
Jun-21	5,575,813	-	538,053	26,659,196	185,446	22,479	675,099	25,984,097	2,797,243	187,964	185,520	938,300
Jul-21	5,558,892	-	-	32,218,088	231,841	26,963	933,902	31,284,186	4,025,683	227,541	270,048	1,123,820
Aug-21	14,067,634	-	-	46,285,723	313,618	17,965	1,265,485	45,020,238	9,797,815	294,631	675,676	1,393,868
Sep-21	15,544,425	-	4,619,024	66,449,172	437,002	65,454	1,767,941	64,681,231	11,422,265	448,332	780,247	2,069,544
	Program Assumption	Investment in Shared Service Territory shared with Partner Utility	See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht	Prior Month + (Col 1 + Col 1a + Col 2)	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht
Annual Summary												
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	3,455,729	-	-	3,455,729	43,423	-	43,423	3,412,306	3,310,782	42,782	232,355	155,760
2021	99,654,053	-	10,863,771	113,973,553	3,588,398	523,761	4,155,583	109,817,970	69,063,488	3,692,730	4,647,861	4,211,396
2022	239,530,305	-	12,478,752	365,982,611	20,957,581	3,360,096	28,473,260	337,509,350	162,949,482	21,538,237	10,054,340	13,986,581
2023	279,773,822	-	3,218,796	648,975,229	46,558,204	5,043,982	80,075,446	568,899,782	189,887,627	44,811,604	10,314,905	24,164,264
2024	125,289,009	-	-	774,264,237	70,371,913	5,312,264	155,759,623	618,504,614	71,713,143	68,084,403	258,003	25,591,912
2025	32,434,923	-	-	806,699,160	76,457,933	5,312,264	237,529,820	569,169,340	48,486,675	83,158,064	(2,465,136)	23,291,523
2026	7,938,174	-	-	814,637,334	78,456,999	4,865,553	320,852,372	493,784,962	46,648,952	93,434,179	(3,326,430)	20,008,840
2027	-	-	-	814,637,334	78,807,601	1,901,990	401,561,963	413,075,371	-	47,278,621	(3,361,510)	16,628,966
2028	-	-	-	814,637,334	78,807,601	241,410	480,610,974	334,026,360	-	45,618,041	(3,243,443)	13,379,802
2029	-	-	-	814,637,334	78,807,601	-	559,418,576	255,218,758	-	45,376,631	(3,226,278)	10,153,524
2030	-	-	-	814,637,334	78,764,179	-	638,182,754	176,454,580	-	45,335,035	(3,223,321)	6,928,568
2031	-	-	-	814,637,334	75,219,203	-	713,401,957	101,235,377	-	42,878,837	(3,048,685)	3,842,556
2032	-	-	-	814,637,334	57,850,020	-	771,251,977	43,385,356	-	31,337,150	(2,228,071)	1,525,463
2033	-	-	-	814,637,334	32,249,397	-	803,501,375	11,135,959	-	15,296,581	(1,087,587)	337,153
2034	-	-	-	814,637,334	8,435,688	-	811,937,063	2,700,271	-	3,153,014	(224,179)	82,627
2035	-	-	-	814,637,334	2,349,668	-	814,286,731	350,603	-	891,253	(63,368)	11,418
2036	-	-	-	814,637,334	350,603	-	814,637,334	-	-	132,987	(9,455)	-
2037	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2038	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2039	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2040	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2041	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2042	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2043	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2044	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
Total	788,076,014	-	26,561,319		788,076,014	26,561,319			592,060,149	592,060,149	(0)	
Oct 20 - Sep 21	60,212,396	-			1,590,093	177,848			41,695,290	1,613,847	2,849,791	

PSE&G Clean Energy Future Energy Efficiency Program
Electric Revenue Requirements Calculation

Schedule SS-CEF-EE-2E

					Monthly WACC effective 11/1/2018		0.75136%			
					Inc. tax rate effective 11/1/2018		28.11%			
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Ending Acumulated Deferred Income Tax	Average Net Investment	Return Requirement	Program Investment Repayments	Expenses	Revenue Offsets	Tax Flow-through	Tax Flow-Through Gross-up	Tax Adjustment on Loan	Revenue Requirements
Monthly Calculation										
Jan-20	-	-	-	-	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-	-	-	-	-
Mar-20	-	-	-	-	-	-	-	-	-	-
Apr-20	-	-	-	-	-	-	-	-	-	-
May-20	-	-	-	-	-	-	-	-	-	-
Jun-20	-	-	-	-	-	-	-	-	-	-
Jul-20	-	-	-	-	-	-	-	-	-	-
Aug-20	-	-	-	-	-	-	-	-	-	-
Sep-20	-	-	-	-	-	-	-	-	-	-
Oct-20	79,826	545,706	4,100	(1,002)	1,544,650	-	(235,774)	(92,191)	(313)	1,224,371
Nov-20	155,760	1,611,493	12,108	(2,005)	1,544,650	-	(224,278)	(87,696)	(546)	1,256,745
Dec-20	232,355	2,655,762	19,954	(3,007)	1,544,650	-	(226,228)	(88,458)	(779)	1,270,142
Jan-21	341,575	3,904,934	29,340	(3,508)	1,544,650	-	(322,591)	(126,138)	(856)	1,156,338
Feb-21	452,459	5,365,669	40,315	(4,010)	1,544,650	-	(327,507)	(128,060)	(973)	1,173,299
Mar-21	566,565	7,382,967	55,473	(4,511)	1,544,650	-	(337,020)	(131,780)	(1,089)	1,197,355
Apr-21	753,230	11,294,527	84,862	(65,398)	1,544,650	-	(551,332)	(215,578)	(20,190)	887,755
May-21	938,300	16,532,199	124,216	(126,286)	1,544,650	-	(546,620)	(213,736)	(34,662)	904,615
Jun-21	1,123,820	22,000,067	165,299	(187,173)	1,544,650	-	(547,948)	(214,256)	(49,134)	919,363
Jul-21	1,393,868	27,375,298	205,687	(221,470)	1,693,621	-	(797,610)	(311,877)	(55,226)	771,929
Aug-21	2,069,544	36,420,506	273,649	(313,233)	1,693,621	-	(1,995,669)	(780,334)	(81,315)	(871,699)
Sep-21	2,849,791	52,391,067	393,645	(404,997)	1,693,621	-	(2,304,526)	(901,102)	(102,913)	(1,123,818)
	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	(Prev Col 7 - Col 11 + Col 7 - Col 12) / 2	Col 15 * Monthly Pre Tax WACC	Program Assumption	Program Assumption	Program Assumption	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Col 4 + Col 5 + Col 14 + Col 15 + Col 68 + Col 17 + Col 18 + Col 19 + Col 20
Annual Summary										
2019	-	-	-	-	-	-	-	-	-	-
2020	232,355	2,655,762	36,163	(6,014)	4,633,949	-	(686,280)	(268,345)	(1,637)	3,751,257
2021	4,880,216	96,342,826	3,219,489	(3,099,098)	19,429,621	-	(13,727,859)	(5,367,786)	(785,349)	3,781,178
2022	14,934,555	311,294,740	18,353,621	(18,386,694)	21,092,020	-	(29,696,361)	(11,611,695)	(4,484,382)	(415,814)
2023	25,249,460	530,542,055	37,834,675	(41,320,776)	16,667,803	-	(30,465,965)	(11,912,620)	(9,713,815)	12,691,488
2024	25,507,464	593,032,269	52,976,305	(72,606,000)	7,731,777	-	(762,035)	(297,967)	(17,383,587)	45,342,670
2025	23,042,328	548,677,208	51,433,652	(93,135,722)	2,880,357	-	7,280,992	2,846,970	(23,915,657)	29,160,789
2026	19,715,898	477,375,614	46,027,738	(105,755,396)	1,040,221	-	9,824,898	3,841,673	(28,364,957)	9,936,727
2027	16,354,388	399,907,578	39,237,031	-	516,795	-	9,928,510	3,882,187	13,071,979	147,346,094
2028	13,110,946	324,064,636	32,346,228	-	422,115	-	9,579,789	3,745,832	13,071,979	138,214,954
2029	9,884,667	248,483,313	25,527,377	-	249,541	-	9,529,093	3,726,009	13,071,979	130,911,600
2030	6,661,346	172,931,267	18,713,060	-	94,352	-	9,520,357	3,722,593	13,071,265	123,885,806
2031	3,612,661	100,391,324	11,984,336	-	97,182	-	9,004,556	3,520,908	12,645,538	112,471,722
2032	1,384,590	43,838,449	6,121,047	-	100,098	-	6,580,801	2,573,186	10,366,905	83,592,057
2033	297,003	11,577,462	2,179,155	-	103,101	-	3,212,282	1,256,047	6,628,789	45,628,772
2034	72,824	2,804,292	518,269	-	52,312	-	662,133	258,903	2,065,600	11,992,905
2035	9,455	376,549	109,011	-	-	-	187,163	73,183	570,261	3,289,286
2036	-	-	9,503	-	-	-	27,927	10,920	85,091	484,044
2037	-	-	0	-	-	-	-	-	-	0
2038	-	-	0	-	-	-	-	-	-	0
2039	-	-	0	-	-	-	-	-	-	0
2040	-	-	0	-	-	-	-	-	-	0
2041	-	-	0	-	-	-	-	-	-	0
2042	-	-	0	-	-	-	-	-	-	0
2043	-	-	0	-	-	-	-	-	-	0
2044	-	-	-	-	-	-	-	-	-	-
Total			346,626,660	(334,309,700)	75,111,241	-	(0)	0	(0)	902,065,534
Oct 20 - Sep 21			1,408,648	(1,336,600)	18,982,707	-	(8,417,103)	(3,291,206)	(347,994)	8,766,394

PSE&G Clean Energy Future Energy Efficiency Program
Gas Revenue Requirements Calculation

Schedule SS-CEF-EE-2G

Monthly WACC effective 11/1/2018	0.75136%
Inc. tax rate effective 11/1/2018	28.11%

	(1)	(1a)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	PSE&G Program Investment	Program Investment from/to Partner utility	Capitalized IT Costs	Gross Plant	PSE&G + Partner Utility Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Beginning Acumulated Deferred Income Tax
Monthly Calculation												
Jan-20	-	-	-	-	-	-	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-	-	-	-	-	-	-
Mar-20	-	-	-	-	-	-	-	-	-	-	-	-
Apr-20	-	-	-	-	-	-	-	-	-	-	-	-
May-20	-	-	-	-	-	-	-	-	-	-	-	-
Jun-20	-	-	-	-	-	-	-	-	-	-	-	-
Jul-20	-	-	-	-	-	-	-	-	-	-	-	-
Aug-20	-	-	-	-	-	-	-	-	-	-	-	-
Sep-20	-	-	-	-	-	-	-	-	-	-	-	-
Oct-20	507,155	-	-	507,155	2,113	-	2,113	505,042	462,150	2,496	32,681	-
Nov-20	485,728	-	-	992,884	6,250	-	8,363	984,520	441,295	6,825	30,891	32,681
Dec-20	494,376	-	-	1,487,259	10,334	-	18,697	1,468,562	450,515	11,101	31,242	63,572
Jan-21	899,980	-	-	2,387,240	16,144	-	34,841	2,352,399	879,194	16,912	61,308	94,815
Feb-21	880,082	-	-	3,267,322	23,561	-	58,402	3,208,920	859,583	24,425	59,380	156,123
Mar-21	890,199	-	269,897	4,427,418	30,937	2,249	91,588	4,335,830	877,483	34,147	59,961	215,503
Apr-21	1,020,595	-	-	5,448,013	38,898	4,498	134,984	5,313,028	912,406	45,268	61,654	275,464
May-21	1,020,595	-	-	6,468,608	47,403	4,498	186,886	6,281,722	913,910	54,278	61,120	337,117
Jun-21	1,029,242	-	134,499	7,632,349	55,944	5,619	248,450	7,383,900	927,797	64,446	61,384	398,237
Jul-21	1,461,993	-	-	9,094,343	66,325	6,740	321,514	8,772,829	1,199,440	77,834	79,746	459,621
Aug-21	3,878,186	-	-	12,972,529	88,575	4,491	414,580	12,557,949	3,064,136	103,753	210,483	539,368
Sep-21	4,573,146	-	1,154,637	18,700,312	123,789	16,362	554,731	18,145,580	3,801,799	154,412	259,329	749,851
	Program Assumption	Investment in Shared Service Territory shared with Partner Utility	See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht	Prior Month + (Col 1 + Col 1a + Col 2)	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht
Annual Summary												
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	1,487,259	-	-	-	18,697	-	-	18,697	1,353,960	20,422	94,815	31,242
2021	27,250,846	-	2,715,662	1,156,629	1,066,868	130,927	35,622	1,216,492	22,841,563	1,301,031	1,531,532	198,903
2022	62,141,088	-	3,119,366	402,312	5,581,838	839,937	93,898	7,638,267	49,804,758	7,000,332	3,043,395	291,141
2023	80,242,992	-	804,616	-	12,679,129	1,260,865	110,661	21,578,261	61,319,860	14,977,401	3,294,949	322,589
2024	24,802,695	-	-	-	18,337,416	1,327,929	110,661	41,243,606	17,902,923	20,885,185	(212,039)	2,764
2025	15,263,493	-	-	-	20,386,672	1,327,929	110,661	62,958,207	15,160,029	23,770,732	(612,221)	(69,327)
2026	3,735,611	-	-	-	21,327,409	1,216,262	84,677	85,501,878	11,733,070	25,589,120	(985,165)	(90,141)
2027	-	-	-	-	21,492,399	475,448	20,115	107,469,725	-	14,673,001	(1,043,250)	(85,551)
2028	-	-	-	-	21,492,399	60,346	-	129,022,470	-	14,257,899	(1,013,737)	(84,121)
2029	-	-	-	-	21,492,399	-	-	150,514,869	-	14,197,553	(1,009,446)	(84,121)
2030	-	-	-	-	21,473,701	-	-	171,988,570	-	14,180,565	(1,008,238)	(83,453)
2031	-	-	-	-	20,425,531	-	-	192,414,101	-	13,274,221	(943,797)	(70,960)
2032	-	-	-	-	15,910,561	-	-	208,324,661	-	9,694,892	(689,307)	(43,815)
2033	-	-	-	-	8,813,269	-	-	217,137,931	-	4,613,887	(328,047)	(11,461)
2034	-	-	-	-	3,154,983	-	-	220,292,913	-	1,197,926	(85,173)	(4,613)
2035	-	-	-	-	1,105,726	-	-	221,398,640	-	419,413	(29,820)	(924)
2036	-	-	-	-	164,989	-	-	221,563,629	-	62,582	(4,450)	-
2037	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2038	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2039	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2040	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2041	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2042	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2043	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2044	-	-	-	-	-	-	-	221,563,629	-	-	-	-
Total	214,923,986	-	6,639,644		214,923,986	6,639,644			180,116,163	180,116,163	(0)	
Oct 20 - Sep 21	17,141,279	-			510,274	44,457			14,789,709	595,897	1,009,180	

PSE&G Clean Energy Future Energy Efficiency Program
Gas Revenue Requirements Calculation

Schedule SS-CEF-EE-2G

Monthly WACC effective 11/1/2018	0.75136%
Inc. tax rate effective 11/1/2018	28.11%

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	Ending Acumulated Deferred Income Tax	Average Net Investment	Return Requirement	Program Investment Repayments	Expenses	Revenue Offsets	Tax Flow-through	Tax Flow-Through Gross-up	Tax Adjustment on Loan	Revenue Requirements
Monthly Calculation										
Jan-20	-	-	-	-	-		-	-	-	-
Feb-20	-	-	-	-	-		-	-	-	-
Mar-20	-	-	-	-	-		-	-	-	-
Apr-20	-	-	-	-	-		-	-	-	-
May-20	-	-	-	-	-		-	-	-	-
Jun-20	-	-	-	-	-		-	-	-	-
Jul-20	-	-	-	-	-		-	-	-	-
Aug-20	-	-	-	-	-		-	-	-	-
Sep-20	-	-	-	-	-		-	-	-	-
Oct-20	32,681	236,180	1,775	(1,325)	524,340		(96,527)	(37,744)	(444)	392,188
Nov-20	63,572	696,654	5,234	(2,650)	524,340		(91,239)	(35,676)	(814)	405,446
Dec-20	94,815	1,147,348	8,621	(3,976)	524,340		(92,277)	(36,082)	(1,183)	409,777
Jan-21	156,123	1,785,012	13,412	(4,638)	524,340		(181,079)	(70,805)	(1,331)	296,043
Feb-21	215,503	2,594,847	19,497	(5,301)	524,340		(175,383)	(68,577)	(1,516)	316,620
Mar-21	275,464	3,526,892	26,500	(5,964)	524,340		(177,101)	(69,249)	(1,701)	330,012
Apr-21	337,117	4,518,139	33,947	(9,446)	524,340		(182,099)	(71,203)	(2,830)	336,106
May-21	398,237	5,429,698	40,796	(12,928)	524,340		(180,523)	(70,587)	(3,801)	349,199
Jun-21	459,621	6,403,881	48,116	(16,411)	524,340		(181,304)	(70,892)	(4,773)	360,640
Jul-21	539,368	7,578,870	56,944	(24,681)	572,406		(235,537)	(92,098)	(7,348)	342,750
Aug-21	749,851	10,020,779	75,292	(49,296)	572,406		(621,681)	(243,086)	(15,130)	(188,429)
Sep-21	1,009,180	14,472,249	108,738	(73,912)	572,406		(765,951)	(299,498)	(21,997)	(340,062)
	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	(Prev Col 7 - Col 11 + Col 7 - Col 12) / 2	Col 15 * Monthly Pre Tax WACC	Program Assumption	Program Assumption	Program Assumption	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Col 4 + Col 5 + Col 14 + Col 15 + Col 68 + Col 17 + Col 18 + Col 19 + Col 20
Annual Summary										
2019	-	-	-	-	-	-	-	-	-	-
2020	63,572	94,815	15,630	(7,951)	1,573,020	-	(280,043)	(109,501)	(2,441)	1,207,411
2021	1,427,443	1,626,346	932,227	(571,464)	6,580,479	-	(4,523,512)	(1,768,757)	(167,326)	1,679,442
2022	4,378,600	4,669,741	4,807,551	(3,838,899)	7,087,828	-	(8,988,929)	(3,514,798)	(1,079,090)	895,437
2023	7,642,101	7,964,690	10,192,106	(9,570,699)	5,806,282	-	(9,731,917)	(3,805,316)	(2,531,908)	4,298,543
2024	7,749,887	7,752,651	13,610,437	(15,185,839)	2,687,298	-	626,275	244,882	(3,850,726)	17,797,672
2025	7,209,757	7,140,430	13,621,233	(20,065,205)	784,992	-	1,808,248	707,050	(5,261,748)	13,309,172
2026	6,245,406	6,155,265	12,535,441	(23,708,399)	260,028	-	2,909,771	1,137,761	(6,457,973)	9,220,301
2027	5,197,565	5,112,015	10,764,574	-	129,185	-	3,081,330	1,204,843	2,852,387	40,000,167
2028	4,182,398	4,098,278	8,898,731	-	105,518	-	2,994,159	1,170,758	2,852,387	37,574,297
2029	3,172,952	3,088,832	7,050,873	-	62,379	-	2,981,486	1,165,803	2,852,387	35,605,327
2030	2,164,047	2,080,594	5,204,208	-	23,585	-	2,977,919	1,164,408	2,851,719	33,695,540
2031	1,207,756	1,136,797	3,385,371	-	24,293	-	2,787,586	1,089,985	2,796,263	30,509,029
2032	491,305	447,490	1,795,788	-	25,022	-	2,035,927	796,076	2,430,414	22,993,788
2033	130,903	119,442	712,780	-	25,773	-	968,916	378,860	1,642,017	12,541,616
2034	38,883	34,270	231,028	-	13,077	-	251,564	98,365	765,237	4,514,254
2035	5,373	4,450	51,299	-	-	-	88,077	34,439	268,358	1,547,899
2036	-	-	4,472	-	-	-	13,142	5,139	40,043	227,785
2037	-	-	(0)	-	-	-	-	-	-	(0)
2038	-	-	(0)	-	-	-	-	-	-	(0)
2039	-	-	(0)	-	-	-	-	-	-	(0)
2040	-	-	(0)	-	-	-	-	-	-	(0)
2041	-	-	(0)	-	-	-	-	-	-	(0)
2042	-	-	(0)	-	-	-	-	-	-	(0)
2043	-	-	(0)	-	-	-	-	-	-	(0)
2044	-	-	-	-	-	-	-	-	-	-
Total			93,813,750	(72,948,457)	25,188,759	-	0	0	(0)	267,617,681
Oct 20 - Sep 21			438,873	(210,528)	6,436,280	-	(2,980,701)	(1,165,496)	(62,868)	3,010,291

PSE&G Clean Energy Future Energy Efficiency Program
Proposed Rate Calculations

Schedule SS-CEF-EE-3

($'s Unless Specified)

Current SUT Rate 6.625%

Line	Date(s)		Electric	Gas	Source/Description
1	Oct 20 - Sep 21	Revenue Requirements	8,766,394	3,010,291	SS-2E/G, Col 23
2	Oct 20 - Sep 21	Forecasted ($/kWh or $/Therm)	40,681,934	2,852,756	
3		Proposed Rate w/o SUT ($/kWh or $/Therm)	0.000215	0.001055	Line 1 / Line 2 [Rnd 6]
4		Public Notice Rate w/o SUT ($/kWh)	0.000215	0.001055	Line 3
5		Proposed Rate w/ SUT ($/kWh or $/Therm)	0.000229	0.001125	(Line 3 * (1 + SUT Rate)) [Rnd 6]
6		Existing Rate w/o SUT ($/kWh or $/Therm)	0.000000	0.000000	
7		Difference in Proposed and Existing Rate	0.000215	0.001055	(Line 3 - Line 6)
8		Resultant CEF-EE Program Revenue Increase / (Decrease)	8,746,616	3,009,657	(Line 2 * Line 7 * 1,000)

PSE&G Clean Energy Future Energy Efficiency Program

Schedule SS-CEF-EE-4E

Electric GPRC Recovery Charge (GPRC) - Rate Impact Analysis

6,920 Avg RS kWh / yr.
740 Avg RS kWh / Summer Month
495 Avg RS kWh / Winter Month

6.625% SUT Rate effective 1/1/2018
40,681,934 kWh Sales (000) - Oct 20 - Sep 21
40,681,934 kWh Sales (000) - Oct 20 - thereafter

0.001901 Current electric GPRC ($/kWh)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
				Class Average Rate w/SUT - $/kWh[1]							Typical RS GPRC ($)					
	Electric CEF-EE Revenue Requirements[2]	Electric CEF-EEC w/o SUT ($/kWh)	**Electric CEF-EEC w/ SUT ($/kWh)[3]**	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S	Summer Monthly Bill	Winter Monthly Bill	Annual Bill	Change in RS Typical Annual Bill ($'s)	RS Typical Annual Bill ($'s)[3]	% Change in RS Typical Annual Bill
Current				0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16		1,312.72	
Oct 20 - Sep 21	8,766,394	0.000215	**0.000229**	0.189928	0.144099	0.189178	0.168632	0.130827	0.106124	0.090903	1.58	1.05	14.72	$1.56	1,314.28	0.12%
Oct 21 - Sep 22	(2,310,773)	(0.000057)	**(0.000061)**	0.189638	0.143809	0.188888	0.168342	0.130537	0.105834	0.090613	1.36	0.91	12.72	-$0.44	1,312.28	-0.03%
Oct 22 - Sep 23	11,493,290	0.000283	**0.000302**	0.190001	0.144172	0.189251	0.168705	0.130900	0.106197	0.090976	1.63	1.09	15.24	$2.08	1,314.80	0.16%
Oct 23 - Sep 24	35,878,508	0.000882	**0.000940**	0.190639	0.144810	0.189889	0.169343	0.131538	0.106835	0.091614	2.10	1.41	19.68	$6.52	1,319.24	0.50%
Oct 24 - Sep 25	36,083,142	0.000887	**0.000946**	0.190645	0.144816	0.189895	0.169349	0.131544	0.106841	0.091620	2.11	1.41	19.72	$6.56	1,319.28	0.50%
Oct 25 - Sep 26	12,344,026	0.000303	**0.000323**	0.190022	0.144193	0.189272	0.168726	0.130921	0.106218	0.090997	1.65	1.10	15.40	$2.24	1,314.96	0.17%
Oct 26 - Sep 27	113,476,801	0.002789	**0.002974**	0.192673	0.146844	0.191923	0.171377	0.133572	0.108869	0.093648	3.61	2.41	33.72	$20.56	1,333.28	1.57%
Oct 27 - Sep 28	140,246,121	0.003447	**0.003675**	0.193374	0.147545	0.192624	0.172078	0.134273	0.109570	0.094349	4.13	2.76	38.60	$25.44	1,338.16	1.94%
Oct 28 - Sep 29	132,693,551	0.003262	**0.003478**	0.193177	0.147348	0.192427	0.171881	0.134076	0.109373	0.094152	3.98	2.66	37.20	$24.04	1,336.76	1.83%
Oct 29 - Sep 30	125,644,735	0.003088	**0.003293**	0.192992	0.147163	0.192242	0.171696	0.133891	0.109188	0.093967	3.84	2.57	35.92	$22.76	1,335.48	1.73%
Oct 30 - Sep 31	116,766,520	0.002870	**0.003060**	0.192759	0.146930	0.192009	0.171463	0.133658	0.108955	0.093734	3.67	2.46	34.36	$21.20	1,333.92	1.61%
Oct 31 - Sep 32	92,363,341	0.002270	**0.002420**	0.192119	0.146290	0.191369	0.170823	0.133018	0.108315	0.093094	3.20	2.14	29.92	$16.76	1,329.48	1.28%
Oct 32 - Sep 33	55,444,874	0.001363	**0.001453**	0.191152	0.145323	0.190402	0.169856	0.132051	0.107348	0.092127	2.48	1.66	23.20	$10.04	1,322.76	0.76%
Oct 33 - Sep 34	17,734,940	0.000436	**0.000465**	0.190164	0.144335	0.189414	0.168868	0.131063	0.106360	0.091139	1.75	1.17	16.36	$3.20	1,315.92	0.24%
Oct 34 - Sep 35	4,558,249	0.000112	**0.000119**	0.189818	0.143989	0.189068	0.168522	0.130717	0.106014	0.090793	1.49	1.00	13.96	$0.80	1,313.52	0.06%
Oct 35 - Sep 36	854,834	0.000021	**0.000022**	0.189721	0.143892	0.188971	0.168425	0.130620	0.105917	0.090696	1.42	0.95	13.28	$0.12	1,312.84	0.01%
Oct 36 - Sep 37	26,982	0.000001	**0.000001**	0.189700	0.143871	0.188950	0.168404	0.130599	0.105896	0.090675	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 37 - Sep 38	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 38 - Sep 39	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 39 - Sep 40	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 40 - Sep 41	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 41 - Sep 42	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 42 - Sep 43	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 43 - Sep 44	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
	From Schedule SS-CEF-EE-2E Col 23	Col 1 / [kWh Sales] (Rnd to 6 dec.)	Col 2 * (1 + SUT Rate) Rnd 6	Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 11)							(Cur. eGPRC + Col 3) * Avg RS kWh Sum Mo Rnd 2	(Cur. eGPRC + Col 3) * Avg RS kWh Win Mo Rnd 2	(4 * Col 11) + (8 * Col 12)	Col 13 - Current Col 13	Current Col 15 + Col 14	Col 14 / Current Col 15 Rnd 4

	% Change from Current Class Average Rate w/SUT						
	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S
Apr 19 - Sep 20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 20 - Sep 21	0.12%	0.16%	0.12%	0.14%	0.18%	0.22%	0.25%
Oct 21 - Sep 22	-0.03%	-0.04%	-0.03%	-0.04%	-0.05%	-0.06%	-0.07%
Oct 22 - Sep 23	0.16%	0.21%	0.16%	0.18%	0.23%	0.29%	0.33%
Oct 23 - Sep 24	0.50%	0.65%	0.50%	0.56%	0.72%	0.89%	1.04%
Oct 24 - Sep 25	0.50%	0.66%	0.50%	0.56%	0.72%	0.89%	1.04%
Oct 25 - Sep 26	0.17%	0.22%	0.17%	0.19%	0.25%	0.31%	0.36%
Oct 26 - Sep 27	1.57%	2.07%	1.57%	1.77%	2.28%	2.81%	3.28%
Oct 27 - Sep 28	1.94%	2.55%	1.94%	2.18%	2.81%	3.47%	4.05%
Oct 28 - Sep 29	1.83%	2.42%	1.84%	2.07%	2.66%	3.28%	3.84%
Oct 29 - Sep 30	1.74%	2.29%	1.74%	1.96%	2.52%	3.11%	3.63%
Oct 30 - Sep 31	1.61%	2.13%	1.62%	1.82%	2.34%	2.89%	3.37%
Oct 31 - Sep 32	1.28%	1.68%	1.28%	1.44%	1.85%	2.29%	2.67%
Oct 32 - Sep 33	0.77%	1.01%	0.77%	0.86%	1.11%	1.37%	1.60%
Oct 33 - Sep 34	0.25%	0.32%	0.25%	0.28%	0.36%	0.44%	0.51%
Oct 34 - Sep 35	0.06%	0.08%	0.06%	0.07%	0.09%	0.11%	0.13%
Oct 35 - Sep 36	0.01%	0.02%	0.01%	0.01%	0.02%	0.02%	0.02%
Oct 36 - Sep 37	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 37 - Sep 38	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 38 - Sep 39	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 39 - Sep 40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 40 - Sep 41	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 41 - Sep 42	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 42 - Sep 43	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

[1] All customers assumed to have BGS Supply

[2] Initial Rate period is October 2020 to September 2021 for the CEF-EE Program

[3] SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program

[4] The rates are based on a typical residential bill as of September 1, 2020

PSE&G Clean Energy Future Energy Efficiency Program

Schedule SS-CEF-EE-4G

Gas GPRC Recovery Charge (GPRC) - Rate Impact Analysis

6.625% SUT Rate effective 1/1/2018
2,852,756 Therm Sales (000) Oct 20 - Sep 21
2,852,756 Therm Sales (000) Oct 20 - thereafter

1,040 Typical RSG Therms / yr.
0.004361 Current gas GPRC ($/therm)
172 89 29 Monthly Therms
4 2 6 # of Months/year

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
				Class Average Rate w/SUT - $/therm[1]						Typical RSG GPRC ($)						
	Gas CEF-EE Revenue Requirements[2]	Gas CEF-EEC w/o SUT ($/therm)	Gas CEF-EEC w/ SUT ($/therm)[3]	RSG	GSG	LVG	TSG-F	TSG-NF	CIG	Dec-Mar Monthly Bill	Nov & Apr Monthly Bill	May-Oct Monthly Bill	Annual Bill	Change in RSG Typcial Annual Bill ($'s)	RSG Typical Annual Bill ($'s)[4]	% Change in RSG Typical Annual Bill
Current				0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56		872.72	
Oct 20 - Sep 21	3,010,291	0.001055	0.001125	0.840279	0.906770	0.729187	0.615896	0.571939	0.414209	0.94	0.49	0.16	5.70	$1.14	873.86	0.13%
Oct 21 - Sep 22	339,194	0.000119	0.000127	0.839281	0.905772	0.728189	0.614898	0.570941	0.413273	0.77	0.40	0.13	4.66	$0.10	872.82	0.01%
Oct 22 - Sep 23	3,657,933	0.001282	0.001367	0.840521	0.907012	0.729429	0.616138	0.572181	0.414436	0.99	0.51	0.17	6.00	$1.44	874.16	0.17%
Oct 23 - Sep 24	14,760,013	0.005174	0.005517	0.844671	0.911162	0.733579	0.620288	0.576331	0.418328	1.70	0.88	0.29	10.30	$5.74	878.46	0.66%
Oct 24 - Sep 25	14,685,113	0.005148	0.005489	0.844643	0.911134	0.733551	0.620260	0.576303	0.418302	1.69	0.88	0.29	10.26	$5.70	878.42	0.65%
Oct 25 - Sep 26	9,791,235	0.003432	0.003659	0.842813	0.909304	0.731721	0.618430	0.574473	0.416586	1.38	0.71	0.23	8.32	$3.76	876.48	0.43%
Oct 26 - Sep 27	32,421,115	0.011365	0.012118	0.851272	0.917763	0.740180	0.626889	0.582932	0.424519	2.83	1.47	0.48	17.14	$12.58	885.30	1.44%
Oct 27 - Sep 28	38,117,867	0.013362	0.014247	0.853401	0.919892	0.742309	0.629018	0.585061	0.426516	3.20	1.66	0.54	19.36	$14.80	887.52	1.70%
Oct 28 - Sep 29	36,086,599	0.012650	0.013488	0.852642	0.919133	0.741550	0.628259	0.584302	0.425804	3.07	1.59	0.52	18.58	$14.02	886.74	1.61%
Oct 29 - Sep 30	34,181,256	0.011982	0.012776	0.851930	0.918421	0.740838	0.627547	0.583590	0.425136	2.95	1.53	0.50	17.86	$13.30	886.02	1.52%
Oct 30 - Sep 31	31,682,744	0.011106	0.011842	0.850996	0.917487	0.739904	0.626613	0.582656	0.424260	2.79	1.44	0.47	16.86	$12.30	885.02	1.41%
Oct 31 - Sep 32	25,257,132	0.008854	0.009441	0.848595	0.915086	0.737503	0.624212	0.580255	0.422008	2.37	1.23	0.40	14.34	$9.78	882.50	1.12%
Oct 32 - Sep 33	15,335,201	0.005376	0.005732	0.844886	0.911377	0.733794	0.620503	0.576546	0.418530	1.74	0.90	0.29	10.50	$5.94	878.66	0.68%
Oct 33 - Sep 34	5,731,956	0.002009	0.002142	0.841296	0.907787	0.730204	0.616913	0.572956	0.415163	1.12	0.58	0.19	6.78	$2.22	874.94	0.25%
Oct 34 - Sep 35	2,145,058	0.000752	0.000802	0.839956	0.906447	0.728864	0.615573	0.571616	0.413906	0.89	0.46	0.15	5.38	$0.82	873.54	0.09%
Oct 35 - Sep 36	402,275	0.000141	0.000150	0.839304	0.905795	0.728212	0.614921	0.570964	0.413295	0.78	0.40	0.13	4.70	$0.14	872.86	0.02%
Oct 36 - Sep 37	12,697	0.000004	0.000004	0.839158	0.905649	0.728066	0.614775	0.570818	0.413158	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 37 - Sep 38	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 38 - Sep 39	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 39 - Sep 40	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 40 - Sep 41	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 41 - Sep 42	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 42 - Sep 43	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 43 - Sep 44	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
	From Schedule SS-CEF-EE-2G Col 23	Col 1 / Therm Sales	Col 2 * (1 + SUT Rate) Rnd 6	Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 10)						(Cur. GPRC + Col 3) * Dec-Mar Monthly Therms Rnd 2	(Cur. GPRC + Col 3) * Nov & Apr Monthly Therms Rnd 2	(Cur. GPRC + Col 3) * May-Oct Monthly Therms Rnd 2	(4 * Col 10) + (2 * Col 11) + (6 * Col 12)	Col 13 - Current Col 13	Current Col 15 + Col 14	Col 14 / Current Col 15 Rnd 4

	% Change from Current Class Average Rate w/SUT					
	RSG	GSG	LVG	TSG-F	TSG-NF	CIG
Apr 19 - Sep 20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 20 - Sep 21	0.13%	0.12%	0.15%	0.18%	0.20%	0.27%
Oct 21 - Sep 22	0.02%	0.01%	0.02%	0.02%	0.02%	0.03%
Oct 22 - Sep 23	0.16%	0.15%	0.19%	0.22%	0.24%	0.33%
Oct 23 - Sep 24	0.66%	0.61%	0.76%	0.90%	0.97%	1.34%
Oct 24 - Sep 25	0.65%	0.61%	0.75%	0.89%	0.96%	1.33%
Oct 25 - Sep 26	0.44%	0.40%	0.50%	0.60%	0.64%	0.89%
Oct 26 - Sep 27	1.44%	1.34%	1.66%	1.97%	2.12%	2.93%
Oct 27 - Sep 28	1.70%	1.57%	1.96%	2.32%	2.50%	3.45%
Oct 28 - Sep 29	1.61%	1.49%	1.85%	2.19%	2.36%	3.26%
Oct 29 - Sep 30	1.52%	1.41%	1.75%	2.08%	2.24%	3.09%
Oct 30 - Sep 31	1.41%	1.31%	1.63%	1.93%	2.07%	2.87%
Oct 31 - Sep 32	1.13%	1.04%	1.30%	1.54%	1.65%	2.29%
Oct 32 - Sep 33	0.68%	0.63%	0.79%	0.93%	1.00%	1.39%
Oct 33 - Sep 34	0.26%	0.24%	0.29%	0.35%	0.38%	0.52%
Oct 34 - Sep 35	0.10%	0.09%	0.11%	0.13%	0.14%	0.19%
Oct 35 - Sep 36	0.02%	0.02%	0.02%	0.02%	0.03%	0.04%
Oct 36 - Sep 37	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 37 - Sep 38	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 38 - Sep 39	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 39 - Sep 40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 40 - Sep 41	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 41 - Sep 42	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 42 - Sep 43	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

[1] All customers assumed to have BGSS Supply
[2] Initial Rate period is October 2020 to September 2021 for the CEF-EE Program
[3] SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program
[4] The rates are based on a typical residential bill as of September 1, 2020

PSE&G Clean Energy Future Energy Efficiency Program
Electric Over/(Under) Calculation

Schedule SS-CEF-EE-6E

Reflects a tax rate of	28.11%
Existing Rate / kWh (w/o SUT)	0.000000
Proposed Rate / kWh (w/o SUT)	0.000215

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Monthly Calculation	Over / (Under) Recovery Beginning Balance	Electric Revenues	Revenue Requirement	Over / (Under) Recovery	Over / (Under) Recovery Ending Balance	Over / (Under) Average Monthly Balance	Interest Rate (Annualized)	Interest On Over / (Under) Average Monthly Balance	Interest Roll-In	Cumulative Interest
Jan-20	-	-	-	-	-	-	2.14%	-	-	-
Feb-20	-	-	-	-	-	-	2.14%	-	-	-
Mar-20	-	-	-	-	-	-	2.14%	-	-	-
Apr-20	-	-	-	-	-	-	2.14%	-	-	-
May-20	-	-	-	-	-	-	2.14%	-	-	-
Jun-20	-	-	-	-	-	-	2.14%	-	-	-
Jul-20	-	-	-	-	-	-	2.14%	-	-	-
Aug-20	-	-	-	-	-	-	2.14%	-	-	-
Sep-20	-	-	-	-	-	-	2.14%	-	-	-
Oct-20	-	666,051	1,224,371	(558,320)	(558,320)	(279,160)	2.14%	(358)	-	(358)
Nov-20	(558,320)	629,938	1,256,745	(626,807)	(1,185,127)	(871,724)	2.14%	(1,118)	-	(1,475)
Dec-20	(1,185,127)	718,729	1,270,142	(551,413)	(1,736,540)	(1,460,833)	2.14%	(1,873)	-	(3,348)
Jan-21	(1,736,540)	758,469	1,156,338	(397,869)	(2,134,409)	(1,935,474)	2.14%	(2,481)	-	(5,830)
Feb-21	(2,134,409)	688,465	1,173,299	(484,834)	(2,619,243)	(2,376,826)	2.14%	(3,047)	-	(8,877)
Mar-21	(2,619,243)	692,767	1,197,355	(504,587)	(3,123,830)	(2,871,537)	2.14%	(3,681)	-	(12,558)
Apr-21	(3,123,830)	599,517	887,755	(288,237)	(3,412,068)	(3,267,949)	2.14%	(4,190)	-	(16,748)
May-21	(3,412,068)	671,801	904,615	(232,814)	(3,644,881)	(3,528,475)	2.14%	(4,524)	-	(21,272)
Jun-21	(3,644,881)	781,108	919,363	(138,255)	(3,783,137)	(3,714,009)	2.14%	(4,762)	-	(26,033)
Jul-21	(3,783,137)	911,272	771,929	139,343	(3,643,794)	(3,713,465)	2.14%	(4,761)	-	(30,794)
Aug-21	(3,643,794)	908,713	(871,699)	1,780,412	(1,863,382)	(2,753,588)	2.14%	(3,530)	-	(34,324)
Sep-21	(1,863,382)	719,786	(1,123,818)	1,843,604	(19,778)	(941,580)	2.14%	(1,207)	-	(35,531)
	(Prior Col 5) + (Col 9)	Forecasted kWh * Proposed Rate	See Revenue Requirements Schedule for Details	Col 2 - Col 3	Col 1 + Col 4	(Col 1 + Col 5) / 2		(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

PSE&G Clean Energy Future Energy Efficiency Program
Gas Over/(Under) Calculation

Schedule SS-CEF-EE-6G

Reflects a tax rate of	28.11%
Existing Rate / Therms (w/o SUT)	0.000000
Proposed Rate /Therms (w/o SUT)	0.001055

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Monthly Calculations	Over / (Under) Recovery Beginning Balance	Gas Revenues	Revenue Requirement	Over / (Under) Recovery	Over / (Under) Recovery Ending Balance	Over / (Under) Average Monthly Balance	Interest Rate (Annualized)	Interest On Over / (Under) Average Monthly Balance	Interest Roll-In	Cumulative Interest
Jan-20	-	-	-	-	-	-	2.14%	-	-	-
Feb-20	-	-	-	-	-	-	2.14%	-	-	-
Mar-20	-	-	-	-	-	-	2.14%	-	-	-
Apr-20	-	-	-	-	-	-	2.14%	-	-	-
May-20	-	-	-	-	-	-	2.14%	-	-	-
Jun-20	-	-	-	-	-	-	2.14%	-	-	-
Jul-20	-	-	-	-	-	-	2.14%	-	-	-
Aug-20	-	-	-	-	-	-	2.14%	-	-	-
Sep-20	-	-	-	-	-	-	2.14%	-	-	-
Oct-20	-	154,120	392,188	(238,067)	(238,067)	(119,034)	2.14%	(153)	-	(153)
Nov-20	(238,067)	293,829	405,446	(111,617)	(349,684)	(293,875)	2.14%	(377)	-	(529)
Dec-20	(349,684)	441,840	409,777	32,063	(317,621)	(333,652)	2.14%	(428)	-	(957)
Jan-21	(317,621)	537,726	296,043	241,683	(75,938)	(196,779)	2.14%	(252)	-	(1,209)
Feb-21	(75,938)	479,764	316,620	163,144	87,206	5,634	2.14%	7	-	(1,202)
Mar-21	87,206	388,702	330,012	58,690	145,896	116,551	2.14%	149	-	(1,053)
Apr-21	145,896	241,498	336,106	(94,608)	51,288	98,592	2.14%	126	-	(926)
May-21	51,288	122,145	349,199	(227,054)	(175,766)	(62,239)	2.14%	(80)	-	(1,006)
Jun-21	(175,766)	101,527	360,640	(259,113)	(434,880)	(305,323)	2.14%	(391)	-	(1,398)
Jul-21	(434,880)	80,892	342,750	(261,858)	(696,737)	(565,809)	2.14%	(725)	-	(2,123)
Aug-21	(696,737)	84,379	(188,429)	272,808	(423,929)	(560,333)	2.14%	(718)	-	(2,841)
Sep-21	(423,929)	83,234	(340,062)	423,296	(634)	(212,281)	2.14%	(272)	-	(3,113)
	(Prior Col 5) + (Col 9)		See Revenue Requirements Schedule for Details	Col 2 - Col 3	Col 1 + Col 4	(Col 1 + Col 5) / 2	PSE&G CP/STD Wght Avg Rate from Previous Month	(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 65**
Superseding
B.P.U.N.J. No. 16 ELECTRIC **XXX Revised Sheet No. 65**

GREEN PROGRAMS RECOVERY CHARGE

Component:	**Charge (per kilowatt-hour)**
Carbon Abatement Program	$0.000022
Energy Efficiency Economic Stimulus Program	($0.000060)
Demand Response Program	$0.000000
Solar Generation Investment Program	$0.000767
Solar Loan II Program	$0.000282
Energy Efficiency Economic Extension Program	($0.000079)
Solar Generation Investment Extension Program	($0.000035)
Solar Loan III Program	($0.000060)
Energy Efficiency Economic Extension Program II	$0.000274
Solar Generation Investment Extension II Program	($0.000035)
Energy Efficiency 2017 Program	$0.000175
Transition Renewable Energy Certificate Program	$0.000532
Clean Energy Future - Energy Efficiency Program	$0.000000
Sub-total per kilowatt-hour	$0.001783

Charge including New Jersey Sales and Use Tax (SUT) $0.001901

GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 65**
Superseding
B.P.U.N.J. No. 16 ELECTRIC **XXX Revised Sheet No. 65**

GREEN PROGRAMS RECOVERY CHARGE

	Charge (per kilowatt-hour)
Component:	
Carbon Abatement Program	$0.000022
Energy Efficiency Economic Stimulus Program	($0.000060)
Demand Response Program	$0.000000
Solar Generation Investment Program	$0.000767
Solar Loan II Program	$0.000282
Energy Efficiency Economic Extension Program	($0.000079)
Solar Generation Investment Extension Program	($0.000035)
Solar Loan III Program	($0.000060)
Energy Efficiency Economic Extension Program II	$0.000274
Solar Generation Investment Extension II Program	($0.000035)
Energy Efficiency 2017 Program	$0.000175
Transition Renewable Energy Certificate Program	$0.000532
Clean Energy Future - Energy Efficiency Program	$0.000000
Sub-total per kilowatt-hour	$0.001783
Charge including New Jersey Sales and Use Tax (SUT)	$0.001901

GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 44**
Superseding
B.P.U.N.J. No. 16 GAS **XXX Revised Sheet No. 44**

GREEN PROGRAMS RECOVERY CHARGE

CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)

Component:

Carbon Abatement Program	$ 0.000834
Energy Efficiency Economic Stimulus Program	(0.000555)
Energy Efficiency Economic Extension Program	(0.000369)
Energy Efficiency Economic Extension Program II	0.002340
Energy Efficiency 2017 Program	0.001840
Clean Energy Future - Energy Efficiency Program	0.000000
Green Programs Recovery Charge	$ 0.004090

Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)……. $ 0.004361

Green Programs Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 44**
Superseding
B.P.U.N.J. No. 16 GAS **XXX Revised Sheet No. 44**

GREEN PROGRAMS RECOVERY CHARGE

CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)

Component:

Carbon Abatement Program	$ 0.000834
Energy Efficiency Economic Stimulus Program	(0.000555)
Energy Efficiency Economic Extension Program	(0.000369)
Energy Efficiency Economic Extension Program II	0.002340
Energy Efficiency 2017 Program	0.001840
Clean Energy Future - Energy Efficiency Program	0.000000
Green Programs Recovery Charge	$ 0.004090

Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)……. $ 0.004361

Green Programs Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM

CHARGE APPLICABLE TO
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S

	Conservation Incentive Program	Conservation Incentive Program including SUT	
RS & RHS	$0.000000	$0.000000	Per kilowatt-hour
RLM	$0.000000	$0.000000	Per kilowatt-hour
GLP	$0.0000	$0.0000	Per kilowatt of monthly peak demand
LPL-S	$0.0000	$0.0000	Per kilowatt of monthly peak demand

Conservation Incentive Program

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Actual Number of Customers
- the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program ("CIP") Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company's books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

2. Actual Revenue Per Customer
– the Actual Revenue per Customer ("ARC") shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company's books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

3. Adjustment Period
– shall be the year beginning immediately following the conclusion of the Annual Period.

4. Annual Period
– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

5. Average 13 Month Common Equity Balance
– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

6. Baseline Revenue per Customer
– the Baseline Revenue per Customer ("BRC") shall be stated in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BRC shall be calculated as the current variable margin revenue per rate schedule, including any revenue from Infrastructure Investment Program rate adjustments, divided by the number of customers from the most recent approve base rate case for the rate schedule. Baseline revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

7. Customer Class Group
– For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:

Group I:	RS & RHS
Group IA:	RLM
Group II:	GLP
Group III:	LPL-S

8. Forecast Annual Usage
– the Forecast Annual Usage ("FAU") shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

9. Degree Days (DD)
- the difference between 65^{o}F and the mean daily temperature. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day. Heating Degree Days (HDD) are used to measure winter weather.

10. Temperature Humidity Index (THI)
- a measure of the degree of discomfort experienced by an individual in warm weather that includes temperature and humidity which is included by incorporating the dew point in the measure. The daily THI is the sum of the 24 hourly THI observations for a day. THI is used to measure summer weather.

11. Actual Calendar Month HDD and THI
- the accumulation of the actual HDD and THI for each day of a calendar month.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

12. Normal Calendar Month HDD and THI
- the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the XXX-XXX Periods are set forth in the table below:

Month	Normal Heating Degree Days	Normal Temperature Humidity Index
January	XXX	
February	XXX	
March	XXX	
April	XXX	XXX
May	XXX	XXX
June		XXX
July		XXX
August		XXX
September		XXX
October	XXX	XXX
November	XXX	
December	XXX	

13. Winter Period
- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

14. Summer Period
- shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

15. Consumption Factors
- the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the XXX-XXX Winter Period for HDD and XXX Summer Period for THI are set forth below and presented as kWh per degree day:

	Consumption Factors (kWh per HDD and THI)					
	RS		**RHS**		**RLM**	
Month	**HDD**	**THI**	**HDD**	**THI**	HDD	THI
January	XXX	XXX	XXX	XXX	XXX	XXX
February	XXX	XXX	XXX	XXX	XXX	XXX
March	XXX	XXX	XXX	XXX	XXX	XXX
April	XXX	XXX	XXX	XXX	XXX	XXX
May	XXX	XXX	XXX	XXX	XXX	XXX
June	XXX	XXX	XXX	XXX	XXX	XXX
July	XXX	XXX	XXX	XXX	XXX	XXX
August	XXX	XXX	XXX	XXX	XXX	XXX
September	XXX	XXX	XXX	XXX	XXX	XXX
October	XXX	XXX	XXX	XXX	XXX	XXX
November	XXX	XXX	XXX	XXX	XXX	XXX
December	XXX	XXX	XXX	XXX	XXX	XXX

II. BASELINE REVENUE PER CUSTOMER

– The BRC for each Customer Class Group by month are as follows:

Month	**RS & RHS**	**RLM**	**GLP**	**LPL-S**
Jun	XXX	XXX	XXX	XXX
Jul	XXX	XXX	XXX	XXX
Aug	XXX	XXX	XXX	XXX
Sep	XXX	XXX	XXX	XXX
Oct	XXX	XXX	XXX	XXX
Nov	XXX	XXX	XXX	XXX
Dec	XXX	XXX	XXX	XXX
Jan	XXX	XXX	XXX	XXX
Feb	XXX	XXX	XXX	XXX
Mar	XXX	XXX	XXX	XXX
Apr	XXX	XXX	XXX	XXX
May	XXX	XXX	XXX	XXX
Total Annual	**249.7**	**458.5**	**947.6**	**21,429**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Revenue per Customer from the Actual Revenue per Customer by the Actual Number of Customers.

2. The weather related change in customer usage shall be calculated as the difference between actual HDD and THI and the above HDD and THI multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGS savings test and a Variable Margin Revenue recovery limitation (“recovery tests”). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Variable Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program’s Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Electric Distribution Net Plant (including the Electric Distribution allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM

CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Therm)

	Conservation Incentive Program	Conservation Incentive Program including SUT
RSG	$0.000000	$0.000000
GSG	$0.000000	$0.000000
LVG	$0.000000	$0.000000

Conservation Incentive Program

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Mechanism shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Actual Number of Customers
– the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program ("CIP") Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company's books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

2. Actual Usage Per Customer
– the Actual Usage per Customer ("AUC") shall be determined in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company's books divided by the ANC for the corresponding month.

3. Adjustment Period
– shall be the year beginning immediately following the conclusion of the Annual Period.

4. Annual Period
– shall be the twelve consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

5. Average 13 Month Common Equity Balance
– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

6. Baseline Usage per Customer
– the Baseline Usage per Customer ("BUC") shall be stated in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

7. Customer Class Group
– For purposes of determining and applying the CIP, customers shall be aggregated into three separate recovery class groups. The Customer Class Groups shall be as follows:

Group I: RSG
Group II: GSG
Group III: LVG

8. Forecast Annual Usage
– the Forecast Annual Usage ("FAU") shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

9. Margin Revenue Factor
– the Margin Revenue Factor ("MRF") shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

Group I (RSG): $XXX
Group II (GSG): $XXX
Group III (LVG): $XXX

The MRF shall be reset each time new base rates are placed into effect, including through a base rate case or any Infrastructure Investment Program rate adjustment.

10. Degree Days (DD)
- the difference between 65^{o}F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

11. Actual Calendar Month Degree Days
- the accumulation of the actual Degree Days for each day of a calendar month.

12. Normal Calendar Month Degree Days
- the level of calendar month degree days to which the weather portion of the CIP applies.

The normal calendar month Degree Days will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually. The base level of normal HDD for the defined winter period months for the XXX-XXX Winter Period are set forth in the table below:

Month	Normal Heating Degree Days
October	XXX
November	XXX
December	XXX
January	XXX
February	XXX
March	XXX
April	XXX
May	XXX

13. Winter Period
- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

14. Degree Day Consumption Factors
- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the XXX-XXX Winter Period are set forth below and presented as therms per degree day:

	Consumption Factors (therms per degree day)				
	RSG		GSG		LVG
Month	Heating	Non-Heating	Heating	Non-Heating	
October	XXX	XXX	XXX	XXX	XXX
November	XXX	XXX	XXX	XXX	XXX
December	XXX	XXX	XXX	XXX	XXX
January	XXX	XXX	XXX	XXX	XXX
February	XXX	XXX	XXX	XXX	XXX
March	XXX	XXX	XXX	XXX	XXX
April	XXX	XXX	XXX	XXX	XXX
May	XXX	XXX	XXX	XXX	XXX

II. BASELINE USE PER CUSTOMER

– The BUC for each Customer Class Group by month are as follows:

Month	RSG	GSG	LVG
Oct.	XXX	XXX	XXX
Nov.	XXX	XXX	XXX
Dec.	XXX	XXX	XXX
Jan.	XXX	XXX	XXX
Feb.	XXX	XXX	XXX
Mar.	XXX	XXX	XXX
Apr.	XXX	XXX	XXX
May	XXX	XXX	XXX
Jun.	XXX	XXX	XXX
Jul.	XXX	XXX	XXX
Aug.	XXX	XXX	XXX
Sep.	XXX	XXX	XXX
Total Annual	**909.7**	**2,132.3**	**40,143.9**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the Actual Number of Customers and then multiplying the resulting therms by the Margin Revenue Factor.

2. The weather related change in customer usage shall be calculated as the difference between actual degree days and the above normal degree days multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related deficiency in customer usage will be subject to a BGSS savings test and a Variable Margin Revenue recovery limitation (“recovery tests”). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGSS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGSS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program’s Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Gas Net Plant (including the Gas allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group I: Residential Service RS and RHS
June 2021 - May 2022

Customer Class (a)	Actual/ Estimate	Actual per Books[1] Total Class Revenues (b)	Actual per Books[1] Number of Customers (c)	Actual Avg. Revenue / Cust. (d) = (b) / (c)	Baseline Revenue / Cust.[2] (e)	Difference (f) = (d) - (e)	Margin Variance
Residential							
June	e	49,371,972	1,921,455	25.7	33.2	(7.5)	($14,451,083)
July	e	66,562,969	1,923,694	34.6	42.4	(7.8)	($15,061,780)
August	e	62,183,411	1,916,474	32.5	42.5	(10.0)	($19,204,604)
September	e	39,442,052	1,916,615	20.6	20.4	0.2	$419,197
October	e	27,262,574	1,914,216	14.2	12.2	2.1	$3,958,738
November	e	28,180,670	1,921,687	14.7	12.5	2.2	$4,160,448
December	e	35,710,474	1,916,894	18.6	14.3	4.3	$8,271,811
January	e	37,910,446	1,911,763	19.8	15.1	4.7	$8,997,068
February	e	31,534,835	1,916,381	16.5	13.9	2.6	$4,936,039
March	e	29,979,266	1,866,048	16.1	13.5	2.5	$4,706,744
April	e	24,767,541	1,995,221	12.4	11.4	1.0	$1,954,531
May	e	31,047,164	1,906,131	16.3	18.3	(2.0)	($3,824,224)
Total		463,953,374		241.9	249.7	(7.8)	($15,137,116)

Margin Deficiency/ (Credit)	$	15,137,116
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	15,137,116
Projected Residential kWh Use		12,735,566,204
Pre-tax CIP Charge/(Credit) per kWh	$	0.0012
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.0012
6.625% Sales Tax	$	0.0001
Proposed After-tax CIP Charge/(Credit) per kWh	**$**	**0.0013**
Current After-tax CIP Charge/(Credit) per kWh	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh	$	0.0013

[1] Per Exhibit C, Schedule 1, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 1, Page 3

Public Service Electric and Gas
Customers and Therms

Group I: Residential Service RS and RHS

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	8,915,549	8,925,942	8,892,438	8,893,095	8,881,964	8,916,629	8,894,386	8,870,582	8,892,006	8,658,464	9,257,826	8,844,450	
Service Charge Rate (pre-tax)	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	
Total Customers	1,921,455	1,923,694	1,916,474	1,916,615	1,914,216	1,921,687	1,916,894	1,911,763	1,916,381	1,866,048	1,995,221	1,906,131	1,918,263
Volumes													
RS kWh	1,249,731,621	1,660,904,132	1,555,566,043	1,067,201,231	812,603,869	839,597,043	1,063,517,481	1,127,566,843	937,651,870	892,211,731	737,944,250	869,949,572	
RHS kWh	5,492,583	6,297,597	6,294,388	4,952,544	6,178,453	8,090,827	12,380,098	15,996,419	13,230,413	10,650,572	6,702,851	4,729,049	
Total Volumes	1,255,224,204	1,667,201,729	1,561,860,431	1,072,153,774	818,782,322	847,687,870	1,075,897,579	1,143,563,262	950,882,282	902,862,303	744,647,102	874,678,621	7,043,583,705

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group I: Residential Service RS and RHS
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kWh Sales	1,667,201,729	1,561,860,431	1,072,153,774	818,782,322	847,687,870	1,075,897,579	1,143,563,262	950,882,282	902,862,303	744,647,102	874,678,621	1,255,224,204	12,915,441,480
Pre-tax Recovery Rate per kWh[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group Ia: Residential Load Management (RLM)
June 2021 - May 2022

Customer Class	Actual/ Estimate	Actual per Books[1] Total Class Revenues	Number of Customers	Actual Avg. Revenue / Cust.	Baseline Revenue / Cust.[2]	Difference	Margin Variance
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	
Residential Load Management							
June	e	833,526	11,427	73.0	61.0	12.0	$136,744
July	e	1,157,983	11,540	100.3	77.9	22.5	$259,110
August	e	975,534	11,475	85.0	78.0	7.0	$80,869
September	e	570,198	11,811	48.3	37.4	10.9	$128,776
October	e	168,969	11,545	14.6	22.3	(7.7)	($88,939)
November	e	160,451	11,511	13.9	22.9	(9.0)	($103,562)
December	e	210,289	11,542	18.2	26.3	(8.1)	($92,998)
January	e	218,345	11,559	18.9	27.8	(8.9)	($102,553)
February	e	184,553	11,609	15.9	25.5	(9.6)	($111,296)
March	e	182,328	11,233	16.2	24.9	(8.6)	($97,040)
April	e	155,299	11,576	13.4	21.0	(7.6)	($87,543)
May	e	342,186	11,781	29.1	33.6	(4.5)	($53,437)
Total		5,159,660		446.9	458.5	(11.6)	($131,868)

Margin Deficiency/ (Credit)	$ 131,868
Prior Period (Over) / Under Recovery[3]	$ -
Total Deficiency/(Credit)	$ 131,868
Projected Residential kWh Use	186,694,277
Pre-tax CIP Charge/(Credit) per kWh	$ 0.0007
BPU/RC Assessment Factor	1.002569
CIP Charge/(Credit) including assessments	$ 0.000708
6.625% Sales Tax	$ -
Proposed After-tax CIP Charge/(Credit) per kWh	**$ 0.0007**
Current After-tax CIP Charge/(Credit) per kWh	$ -
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh	$ 0.0007

[1] Per Exhibit C, Schedule 1a, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 1, Page 3

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Customers and Therms

Group Ia: RLM

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	149,346	150,829	149,980	154,366	150,892	150,449	150,854	151,070	151,729	146,810	151,298	153,973	
Service Charge Rate (pre-tax)	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	
Total Customers	11,427	11,540	11,475	11,811	11,545	11,511	11,542	11,559	11,609	11,233	11,576	11,781	
Volumes													
RLM kWh	20,896,208	27,849,888	25,509,789	17,611,308	11,449,339	10,873,364	14,251,120	14,837,393	12,531,596	12,380,556	10,545,170	14,082,828	
Total Volumes	20,896,208	27,849,888	25,509,789	17,611,308	11,449,339	10,873,364	14,251,120	14,837,393	12,531,596	12,380,556	10,545,170	14,082,828	192,818,561

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group Ia: Residential Load Management (RLM)
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kWh Sales	27,849,888	25,509,789	17,611,308	11,449,339	10,873,364	14,251,120	14,837,393	12,531,596	12,380,556	10,545,170	14,082,828	20,896,208	192,818,561
Pre-tax Recovery Rate per kWh[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group II: General Power & Light (GLP)
June 2021 - May 2022

Customer Class (a)	Actual/ Estimate	Actual per Books[1] Total Class Revenues (b)	Actual per Books[1] Number of Customers (c)	Actual Avg. Revenue / Cust. (d) = (b) / (c)	Baseline Revenue / Cust.[2] (e)	Difference (f) = (d) - (e)	Margin Variance
Residential Heating							
June	e	32,681,689	286,513	114.1	134.2	(20.1)	($5,759,173)
July	e	36,480,013	283,243	128.8	148.9	(20.1)	($5,705,520)
August	e	37,048,243	268,939	137.8	156.5	(18.7)	($5,042,047)
September	e	24,295,879	295,678	82.2	101.7	(19.5)	($5,766,077)
October	e	14,966,985	288,457	51.9	46.9	5.0	$1,435,801
November	e	12,280,664	280,410	43.8	46.9	(3.1)	($855,537)
December	e	12,319,359	284,876	43.2	45.2	(2.0)	($558,163)
January	e	13,020,503	282,497	46.1	45.9	0.2	$60,502
February	e	12,583,581	283,851	44.3	46.8	(2.4)	($689,008)
March	e	13,114,961	272,327	48.2	46.2	1.9	$530,016
April	e	12,148,504	292,470	41.5	46.0	(4.4)	($1,299,656)
May	e	22,334,793	284,631	78.5	82.5	(4.0)	($1,145,607)
Total		243,275,174		860.3	947.6	(87.3)	($24,794,468)

Margin Deficiency/ (Credit)	$	24,794,468
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	24,794,468
Projected GLP Annual kW Use		27,884,493
Pre-tax CIP Charge/(Credit) per kW	$	0.8892
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.8915
6.625% Sales Tax	$	0.0591
Proposed After-tax CIP Charge/(Credit) per kW	**$**	**0.9506**
Current After-tax CIP Charge/(Credit) per kW	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW	$	0.9506

[1] Per Exhibit C, Schedule 2, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 2, Page 3

Public Service Electric and Gas
Customers and Therms

Group II: General Power & Light (GLP)

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	1,269,252	1,254,767	1,191,401	1,309,853	1,277,865	1,242,218	1,262,002	1,251,462	1,257,459	1,206,409	1,295,640	1,260,914	
Service Charge Rate (pre-tax)	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	
Total Customers	286,513	283,243	268,939	295,678	288,457	280,410	284,876	282,497	283,851	272,327	292,470	284,631	
Demand													
GLP kW	2,504,424	2,595,005	2,707,023	2,332,346	2,566,230	2,162,933	2,023,033	2,129,087	2,131,198	2,210,824	2,123,320	2,528,576	
Total Demand	2,504,424	2,595,005	2,707,023	2,332,346	2,566,230	2,162,933	2,023,033	2,129,087	2,131,198	2,210,824	2,123,320	2,528,576	28,013,999

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group II: General Power & Light (GLP)
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kW Demand	2,595,005	2,707,023	2,332,346	2,566,230	2,162,933	2,023,033	2,129,087	2,131,198	2,210,824	2,123,320	2,528,576	2,504,424	28,013,999
Pre-tax Recovery Rate per kW[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group III: Large Power & Light - Seconday (LPLS)
June 2021 - May 2022

		Actual per Books[1]					
Customer Class	Actual/ Estimate	Total Class Therms	Number of Customers	Actual Avg. Use / Cust.	Baseline Use / Cust.[2]	Difference	Margin Variance
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	
General Service Small							
June	e	8,638,705	9,018	958	2,464	(2,536)	($22,868,738)
July	e	9,103,155	9,251	984	3,494	(2,622)	($24,254,873)
August	e	9,431,600	9,153	1,030	3,606	(1,221)	($11,178,685)
September	e	8,533,046	9,122	935	2,252	(681)	($6,213,948)
October	e	8,789,688	8,912	986	1,617	(122)	($1,088,393)
November	e	14,464,383	9,026	1,603	1,108	542	$4,891,640
December	e	24,818,028	9,234	2,688	1,061	1,718	$15,861,232
January	e	29,836,602	8,927	3,342	970	2,237	$19,971,315
February	e	29,402,661	9,273	3,171	1,105	2,092	$19,401,571
March	e	21,209,712	8,598	2,467	1,078	1,457	$12,525,184
April	e	9,727,248	9,819	991	1,010	(674)	($6,615,493)
May	e	9,030,553	8,978	1,006	1,664	(1,458)	($13,090,450)
Total		182,985,380		20,161	21,429	(1,269)	($12,659,637)

Margin Deficiency/ (Credit)	$ 12,659,637
Prior Period (Over) / Under Recovery[3]	$ -
Total Deficiency/(Credit)	$ 12,659,637
Projected LPLS Annual kW Use	27,994,029
Pre-tax CIP Charge/(Credit) per kW	$ 0.4522
BPU/RC Assessment Factor	1.002569
CIP Charge/(Credit) including assessments	$ 0.4534
6.625% Sales Tax	$ 0.0300
Proposed After-tax CIP Charge/(Credit) per kW	**$ 0.4834**
Current After-tax CIP Charge/(Credit) per kW	$ -
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW	$ 0.4834

[1] Per Exhibit C, Schedule 3, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 3, Page 3

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Customers and Therms

Group III: LPLS

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	3,136,159	3,217,067	3,182,982	3,172,309	3,099,319	3,138,913	3,211,214	3,104,484	3,224,986	2,990,179	3,414,691	3,122,387	
Service Charge Rate (pre-tax)	348	348	348	348	348	348	348	348	348	348	348	348	
Total Customers	9,018	9,251	9,153	9,122	8,912	9,026	9,234	8,927	9,273	8,598	9,819	8,978	
Demand													
LPLS kW	2,448,613	2,580,259	2,673,356	2,418,664	2,491,408	2,211,925	1,982,675	2,184,804	2,193,451	2,182,891	2,066,302	2,559,680	
Total Demand	2,448,613	2,580,259	2,673,356	2,418,664	2,491,408	2,211,925	1,982,675	2,184,804	2,193,451	2,182,891	2,066,302	2,559,680	27,994,029

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group III: Large Power & Light - Seconday (LPLS)
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kW Demand	2,580,259	2,673,356	2,418,664	2,491,408	2,211,925	1,982,675	2,184,804	2,193,451	2,182,891	2,066,302	2,559,680	2,448,613	27,994,029
Pre-tax Recovery Rate per kW[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E
Schedule 4

Public Service Electric and Gas
Conservation Incentive Program
Weather Normalization Calculation

Group I
RS

		DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	THI NORMAL	THI ACTUAL	THI VARIANCE	THI CONSUMPTION FACTOR	THI kWh	TOTAL kWh	MARGIN FACTOR[2]	MARGIN IMPACT
Jun-21	e	989	1,010	21	383,845	8,089,540	1	0	-1	154,244	(137,662)	7,951,878	$0.0334	$265,911
Jul-21	e	836	814	(22)	382,431	(8,462,078)	0	0	0	153,675	(69,538)	(8,531,616)	$0.0334	($285,297)
Aug-21	e	685	734	48	385,559	18,591,967	30	23	-7	154,932	(1,122,483)	17,469,484	$0.0334	$584,180
Sep-21	e	350	302	(48)	381,946	(18,330,399)	182	169	-13	153,480	(1,987,571)	(20,317,970)	$0.0334	($679,433)
Oct-21	e	126	127	2	386,245	580,976	925	791	-134	155,208	(20,815,678)	(20,234,702)	$0.0334	($676,648)
Nov-21	e	14	2	(12)	386,226	(4,519,654)	3,009	2,814	-195	155,200	(30,331,589)	(34,851,243)	$0.0380	($1,324,347)
Dec-21	e	0	0	(0)	387,218	(9,680)	5,275	6,710	1,436	155,599	223,406,438	223,396,757	$0.0380	$8,489,077
Jan-22	e	1	0	(1)	386,022	(260,565)	4,673	4,522	-151	155,118	(23,394,951)	(23,655,516)	$0.0380	($898,910)
Feb-22	e	24	8	(16)	388,852	(6,355,305)	2,116	2,216	100	156,256	15,583,759	9,228,454	$0.0380	$350,681
Mar-22	e	240	178	(62)	387,280	(23,975,359)	345	476	131	155,624	20,462,203	(3,513,155)	$0.0334	($117,480)
Apr-22	e	511	650	139	389,194	54,106,315	21	0	-21	156,393	(3,315,921)	50,790,394	$0.0334	$1,698,431
May-22	e	824	836	12	387,107	4,808,194	6	0	-6	155,554	(866,049)	3,942,145	$0.0334	$131,825
TOTAL		4,600	4,662	61		24,263,952	16,583	17,721	1,138		177,410,958	201,674,910		$7,537,989

Group I
RHS

		DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	THI NORMAL	THI ACTUAL	THI VARIANCE	THI CONSUMPTION FACTOR	THI kWh	TOTAL kWh	MARGIN FACTOR[2]	MARGIN IMPACT
Jun-21	e	989	1,010	21	14,674	309,255	1	0	-1	729	(651)	308,604	$0.0328	$10,117
Jul-21	e	836	814	(22)	14,576	(322,516)	0	0	0	724	(328)	(322,844)	$0.0328	($10,584)
Aug-21	e	685	734	48	14,560	702,100	30	23	-7	724	(5,242)	696,858	$0.0328	$22,846
Sep-21	e	350	302	(48)	14,458	(693,883)	182	169	-13	719	(9,305)	(703,188)	$0.0328	($23,053)
Oct-21	e	126	127	2	14,386	21,639	925	791	-134	715	(95,884)	(74,245)	$0.0328	($2,434)
Nov-21	e	14	2	(12)	14,287	(167,192)	3,009	2,814	-195	710	(138,768)	(305,960)	$0.0486	($14,874)
Dec-21	e	0	0	(0)	14,260	(356)	5,275	6,710	1,436	709	1,017,505	1,017,149	$0.0486	$49,447
Jan-22	e	1	0	(1)	14,136	(9,541)	4,673	4,522	-151	702	(105,951)	(115,492)	$0.0486	($5,614)
Feb-22	e	24	8	(16)	14,018	(229,109)	2,116	2,216	100	697	69,480	(159,629)	$0.0486	($7,760)
Mar-22	e	240	178	(62)	13,949	(863,548)	345	476	131	693	91,150	(772,398)	$0.0328	($25,322)
Apr-22	e	511	650	139	13,906	1,933,227	21	0	-21	691	(14,653)	1,918,574	$0.0328	$62,899
May-22	e	824	836	12	13,802	171,437	6	0	-6	686	(3,819)	167,618	$0.0328	$5,495
TOTAL		4,600	4,662	61		851,511	16,583	17,721	1,138		803,535	1,655,046		$61,162

Group Ia
RLM

		DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	THI NORMAL	THI ACTUAL	THI VARIANCE	THI CONSUMPTION FACTOR	THI kWh	TOTAL kWh	MARGIN FACTOR[2]	MARGIN IMPACT
Jun-21	e	989	1,010	21	6,104	128,637	1	0	-1	2,440	(2,178)	126,459	$0.0147	$1,862
Jul-21	e	836	814	(22)	6,015	(133,099)	0	0	0	2,405	(1,088)	(134,187)	$0.0147	($1,976)
Aug-21	e	685	734	48	6,104	294,329	30	23	-7	2,440	(17,681)	276,648	$0.0147	$4,074
Sep-21	e	350	302	(48)	6,077	(291,660)	182	169	-13	2,430	(31,466)	(323,126)	$0.0147	($4,759)
Oct-21	e	126	127	2	6,040	9,085	925	791	-134	2,415	(323,864)	(314,779)	$0.0147	($4,636)
Nov-21	e	14	2	(12)	6,019	(70,431)	3,009	2,814	-195	2,406	(470,298)	(540,730)	$0.0705	($38,146)
Dec-21	e	0	0	(0)	6,047	(151)	5,275	6,710	1,436	2,418	3,471,476	3,471,324	$0.0705	$244,888
Jan-22	e	1	0	(1)	6,026	(4,068)	4,673	4,522	-151	2,409	(363,389)	(367,456)	$0.0705	($25,923)
Feb-22	e	24	8	(16)	5,999	(98,041)	2,116	2,216	100	2,398	239,200	141,159	$0.0705	$9,958
Mar-22	e	240	178	(62)	6,089	(376,968)	345	476	131	2,435	320,118	(56,850)	$0.0147	($837)
Apr-22	e	511	650	139	6,095	847,372	21	0	-21	2,437	(51,671)	795,701	$0.0147	$11,718
May-22	e	824	836	12	5,990	74,397	6	0	-6	2,395	(13,333)	61,063	$0.0147	$899
TOTAL		4,600	4,662	61		379,402	16,583	17,721	1,138		2,755,824	3,135,227		$197,124

Total
All Groups

		TOTAL kWh	MARGIN IMPACT
Jun-21	a	8,386,941	277,890
Jul-21	a	(8,988,647)	(297,858)
Aug-21	a	18,442,989	611,100
Sep-21	a	(21,344,284)	(707,245)
Oct-21	a	(20,623,726)	(683,718)
Nov-21	a	(35,697,933)	(1,377,367)
Dec-21	a	227,885,230	8,783,411
Jan-22	a	(24,138,465)	(930,447)
Feb-22	a	9,209,985	352,879
Mar-22	a	(4,342,403)	(143,639)
Apr-22	a	53,504,669	1,773,048
May-22	a	4,170,827	138,220
TOTAL		206,465,182	$7,796,274

Public Service Electric and Gas
Conservation Incentive Program Filing
June 2021 - May 2022
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	Weather	Non-Weather	Total
CIP Group I RS RHS	$ 7,599,151	$ 7,537,965	$ 15,137,116
CIP Group II RLM	$ 197,124	$ (65,255)	$ 131,868
CIP Group III GLP	$ -	$ 24,794,468	$ 24,794,468
CIP Group IV LPLS	$ -	$ 12,659,637	$ 12,659,637
Total Deficiency/(Credit)	$ 7,796,274	$ 44,926,815	$ 52,723,089

Step 2: Apply Modified BGSS Savings Test

A. Non-weather Impact Subject to Modified BGS Savings Test

Non-Weather Impact	$	44,926,815
75% Factor		75%
Subtotal	$	33,695,111
Prior Year Carry-Forward (Modified BGSS Savings Test)	$	-
Non-weather Impact Subject to Test	**$**	**33,695,111**

B. BGS Savings

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	$	64,505,906
Additional Capacity BGS Savings (Exhibit C, Schedule 6, Page 3)	$	-
Avoided Cost BGS Savings (Exhibit C, Schedule 6, Page 4)	$	26,508,428
Total BGS Savings	**$**	**91,014,334**

C. Results

Non-Weather Impacts Passing Test (current accrual)	**$**	**44,926,815**
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**
Non-Weather Impacts Exceeding Test	**$**	**-**

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program Filing
June 2021 - May 2022
CIP Recovery Tests
Summary

Step 3: Apply Variable Margin Revenue Test

A. Non-weather Impact Subject to Variable Margin Revenue Test				
Non-Weather Impact	$	44,926,815		
Prior Year Carry-Forward (Variable Margin Revenue Test)	$	-		
Non-weather Impact Subject to Test	**$**	**44,926,815**		
B. Variable Margin Revenues				
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	$	949,240,295		
6.5% Factor		6.5%		
Total Fixed Recovery Cap	**$**	**61,700,619**		
C. Results				
Non-Weather Impacts Passing Test (current accrual)	**$**	**44,926,815**		
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**		
Non-Weather Impacts Exceeding Test	**$**	**-**		

Step 4: Determine Recoverable Non-Weather CIP Impacts

A. Current Year Accrual Recoverable Non-Weather Impacts				
Amount Passing Modified BGSS Savings Test	$	44,926,815		
Amount Passing Variable Margin Revenue Test	$	44,926,815		
Recoverable Amount			**$**	**44,926,815**
B. Previous Carry-Forward Recoverable Amounts				
Amount Passing Modified BGSS Savings Test			**$**	**-**
Amount Passing Variable Margin Revenue Test	$	-		
Deduction for any amount also included in above	$	-		
			$	**-**
Total Non-Weather Recoverable CIP Amount			**$**	**44,926,815**

Public Service Electric and Gas
CIP Recovery Tests
CIP BGS Savings

I. Permanent BGS Savings

Year	WN Summer Peak	Final Zonal UCAP Obligation	PS Zonal Net Load Price $/MW-Day	PS Zonal Net Load Price $/kW-yr
2011/2012	10,340	12,333	$116.15	$42.42
2012/2013	10,150	11,645	$157.73	$57.61
2013/2014	10,100	11,629	$248.30	$90.69
2014/2015	10,120	11,564	$170.95	$62.44
2015/2016	10,160	11,398	$166.29	$60.74
2016/2017	9,490	11,043	$224.70	$82.07
2017/2018	9,530	10,932	$208.59	$76.19
2018/2019	9,450	11,272	$218.96	$79.97
2019/2020	9,370	11,281	$115.83	$42.31
2020/2021	9,480	11,320	$174.32	$63.67

Permanent Capacity Savings	1,013
2021 PS Zonal Net Load Capacity Cost per kW-year	$63.67

Total Permanent Reductions **$64,505,906**

II. Additional Capacity BGS Savings

CIP Recovery

Year	WN Summer Peak	Final Zona lUCAP Obligation	PS Zonal Net Load Price $/MW-Day
2019/2020	9,370	11,281	$42.31
2020/2021*	9,480	11,320	$63.67

Incremental Capacity Savings*	0
PS Zonal Net Load Capacity Cost per kW-year	$63.67

Total Additional Capacity Reductions **$ -**

* Due to the potential for Peak increases due to Electric Vehicles and Electrification, incremental savings is set as a minimum of the incremental obligation savings or zero

III. Avoided Capacity

CIP Recovery

Year	Annual $
2019/2020	**$ 26,508,428**

VI. Total of all Savings

CIP Recovery Year	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	Annual $
2019/2020	$ 64,505,906	$ -	$ 26,508,428	**$ 91,014,334**

Public Service Electric and Gas
CIP Recovery Tests
Avoided Capacity Cost BGS Savings

Month	Base Year Customer Count	Current Year Customer Count	Net Increase/ (Decrease) Customer Count	Base Year Unforced Capacity / Customer (kW)	Current Year Capacity Rate / Cust. ($/kW)	Avoided Capacity
(a)	(b)	(c)	(d) = (b) / (c)	(e)	(f)	(g) = (d) * (e) * (f) * 1,000
Group 1: RS						
June	1,882,438	1,921,455	45,393	2.3	$5.31	559,726
July	1,876,061	1,923,694	58,192	2.3	$5.31	720,245
August	1,865,502	1,916,474	43,971	2.3	$5.31	544,190
September	1,872,503	1,916,615	43,447	2.3	$5.31	538,382
October	1,873,168	1,914,216	41,351	2.3	$5.31	510,417
November	1,872,865	1,921,687	35,139	2.3	$5.31	434,824
December	1,886,548	1,916,894	26,299	2.3	$5.31	326,307
January	1,890,595	1,911,763	31,675	2.3	$5.31	392,062
February	1,880,088	1,916,381	64,008	2.4	$5.31	813,641
March	1,852,372	1,866,048	(52,315)	2.2	$5.31	(621,957)
April	1,918,364	1,995,221	131,146	2.3	$5.31	1,632,007
May	1,864,076	1,906,131	28,250	2.3	$5.31	348,742
Subtotal	1,877,882	1,918,882	41,380			$6,198,587
Group 2: RLM						
June	12,114	11,427	(971)	7.4	$5.31	(38,152)
July	12,213	11,540	(574)	7.4	$5.31	(22,690)
August	11,549	11,475	(738)	7.2	$5.31	(28,337)
September	12,247	11,811	262	7.4	$5.31	10,287
October	12,179	11,545	(702)	7.4	$5.31	(27,654)
November	12,329	11,511	(668)	7.4	$5.31	(26,261)
December	12,188	11,542	(787)	7.4	$5.31	(30,898)
January	12,017	11,559	(630)	7.4	$5.31	(24,612)
February	12,039	11,609	(408)	7.6	$5.31	(16,480)
March	12,316	11,233	(806)	7.4	$5.31	(31,589)
April	12,310	11,576	(740)	7.3	$5.31	(28,477)
May	12,397	11,781	(529)	7.5	$5.31	(21,014)
Subtotal	12,158	11,551	(608)			($285,878)
Group 3: GLP						
June	269,005	286,513	21,754	8.9	$5.31	1,030,287
July	264,759	283,243	23,892	9.4	$5.31	1,191,750
August	259,351	268,939	4,401	8.6	$5.31	199,656
September	264,539	295,678	48,029	8.8	$5.31	2,233,630
October	247,648	288,457	29,778	9.0	$5.31	1,424,579
November	258,679	280,410	13,735	8.9	$5.31	646,784
December	266,675	284,876	23,772	8.9	$5.31	1,128,831
January	261,105	282,497	19,522	8.9	$5.31	922,614
February	262,975	283,851	27,296	9.3	$5.31	1,344,609
March	256,555	272,327	4,903	8.6	$5.31	224,882
April	267,424	292,470	27,829	8.9	$5.31	1,311,598
May	264,641	284,631	15,626	8.8	$5.31	731,611
Subtotal	261,946	283,658	21,711			$12,390,832
Group 4: LPLS						
June	8,883	9,018	162	267.1	$5.31	229,325
July	8,727	9,251	368	270.0	$5.31	526,705
August	8,370	9,153	425	270.9	$5.31	611,195
September	8,140	9,122	752	277.3	$5.31	1,106,538
October	9,014	8,912	772	273.8	$5.31	1,120,956
November	7,780	9,026	11	267.6	$5.31	16,100
December	8,886	9,234	1,454	276.8	$5.31	2,135,451
January	8,481	8,927	41	266.5	$5.31	57,568
February	8,891	9,273	793	287.4	$5.31	1,208,750
March	8,867	8,598	(293)	251.7	$5.31	(391,031)
April	8,846	9,819	952	275.2	$5.31	1,390,334
May	8,856	8,978	133	274.0	$5.31	192,996
Subtotal	8,645	9,109	464			$8,204,886
					Total Avoided Capacity Cost BGS Savings	$26,508,428

Notes:
(1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case

(2) Current Year Customer Count is equal to the customer count in the CIP accrual year.

(3) Base Year Unforced capacity is equal to the 2017/2018 Unforced capacity from PJM by rate schedule divided by number of customers

(4) Current Year Capacity rate is the current year PS Zonal Net Load Price $/kW-yr divided by 12

Public Service Electric and Gas
CIP Recovery Tests
Allowed Margin

Group I (RS)	$479,659,857
Group II (RLM)	$5,296,387
Group III (GLP)	$268,638,974
Group IV	$195,645,078
Total Variable Margin	$949,240,295

Customer Class	Actual/ Estimate	Number of Customers	Baseline Revenue / Cust.	Variable Revenue
Group I: Residential Service RS and RHS				
June	e	1,921,455	42.4	$81,526,572
July	e	1,923,694	42.5	$81,700,841
August	e	1,916,474	20.4	$39,021,862
September	e	1,916,615	12.2	$23,328,902
October	e	1,914,216	12.5	$23,918,140
November	e	1,921,687	14.3	$27,508,538
December	e	1,916,894	15.1	$28,990,789
January	e	1,911,763	13.9	$26,543,477
February	e	1,916,381	13.5	$25,962,537
March	e	1,866,048	11.4	$21,329,665
April	e	1,995,221	18.3	$36,505,114
May	e	1,906,131	33.2	$63,323,418
Total			249.7	$479,659,857
Group Ia: Residential Load Management (RLM)				
June	e	11,427	77.9	$889,984
July	e	11,540	78.0	$899,696
August	e	11,475	37.4	$428,901
September	e	11,811	22.3	$263,895
October	e	11,545	22.9	$264,804
November	e	11,511	26.3	$302,478
December	e	11,542	27.8	$320,435
January	e	11,559	25.5	$294,593
February	e	11,609	24.9	$288,705
March	e	11,233	21.0	$235,688
April	e	11,576	33.6	$388,791
May	e	11,781	61.0	$718,417
Total			458.5	$5,296,387
Group II: General Power & Light (GLP)				
June	e	286,513	148.9	$42,671,371
July	e	283,243	156.5	$44,329,777
August	e	268,939	101.7	$27,343,386
September	e	295,678	46.9	$13,870,980
October	e	288,457	46.9	$13,514,508
November	e	280,410	45.2	$12,674,355
December	e	284,876	45.9	$13,068,934
January	e	282,497	46.8	$13,208,820
February	e	283,851	46.2	$13,117,814
March	e	272,327	46.0	$12,522,612
April	e	292,470	82.5	$24,127,246
May	e	284,631	134.2	$38,189,171
Total			947.6	$268,638,974
Group III: Large Power & Light - Seconday (LPLS)				
June	e	9,018	3,493.9	$31,507,445
July	e	9,251	3,606.1	$33,358,072
August	e	9,153	2,251.9	$20,610,296
September	e	9,122	1,616.7	$14,746,992
October	e	8,912	1,108.4	$9,878,101
November	e	9,026	1,060.6	$9,572,704
December	e	9,234	970.0	$8,956,818
January	e	8,927	1,105.1	$9,865,275
February	e	9,273	1,078.5	$10,001,098
March	e	8,598	1,010.0	$8,684,560
April	e	9,819	1,664.4	$16,342,703
May	e	8,978	2,463.8	$22,121,014
Total			21,429.4	$195,645,078

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E
Schedule 6

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
EARNINGS TEST
JANUARY 1, 2021 THROUGH DECEMBER 31, 2021
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE

in $000

1	Equity Base for Earnings Test	3,000,000	
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	10.1%	= ln 2 + ln 3
5	Actual Net Income	250,000	
6	ROE for Earnings Test	8.33%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	**Pass**	= IF ln 4 > 6, Pass else Fail

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas Company
Conservation Incentive Program
Group I: Residential Heat & Non-Heating
October 2021 - September 2022

Customer Class (a)	Actual/ Estimate	Actual per Books[1] Total Class Therms (b)	Number of Customers (c)	Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust.[2] (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
Residential Non-Heating									
October	e	67,342,776	1,660,099	40.6	38.8	1.8	2,981,652	$0.3686	$1,098,986
November	e	156,785,130	1,664,795	94.2	87.3	6.9	11,432,341	$0.3686	$4,213,767
December	e	233,972,053	1,663,080	140.7	144.0	(3.3)	(5,484,489)	$0.3743	($2,052,674)
January	e	295,224,713	1,661,673	177.7	179.4	(1.7)	(2,875,459)	$0.3800	($1,092,545)
February	e	254,970,665	1,662,634	153.4	153.1	0.3	461,869	$0.3800	$175,490
March	e	196,889,032	1,643,868	119.8	125.3	(5.5)	(9,097,576)	$0.3800	($3,456,669)
April	e	115,198,363	1,684,260	68.4	69.2	(0.8)	(1,412,867)	$0.3800	($536,826)
May	e	52,555,770	1,669,027	31.5	36.7	(5.2)	(8,745,217)	$0.3800	($3,322,789)
June	e	41,511,324	1,669,739	24.9	21.0	3.9	6,520,385	$0.3851	$2,510,883
July	e	29,156,563	1,674,659	17.4	17.3	0.1	128,099	$0.3902	$49,985
August	e	27,497,947	1,672,495	16.4	18.1	(1.6)	(2,728,931)	$0.3902	($1,064,853)
September	e	30,310,167	1,670,608	18.1	19.5	(1.3)	(2,249,715)	$0.3902	($877,859)
Total		1,501,414,504		903.0	909.7		(11,069,907)		($4,355,105)

Margin Deficiency/ (Credit)	$	4,355,105
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	4,355,105
Projected Residential Non-Heating Throughput for Recovery Period		1,521,598,100
Pre-tax CIP Charge/(Credit)	$	0.0029
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.0029
6.625% Sales Tax	$	0.0002
Proposed After-tax CIP Charge/(Credit) per Therm	**$**	**0.0031**
Current After-tax CIP Charge/(Credit) per Therm	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	$	0.0031

[1] Per Exhibit C, Schedule 1, Page 2
[2] From 2018 Base Rate Case
[3] Per Exhibit C, Schedule 1, Page 3

Public Service Electric and Gas Company
Customers and Therms

Group I: Residential Heat & Non-Heating

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	
Customers													
RSG heating	1,432,278	1,435,713	1,434,502	1,424,074	1,430,635	1,416,067	1,456,991	1,442,691	1,443,720	1,448,951	1,446,908	1,444,193	
RSG non-heating	227,821	229,083	228,577	237,599	231,999	227,801	227,269	226,336	226,019	225,708	225,587	226,415	
Total Customers	1,660,099	1,664,795	1,663,080	1,661,673	1,662,634	1,643,868	1,684,260	1,669,027	1,669,739	1,674,659	1,672,495	1,670,608	
Volumes													
RSG heating	65,270,130	148,604,339	225,403,007	289,967,465	250,424,912	193,012,074	111,867,103	49,912,548	39,212,812	26,571,828	25,387,358	28,285,580	1,453,919,157
RSG non-heating	2,072,647	8,180,791	8,569,046	5,257,248	4,545,753	3,876,959	3,331,260	2,643,222	2,298,511	2,584,736	2,110,589	2,024,586	47,495,348
Total Volumes	67,342,776	156,785,130	233,972,053	295,224,713	254,970,665	196,889,032	115,198,363	52,555,770	41,511,324	29,156,563	27,497,947	30,310,167	1,501,414,504

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group I: Residential Heat & Non-Heating
October 2021 - September 2022

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Therm Sales	67,342,776	156,785,130	233,972,053	295,224,713	254,970,665	196,889,032	115,198,363	52,555,770	41,511,324	29,156,563	27,497,947	30,310,167	1,501,414,504
Pre-tax Recovery Rate per Therm[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group II: General Service Gas (GSG)
October 2021 - September 2022

Customer Class	Actual/ Estimate	Actual per Books[1] Total Class Therms	Number of Customers	Actual Avg. Use / Cust.	Baseline Use / Cust.[2]	Difference	Aggregate Therm Impact	Margin Factor	Margin Variance
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	(g) = (f) * (c)		
General Service Small									
October	e	12,918,483	139,593	92.5	112.2	(19.7)	(2,748,266)	$0.2926	($804,019)
November	e	27,806,708	139,796	198.9	173.7	25.2	3,526,241	$0.2926	$1,031,619
December	e	47,586,518	139,531	341.1	320.4	20.7	2,885,422	$0.2956	$853,016
January	e	55,978,433	139,557	401.1	433.7	(32.6)	(4,551,009)	$0.2987	($1,359,404)
February	e	46,707,448	139,502	334.8	354.4	(19.6)	(2,736,061)	$0.2987	($817,273)
March	e	37,335,157	137,321	271.9	281.5	(9.6)	(1,324,681)	$0.2987	($395,688)
April	e	21,785,596	140,732	154.8	164.4	(9.6)	(1,348,271)	$0.2987	($402,734)
May	e	11,439,173	140,077	81.7	80.6	1.0	144,114	$0.2987	$43,047
June	e	7,482,658	140,041	53.4	49.7	3.8	527,964	$0.3014	$159,105
July	e	7,109,375	138,968	51.2	57.1	(6.0)	(829,433)	$0.3040	($252,155)
August	e	7,669,412	139,089	55.1	51.2	4.0	549,968	$0.3040	$167,195
September	e	6,820,285	138,549	49.2	53.4	(4.2)	(575,054)	$0.3040	($174,822)
Total		290,639,246		2,085.7	2,132.3		(6,479,067)		($1,952,111)

Margin Deficiency/ (Credit)	$	1,952,111
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	1,952,111
Projected Commercial Throughput for Recovery Period		289,952,320
Pre-tax CIP Charge/(Credit)	$	0.0067
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.0067
6.625% Sales Tax	$	0.0004
Proposed After-tax CIP Charge/(Credit) per Therm	**$**	**0.0071**
Current After-tax CIP Charge/(Credit) per Therm	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	$	0.0071

[1] Per Exhibit C, Schedule 3, Page 2
[2] From 2018 Base Rate Case
[3] Per Exhibit C, Schedule 3, Page 3

Public Service Electric and Gas
Customers and Therms

Group II: General Service Gas (GSG)

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	
Customers													
GSG Heating	114,183	114,527	114,337	114,295	114,273	112,674	115,341	114,934	114,880	113,941	114,194	113,625	
GSG Non-Heating	25,410	25,269	25,194	25,263	25,229	24,647	25,391	25,142	25,162	25,027	24,895	24,924	
Total Customers	139,593	139,796	139,531	139,557	139,502	137,321	140,732	140,077	140,041	138,968	139,089	138,549	
Volumes													
GSG Heating	10,454,149	24,089,750	41,550,122	50,222,054	40,967,187	32,276,661	18,277,654	8,821,668	5,244,883	5,013,542	5,501,554	5,136,675	247,555,900
GSG Non-Heating	2,464,334	3,716,958	6,036,396	5,756,379	5,740,261	5,058,496	3,507,942	2,617,505	2,237,775	2,095,833	2,167,858	1,683,610	43,083,346
Total Volumes	12,918,483	27,806,708	47,586,518	55,978,433	46,707,448	37,335,157	21,785,596	11,439,173	7,482,658	7,109,375	7,669,412	6,820,285	290,639,246

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group II: General Service Gas (GSG)
October 2021 - September 2022

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Therm Sales	12,918,483	27,806,708	47,586,518	55,978,433	46,707,448	37,335,157	21,785,596	11,439,173	7,482,658	7,109,375	7,669,412	6,820,285	290,639,246
Pre-tax Recovery Rate per Therm[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas Company
Conservation Incentive Program
Group III: Large Volume Gas (LVG)
October 2021 - September 2022

Customer Class	Actual/ Estimate	Actual per Books[1] Total Class Therms	Actual per Books[1] Number of Customers	Large Customer Adjustment	Adjusted Number of Customers	Actual Avg. Use / Cust.[2]	Baseline Use / Cust.	Difference	Aggregate Therm Impact	Margin Factor	Margin Variance
(a)		(b)	(c1)	(c2)	(c) = (c1) + (c2)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	(g) = (f) * (c)		
General Service Large											
October	e	42,763,409	19,081	-	19,081	2,241.1	2,391.9	(150.7)	(2,876,010)	$0.0440	($126,455)
November	e	70,622,456	19,101	-	19,101	3,697.4	3,570.6	126.7	2,420,323	$0.0440	$106,419
December	e	106,773,356	19,008	-	19,008	5,617.3	5,232.3	385.0	7,318,162	$0.0451	$329,793
January	e	121,930,621	18,668	-	18,668	6,531.4	6,507.3	24.1	450,365	$0.0462	$20,789
February	e	109,927,597	19,016	-	19,016	5,780.9	5,836.7	(55.8)	(1,061,727)	$0.0462	($49,010)
March	e	103,382,969	18,579	-	18,579	5,564.5	5,497.3	67.2	1,248,064	$0.0462	$57,612
April	e	66,170,486	19,692	-	19,692	3,360.3	3,498.7	(138.4)	(2,725,064)	$0.0462	($125,792)
May	e	36,430,854	19,054	-	19,054	1,911.9	2,012.5	(100.6)	(1,916,701)	$0.0462	($88,477)
June	e	27,748,463	19,080	-	19,080	1,454.3	1,457.5	(3.1)	(59,566)	$0.0451	($2,685)
July	e	23,818,293	19,086	-	19,086	1,248.0	1,366.7	(118.7)	(2,265,279)	$0.0440	($99,661)
August	e	25,317,371	18,926	-	18,926	1,337.7	1,404.2	(66.5)	(1,258,509)	$0.0440	($55,368)
September	e	25,679,844	18,851	-	18,851	1,362.3	1,368.3	(6.0)	(113,418)	$0.0440	($4,990)
Total		760,565,719				40,107.1	40,143.9		(839,360)		($37,825)

Margin Deficiency/ (Credit)	$	37,825
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	37,825
Projected Commercial Throughput for Recovery Period		760,577,559
Pre-tax CIP Charge/(Credit)	$	-
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	-
6.625% Sales Tax	$	-
Proposed After-tax CIP Charge/(Credit) per Therm	**$**	**-**
Current After-tax CIP Charge/(Credit) per Therm	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	$	-

[1] Per Exhibit C, Schedule 4, Page 2
[2] From 2018 Base Rate Case
[3] Per Exhibit C, Schedule 4, Page 3

Public Service Electric and Gas Company
Customers and Therms

Group III: Large Volume Gas (LVG)

		Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	
Customers														
LVG		19,081	19,101	19,008	18,668	19,016	18,579	19,692	19,054	19,080	19,086	18,926	18,851	
	Total Customers	19,081	19,101	19,008	18,668	19,016	18,579	19,692	19,054	19,080	19,086	18,926	18,851	
Volumes														
LVG		42,763,409	70,622,456	106,773,356	121,930,621	109,927,597	103,382,969	66,170,486	36,430,854	27,748,463	23,818,293	25,317,371	25,679,844	760,565,719
	Total Volumes	42,763,409	70,622,456	106,773,356	121,930,621	109,927,597	103,382,969	66,170,486	36,430,854	27,748,463	23,818,293	25,317,371	25,679,844	760,565,719

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group III: Large Volume Gas (LVG)
October 2021 - September 2022

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Therm Sales	42,763,409	70,622,456	106,773,356	121,930,621	109,927,597	103,382,969	66,170,486	36,430,854	27,748,463	23,818,293	25,317,371	25,679,844	760,565,719
Pre-tax Recovery Rate per Therm[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G
Schedule 4

Public Service Electric and Gas
Weather Normalization
2021-2022 Winter Period

Step 1: Determine the degree day variance from the dead band.

	Normal Degree Days	0.50% Dead Band	Dead Band Low End	Dead Band High End	Actual Degree Days	Normalization Amount (1)
October	243	1	242	244	243	-
November	516	3	514	519	516	-
December	827	4	823	831	827	-
January	1,003	5	998	1,008	1,003	-
February	858	4	854	862	858	-
March	692	3	688	695	692	-
April	358	2	356	359	358	-
May	124	1	123	124	124	-

Step 2: Determine the normalized volumes by rate class.

	Therms Per Degree Day (2)			Normalization Volumes (3)		
	RSG	GSG	LVG	RSG	GSG	LVG
October	155,872	17,368	88,550	-	-	-
November	249,538	31,588	88,550	-	-	-
December	246,824	54,161	88,550	-	-	-
January	284,118	68,715	89,001	-	-	-
February	291,909	59,983	89,001	-	-	-
March	292,968	61,432	89,001	-	-	-
April	270,873	61,014	89,001	-	-	-
May	196,672	17,503	89,001	-	-	-

Step 3: Calculate the margin revenue to be deferred.

	Margin Revenue Deferral (4)			
Margin Revenue Factor:				
December 2020- May 2021	**0.36071**	**0.28830**	**0.04198**	
October 2020 - November 2020	**0.35139**	**0.28326**	**0.04181**	**Total**
October	$ -	$ -	$ -	$ -
November	$ -	$ -	$ -	$ -
December	$ -	$ -	$ -	$ -
January	$ -	$ -	$ -	$ -
February	$ -	$ -	$ -	$ -
March	$ -	$ -	$ -	$ -
April	$ -	$ -	$ -	$ -
May	$ -	$ -	$ -	$ -
Winter Period Total	$ -	$ -	$ -	$ -

(1) Amount above or below the Dead Band
(2) Consumption factors to be true-up at the end of the Winter Period for actual # of customers.
(3) Normalization degree days x Therms Per Degree Day
(4) Normalization Volumes x Margin Revenue Factor

Public Service Electric and Gas
Conservation Incentive Program Filing
October 2021 - September 2022
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	Weather	Non-Weather	Total
CIP Group 1 (RSG)	$ -	$ 4,355,105	$ 4,355,105
CIP Group 2 (GSG)	$ -	$ 1,952,111	$ 1,952,111
CIP Group 3 (LVG)	$ -	$ 37,825	$ 37,825
Total Deficiency/(Credit)	$ -	$ 6,345,041	$ 6,345,041

Step 2: Apply Modified BGSS Savings Test

A. Non-weather Impact Subject to Modified BGSS Savings Test

Non-Weather Impact	$	6,345,041
75% Factor		75%
Subtotal	$	4,758,781
Prior Year Carry-Forward (Modified BGSS Savings Test)	$	-
Non-weather Impact Subject to Test	**$**	**4,758,781**

B. BGSS Savings

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	$	45,394,957
Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3)	$	-
Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)	$	3,387,831
Total BGSS Savings	**$**	**48,782,788**

C. Results

Non-Weather Impacts Passing Test (current accrual)	**$**	**6,345,041**
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**
Non-Weather Impacts Exceeding Test	**$**	**-**

Public Service Electric and Gas
Conservation Incentive Program Filing
October 2021 - September 2022
CIP Recovery Tests
Summary

Step 3: Apply Variable Margin Revenue Test

A. Non-weather Impact Subject to Variable Margin Revenue Test				
Non-Weather Impact	$	6,345,041		
Prior Year Carry-Forward (Variable Margin Revenue Test)	$	-		
Non-weather Impact Subject to Test	**$**	**6,345,041**		
B. Variable Margin Revenues				
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	$	695,148,298		
6.5% Factor		6.5%		
Total Fixed Recovery Cap	**$**	**45,184,639**		
C. Results				
Non-Weather Impacts Passing Test (current accrual)	**$**	**6,345,041**		
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**		
Non-Weather Impacts Exceeding Test	**$**	**-**		

Step 4: Determine Recoverable Non-Weather CIP Impacts

A. Current Year Accrual Recoverable Non-Weather Impacts				
Amount Passing Modified BGSS Savings Test	$	6,345,041		
Amount Passing Variable Margin Revenue Test	$	6,345,041		
Recoverable Amount			**$**	**6,345,041**
B. Previous Carry-Forward Recoverable Amounts				
Amount Passing Modified BGSS Savings Test			**$**	**-**
Amount Passing Variable Margin Revenue Test	$	-		
Deduction for any amount also included in above	$	-		
			$	**-**
Total Non-Weather Recoverable CIP Amount			**$**	**6,345,041**

Public Service Electric and Gas Company
CIP Recovery Tests
CIP BGSS Savings

I. Permanent BGSS Savings

Pipeline	Contract No.	Type of Transaction	Quantity Dth	Annual $
Texas Eastern	870146	Contract Terminated	88,321	$ 3,539,906
Texas Eastern	870145	Contract Terminated	25,000	821,250
Texas Eastern	911678	Contract Reduced	33,376	1,400,000
Texas Eastern	911677	Contract Reduced	56,493	2,000,000
Texas Eastern	911679	Contract Reduced	59,817	2,200,000
Dominion	200318/200315	Contract Terminated	43,300	1,089,237
Dominion	525445	Contract Reduced	48,526	2,537,483
Dominion	200482	Contract Reduced	55,737	4,271,190
National Fuel	F11135	Contract Terminated	48,400	3,545,087
National Fuel	F10833	Contract Terminated	30,795	1,265,702
National Fuel	F10845	Contract Terminated	20,000	822,018
Steuben	4	Contract Terminated	11,111	1,084,634
Steuben	3	Contract Terminated	30,955	3,333,011
Trunkline	21079	Contract Terminated	89,392	6,630,062
Trunkline	20912	Contract Terminated	25,242	998,725
Panhandle	22945	Contract Terminated	88,498	2,994,348
Panhandle	22652	Contract Terminated	25,000	718,138
Texas Gas	T025024	Contract Terminated	85,417	6,144,167
Total Permanent Reductions				**$ 45,394,957**

II. Additional Capacity BGSS Savings

CIP Recovery Year	Annual $
2020-2021	$ -

III. Avoided Capacity

CIP Recovery Year	Annual $
2020-2021	**$ 3,387,831**

VI. Total of all Savings

CIP Recovery Year	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	Annual $
2020-2021	$ 45,394,957	$ -	$ 3,387,831	**$ 48,782,788**

Public Service Electric and Gas
CIP Recovery Tests
Avoided Capacity Cost BGSS Savings

Month (a)	Base Year Customer Count (b)	Current Year Customer Count (c)	Net Increase/ (Decrease) Customer Count (d) = (b) / (c)	Baseline Use / Cust. (e)	Avoided Capacity (f) = (d) * (e)
Group 1: RSG					
October	1,624,278	1,660,099	35,821	38.8	1,388,915
November	1,630,996	1,664,795	33,799	87.3	2,951,107
December	1,635,566	1,663,080	27,514	144.0	3,961,612
January	1,636,952	1,661,673	24,721	179.4	4,434,874
February	1,630,001	1,662,634	32,633	153.1	4,995,253
March	1,615,444	1,643,868	28,424	125.3	3,561,676
April	1,653,790	1,684,260	30,470	69.2	2,109,693
May	1,636,600	1,669,027	32,427	36.7	1,191,044
June	1,631,876	1,669,739	37,863	21.0	793,411
July	1,683,288	1,674,659	(8,629)	17.3	(149,565)
August	1,621,557	1,672,495	50,938	18.1	920,535
September	1,630,455	1,670,608	40,153	19.5	782,444
Subtotal				909.7	26,940,999
			Average Per Unit BGSS Capacity Cost		0.12575
			Total Avoided Capacity Cost BGSS Savings		$3,387,831

Notes:
(1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case

(2) Current Year Customer Count is equal to the customer count in the CIP accrual year.

(3) The average per unit BGSS Capacity Cost represents the average of all capacity costs in the BGSS portfolio included in the annual BGSS filing for the prospective BGSS year. This value is used as a proxy for the avoided cost of incremental capacity.

Public Service Electric and Gas
CIP Recovery Tests
Variable Margin

Group I (RSG)	$572,054,911
Group II (GSG)	$88,504,755
Group III (LVG)	$34,588,632
Total Variable Margin	$695,148,298

Customer Class	Actual/ Estimate	Number of Customers	Baseline Use / Cust.	Margin Factor	Variable Revenue
RSG					
October	e	1,660,099	38.8	$0.3686	$23,725,156
November	e	1,664,795	87.3	$0.3686	$53,576,514
December	e	1,663,080	144.0	$0.3743	$89,623,633
January	e	1,661,673	179.4	$0.3800	$113,266,416
February	e	1,662,634	153.1	$0.3800	$96,699,726
March	e	1,643,868	125.3	$0.3800	$78,264,526
April	e	1,684,260	69.2	$0.3800	$44,308,922
May	e	1,669,027	36.7	$0.3800	$23,292,338
June	e	1,669,739	21.0	$0.3851	$13,473,757
July	e	1,674,659	17.3	$0.3902	$11,326,878
August	e	1,672,495	18.1	$0.3902	$11,793,969
September	e	1,670,608	19.5	$0.3902	$12,703,075
Total			909.7		$572,054,911
GSG					
October	e	139,593	112.2	$0.2926	$4,583,213
November	e	139,796	173.7	$0.2926	$7,103,377
December	e	139,531	320.4	$0.2956	$13,215,149
January	e	139,557	433.7	$0.2987	$18,080,212
February	e	139,502	354.4	$0.2987	$14,769,162
March	e	137,321	281.5	$0.2987	$11,547,748
April	e	140,732	164.4	$0.2987	$6,910,111
May	e	140,077	80.6	$0.2987	$3,373,728
June	e	140,041	49.7	$0.3014	$2,095,763
July	e	138,968	57.1	$0.3040	$2,413,539
August	e	139,089	51.2	$0.3040	$2,164,358
September	e	138,549	53.4	$0.3040	$2,248,396
Total			2,132.3		$88,504,755
LVG					
October	e	19,081	2,391.9	$0.0440	$2,006,715
November	e	19,101	3,570.6	$0.0440	$2,998,783
December	e	19,008	5,232.3	$0.0451	$4,481,945
January	e	18,668	6,507.3	$0.0462	$5,607,648
February	e	19,016	5,836.7	$0.0462	$5,123,380
March	e	18,579	5,497.3	$0.0462	$4,714,650
April	e	19,692	3,498.7	$0.0462	$3,180,291
May	e	19,054	2,012.5	$0.0462	$1,770,159
June	e	19,080	1,457.5	$0.0451	$1,253,530
July	e	19,086	1,366.7	$0.0440	$1,147,551
August	e	18,926	1,404.2	$0.0440	$1,169,202
September	e	18,851	1,368.3	$0.0440	$1,134,777
Total			40,143.9		$34,588,632

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G
Schedule 6

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
EARNINGS TEST
APRIL 1, 2021 THROUGH MARCH 31, 2022
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE

in $000

1	Equity Base for Earnings Test	3,000,000	
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	10.1%	= ln 2 + ln 3
5	Actual Net Income	250,000	
6	ROE for Earnings Test	8.33%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	**Pass**	= IF ln 4 > 6, Pass else Fail

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS CLEAN ENERGY FUTURE – ENERGY EFFICIENCY ("CEF-EE") PROGRAM ON A REGULATED BASIS

BPU DOCKET NOS. GO18101112 and EO18101113

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Contents

Note: Note that subprogram and incentive designs may be adjusted as required to coordinate with other NJ utilities.

1.1. Residential Sector Subprograms

The proposed residential subprograms will work together to significantly upgrade efficiency in homes throughout PSE&G's service territory. All sub-segments are addressed, from new construction and refurbishments, to existing homes, to an online marketplace for installation service, with additional dedicated support for multi-family and lower income customers. Where needed, additional customer support is provided through on-bill repayments and other incentives. To further improve the culture of energy efficiency use in its territory, PSE&G will sponsor subprograms through education and behavioral subprograms.

1.1.1. Residential Efficient Products

The Residential Efficient Products Subprogram will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, including an online marketplace, in-store rebates, reduced point of sale costs, and a network of trade allies. The subprogram will provide incentives for energy efficient lighting, appliances, smart thermostats, electronics, and heating and cooling equipment. Installation services may also be offered for some equipment. Measures range in type and price, but include both electric and natural gas technologies that improve energy efficiency in the home. Up-front rebates will be offered on all technologies to reduce initial costs, and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

The subprogram is designed to:

- Provide incentives to customers for the installation of products to reduce energy use in the home and information about other subprograms that encourage the installation of high efficiency equipment, such as lighting, room air conditioners, HVAC units, electronics and appliances.
- Provide midstream incentives to retailers to increase sales of ENERGY STAR products.
- Provide a marketing mechanism for retailer and high efficiency product suppliers to promote energy efficient equipment and products to end users.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Provide online and other channels for customers to acquire select ENERGY STAR and other qualified products.
- Utilize energy efficiency kits to introduce and promote energy efficiency technologies that can be easily installed in the home. The kits will serve as a gateway to other programs by including energy efficiency and conservation educational materials and promotional materials for other program opportunities, including the utility, Comfort Partners and NJCEP programs.
- Provide energy efficiency kits to local foodbank and non-profit organizations and at energy assistance outreach events to reach low- to moderate-income customers, with schools to promote energy efficiency education in classrooms, to new movers, customers upon request, and within utility marketplaces to support customer engagement.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique 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, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

Market Segment/Efficiency Targeted

The Residential Efficient Products Subprogram will be available to all residential electric and/or natural gas customers in the PSE&G service territory. The subprogram 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 trade allies and customers via straightforward prescriptive rebates. Technologies incentivized through this subprogram include lighting, HVAC, other heating/cooling equipment, smart thermostats, and other efficient products. The subprogram will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances. PSE&G will offer enhanced incentives for Low-to-Moderate income (LMI) customers (up to 400% of federal poverty level) for certain products to enable the program to reach all customer types. Eligibility for these enhanced incentives can be determined based on screening an individual customer however PSE&G will also implement automatic eligibility for enhanced incentives based upon a physical location (e.g. properties located in low and moderate census tracts, environmental justice community, Urban Enterprise Zone) to increase PSE&G's presence in LMI communities. Customer eligibility based on the property location in a low-income and moderate-income U.S. census tract can be determined by inputting individual addresses and accessing U.S. census tract maps available at the Federal Financial Institutions Examination Council website at https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx.

Delivery Method

PSE&G will use its brand, its customer outreach infrastructure, and its marketplace relationships to increase the availability, awareness, and customer uptake of energy efficient products. On-bill repayments will be available to customers to cover the remaining cost (after applying the rebate discount) for the balance of the efficient product cost for select products and services.

A third-party implementation contractor(s) will be selected to assist with the administration, oversight, and delivery of the subprogram. This contractor will assist in the expansion of the PSE&G branded online marketplace, will work to promote the subprogram through word-of-mouth, advertising, and awareness, and will work with PSE&G to review and adjust the product and service list. These activities will occur prior to commercial operation and during the delivery of the subprogram. The third-party implementation contractor will also assist in securing partnerships with retailers, wholesalers, and trade allies to assure all PSE&G customers are able to easily purchase energy efficient products and equipment through the subprogram. Customer engagement and sales channels may include:

- **Point of Sale Rebates:** Prescriptive rebate applications will be made available at the point of sale. PSE&G will explore the viability of using a digital, smartphone-based application platform, to enable customers to purchase efficient equipment at traditional consumer retail outlets and instantly redeem rebates at point-of-sale in both physical stores and online. Allowing easy access to rebates encourages customers to purchase qualifying efficient products. Appliance recycling will also be available to customers whereby they may schedule a pick-up to have eligible inefficient appliances (e.g. old refrigerators) removed and a rebate issued.
- **Post Purchase Rebates:** Rebates will also be made available to customers after they have made their purchase. Applications will be available online to submit either electronically or in hard copy with proof-of-purchase.
- **Online Marketplace:** PSE&G will expand the self-branded online marketplace currently being deployed for the EE2017 Smart Thermostat Program to incorporate other products and services in this direct-to-customer platform. This online marketplace is a branded, easy to use source for the online purchase of efficient products and services. Participants will be able to browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant

rebates and the option for on-bill repayments on purchases above a certain threshold. PSE&G will validate customer eligibility prior to applying rebates.

- **Midstream Rebates:** PSE&G will promote a midstream rebate component to encourage purchase of efficient equipment via directly marking down the price of the efficient equipment at the point of sale. PSE&G will work with retail partners (such as Home Depot, Lowes, etc.) to assure that marked down measures are available throughout the PSE&G service territory. Midstream rebates encourage market transformation and wider availability of efficient equipment. Efficient products that are rebated via a midstream approach will not be eligible for retail channel rebates.
- **Trade Allies:** PSE&G will establish a network of trade allies to promote and deliver the subprogram with a consistent experience to the customer. The trade ally network will consist of qualified installation contractors, plumbers, electricians, and other trade service professionals. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G will refer customers to a list of qualified trade allies. By allowing participants to select a trade ally they are comfortable with (either through an existing relationship or by reference from PSE&G), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will qualify entities to participate in the trade ally network and oversee trade ally performance to verify quality standards are met.

By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Targeted trade ally firms may include:

- HVAC & appliance distributors, contractors, and retail providers
- General contractors, plumbers, electricians, and other trade service professionals

Regardless of the delivery mechanism, PSE&G will take steps to ensure customers are made aware of PSE&G's engagement in helping to off-set up-front costs of the efficient products.

Proposed Incentives

PSE&G proposes to provide a range of incentives depending on the measure type, 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. Incentive levels will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures, while minimizing any potential free ridership.

Incentives will be available in several ways and are adapted to the retail partner needs and market response. The strategies that might be used include:

- Mail-in applications available from the retailer/contractor and the subprogram website
- Online rebate forms
- In-store “Instant Reward” coupons that are redeemed in-store at the time of purchase.
- Special sale events in retail stores
- Manufacturer buy down to Retailer
- Midstream incentives to retailers to encourage them to carry and stock efficient products

Incentives may change based on market prices, as well as manufacturer and distributor co-funding. Other incentive alternatives may be used as the market evolves and new and innovative customer and trade ally engagement opportunities become apparent.

Marketing Approach

PSE&G will implement a multi-pronged direct and indirect marketing campaign to promote this subprogram. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness, as well as tie-ins with other PSE&G subprograms. Retailers, wholesalers, and trade allies will be contacted directly and through trade associations to develop networks and promote involvement in the subprogram. PSE&G will also look to leverage the behavior subprogram for 'warm leads' into the subprogram through both the home energy reports and online audit tool. Finally, appliance recycling will provide customers with rebates that can be redeemed in the online marketplace, further driving customer incentive and participation in the subprogram.

Targeting and promotion within the subprogram will be enabled through intelligence gained through other residential subprograms, primarily Behavioral, Existing Homes, and other activity in the Efficient Products Subprogram. Integrated IT solutions will enable PSE&G to provide customized information to customers with prioritized action items, to maximize availability and uptake.

A combination of strategies will be used to train and support retailers, including media advertising, outreach community forums, events, and direct outreach to customers and retailers. Marketing activities include:

- Point of purchase displays and materials, joint advertising with retailers, coupons, and special "instant sales events"
- Public relations materials
- Brochures that describe the benefits and features of the subprogram including application forms and processes. The brochures will be available for various public awareness events (presentations, seminars etc.)
- Bill inserts, bill messages, email messages, Facebook and Twitter, pop-up stores.
- Company website content providing subprogram information resources, contact information, online application forms, online retail store and links to other relevant service and information resources
- Customer representatives trained to promote the subprogram to their customers
- Presence at conferences and public events used to increase general awareness of the subprogram and distribute subprogram promotional materials

Contractor Role

PSE&G will oversee the build-out of the online marketplace as well as the retail and Trade Ally network, which will be administered by third-party implementation contractors. A third-party implementation contractor will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the PSE&G subprogram vision, eligible efficient products, rebates, and ways to participate. Additionally, the third-party implementation contractor will engage trade allies, including local construction, electrical, plumbing, and other contractors to educate them on subprogram benefits and build an approved trade ally network which will reliably install energy efficient equipment for participating customers. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and trade ally availability to provide suggestions to assure that the subprogram is continually providing PSE&G customers with their needs. A third-party implementation contractor will be responsible for the management of the online marketplace. This third-party implementation contractor will also process the online instant rebates, verify eligibility of customers and manage the delivery of items purchased on the website.

To select qualified third-party implementation contractors, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

1.1.2. Residential Existing Homes

The Residential Existing Homes Subprogram provides a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. Under the Residential Existing Homes Subprogram, participants undergo an energy audit and receive free installation of low-cost direct install energy efficiency measures, as well as an energy efficiency action-plan that includes recommendations for potential upgrades and available incentives. The audit will be incentivized, while the work to complete recommended energy efficiency measures will receive rebates with the ability for customers to use on-bill repayments for the balance of the costs. Home energy audits will be conducted by PSE&G and/or local trade allies (including, e.g. home improvement contractors) that are qualified to perform comprehensive home assessments, and a follow-up audit may be conducted after completing home energy improvements to verify proper installation and function of home efficiency improvements.

This subprogram is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy savings than the Residential Efficient Products Subprogram. The subprogram will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency Home Performance with ENERGY STAR (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy savings opportunities.

Market Segment/Efficiency Targeted

The Residential Existing Homes Subprogram will be available to all single-family and single-family attached electric and/or natural gas customers in the PSE&G service territory. Potential measures incentivized through this subprogram include but are not limited to insulation, air sealing, lighting, smart thermostats, low-flow devices, smart strips, and HVAC. This subprogram will drive deeper levels of activity and investment in homes than the Residential Efficient Products Subprogram by including a suite of home performance measures and the advice of PSE&G and/or qualified trade ally professionals that can identify efficiency opportunities in residential homes.

In addition to the comprehensive approach described above, a Quick Home Energy Check-Up (QHEC) option may be offered, to help customers understand their best opportunities to save energy through an in-home consultation and also secure energy savings during that visit through the direct installation of energy saving measures. It will be designed to help renters as well as homeowners and promotes additional energy savings opportunities and upgrades available to the customer.

Delivery Method

The subprogram will be managed by a third-party implementation contractor as outlined in detail in the Contractor Role:

- **In-Home Energy Audit:** In-home energy audits are conducted by PSE&G and/or local trade allies. During the audit, customers will receive free installation of low-cost measures, such as LED lighting, low-flow devices, and smart strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat set points. Smart

thermostats may be made available while the auditors are on premises through the Residential Efficient Products Subprogram. Following the in-home audit, the participant will be provided an energy efficiency action-plan that summarizes the findings of the audit and recommends technology and building performance improvements that will maximize the efficiency of the home. This report will also include detail regarding estimated cost, available rebates, and availability of on-bill repayment.

- **In-Home Efficiency Improvements:** If the customer chooses to pursue some or all of the recommended home efficiency measures, a second appointment will be scheduled to implement the measures. At the completion of the work, PSE&G and/or the trade ally will test the home to validate the energy savings and to ensure that all mechanical equipment is operating safely. Subprogram management staff, including the third-party implementation contractor, may spot check installations as needed.
- **Local Trade Ally Network:** The local trade ally network will be qualified, trained, and managed by the third-party implementation contractor, and may deliver audits and/or energy efficiency services.

Measures from the Residential Efficient Products Subprogram, such as home appliances (e.g. clothes washers) may be installed by PSE&G and/or the trade ally if requested by the participant and if within the scope of services. These measures are not typically addressed in a home performance subprogram because they are generally only replaced at end-of-life.

Proposed Incentives

PSE&G will provide a subsidized in-home audit, as well as a suite of low-cost direct-install measures. Home performance measures recommended by PSE&G and/or the trade ally carry incentives that will be available individually but may also be offered as part of bundled performance incentives depending on customer interest and budget. If utilized, home performance incentives will be structured on the basis of estimated total energy reduction in the home and the total cost of installed measures, such that customers can receive an overall, packaged incentive that is subject to a maximum of either a specific cap, to be evaluated and modified periodically, or a percentage of total installation cost. On-bill repayment will also be available to qualified customers to reduce upfront cost barriers. In order to use on-bill repayments, participants will be evaluated to determine their risk and ability to repay. In coordination with the Joint Utilities, PSE&G will establish qualification minimums for on-bill repayments, which may include bill payment history.

Marketing Approach

PSE&G will utilize many marketing avenues to assure subprogram awareness and participation is maximized. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, media advertising, and hard-copy materials to promote awareness among trade allies and customers. An additional marketing pathway PSE&G plans to utilize is through the network of other subprograms being offered in the CEF-EE Program. The integration of all subprograms will allow for direct marketing to customers through the Residential Behavioral and Residential Efficient Products Subprograms. The connections with these subprograms also provides two-way marketing potential, in that customers engaged in the Residential Behavioral and Residential Efficient Products Subprograms will be provided with information and literature about the opportunity to participate in the Residential Existing Homes Subprogram. Information garnered from subprograms, such as the Residential Behavioral and Residential Efficient Products could be used to identify prime candidates for participation in the Residential Existing Homes Subprogram. For example, a review of usage data contained in HERs from the Residential Behavioral Subprogram could allow PSE&G to identify customers who are particularly susceptible to changes in weather, and would be ideal candidates for an audit. Likewise, the Residential Efficient Products Subprogram could provide leads to customers interested in energy efficiency.

Contractor Role

PSE&G will supervise the subprogram, as well as select a third-party implementation contractor to manage the subprogram.

The third-party implementation contractor will oversee all aspects of the subprogram, including training and engagement, QA/QC, and rebate processing (including measures installed during audits). A large part of the third-party implementation contractor will focus on developing, training, and growing a qualified trade ally network. This will include trade ally training sessions, workshops, and market development events to grow and develop the trade ally network, with a priority placed on encouraging them to integrate home efficiency performance into their business and become Building Performance Institute (BPI) and ENERGY STAR certified contractors. The third-party implementation contractor will maintain a close relationship with entities delivering the audits and efficiency measures to ensure consistent subprogram delivery experience and high customer satisfaction. The third-party implementation contractor will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of trade ally installation work.

The trade ally marketplace may consist of companies in the fields of residential HVAC, home improvement, weatherization and insulation, and other relevant areas. In order to facilitate trade ally access to participants, PSE&G or the third-party implementation contractor will administer a web portal where customers can find local trade allies based on geography and other criteria.

To select a qualified third-party implementation contractor PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives, especially ENERGY STAR certified programs
- Knowledge of the current marketplace
- Ability to educate and train contractors
- Local presence
- Cost

1.1.3. Residential Behavioral

The Residential Behavior Subprogram will provide customers with granular and easy-to-understand information about their energy use, a comparison of their usage against other similar customers, and suggested action steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other efficiency subprograms.

Direct mailed and/or electronic home energy reports (HERs) will be the cornerstone of the subprogram 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. High usage alerts will also be issued 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.

The subprogram will also offer an internet-based home energy self-audit to all residential customers. This audit will allow customers to better understand their energy usage and their opportunities for energy savings.

An online portal will be used to provide customers with usage information, recommendations, tips, and links to energy efficiency subprograms provided by PSE&G, including the online marketplace with access to the Residential Efficient Products Subprogram and the Residential Existing Homes Subprogram. The online customer portal will integrate the information from the HERs and online audit to further assist customers as they look to realize deeper equipment and appliance-based savings. PSE&G will utilize the information gathered from the HERs and online audits to not only better understand the residential customer base, but also assist in making smart decisions moving forward with the energy efficiency subprograms.

Information on customers participating in other subprograms such as the Residential Efficient Products and Residential Existing Homes Programs will be linked into the HERs as to provide up-to-date information and recommendations to participants.

Market Segment/Efficiency Targeted

The subprogram will provide HERs to a minimum of 650,000 residential customers. This quantity of customers represents the number of unique customers in the program. These customers will receive multiple home energy reports per year, in accordance with best practices in the industry This quantity of customers will be reviewed periodically and modified as needed to maximize cost-effective energy savings. The online energy audit will be available to all PSE&G electric and/or natural gas residential customers. The HERs and online audit will offer tailored recommendations to reduce electric and/or natural gas consumption.

The subprogram may also provide HERs to participants of other residential subprograms, such as Residential Efficient Products and Residential Existing Homes. The subprogram will primarily target single family homes; however, PSE&G may also evaluate potential in the multi-family and income eligible markets.

Delivery Method

PSE&G will extend its current Data Analytics Subprogram to additional customers using a selected HER vendor.

PSE&G's HER vendor will identify and distribute HERs to residential customers at no charge to the participant. The online audit will be available for all PSE&G residential customers free of charge. High usage alerts will be provided to customers receiving HERs via email to customers for whom PSE&G has a valid email address.

Proposed Incentives

All services under this subprogram will be provided at no cost to the customer.

Marketing Approach

The recipients of the HERs will be selected by PSE&G, its selected HER vendor, and its evaluation contractor. The online audit will be marketed through bill-insert mailers, digital advertising, and other means to assure that all customers are aware of the availability of these resources. Participants in other PSE&G energy efficiency subprograms will be referred to the online audit tool and online portal as appropriate.

Contractor Role

PSE&G will utilize a third-party implementation contractor to provide the services under this subprogram including HERs, the portal, the online audit, and high usage alerts.

1.1.4. Residential Income Eligible

The Residential Income Eligible Subprogram is targeted at customers whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL). Properties located within low and moderate income census tracts will also be eligible for this program. The subprogram will complement, and not duplicate or compete with, the Co-Managed Comfort Partners Program. The Residential Income Eligible Subprogram provides free direct installation of energy efficient technologies and weatherization services to qualifying PSE&G customers with limited income. The subprogram generates energy savings for residential lower-income customers through an in-home energy audit and the direct installation of a wide range of energy efficiency measures such as efficient lighting, efficient refrigerators, HVAC, as well as weatherization upgrades for air-sealing and attic and wall insulation. The subprogram also provides for the installation of health and safety measures as appropriate, and may also include actions to address building shell issues that prevent the installation of energy efficiency measures, such as moisture/mold remediation, roof repairs, electrical repairs, and asbestos remediation, consistent with the approach under the New Jersey Comfort Partners Procedure Manual.

In addition to the core subprogram attributes described above, the subprogram will also provide for the distribution of free LED light bulbs via food banks/pantries or other distribution venues that serve income eligible customers, along with educational information on energy efficiency. The subprogram will coordinate low-income services with local, state and federal agencies to provide comprehensive assistance. The subprogram may also seek to work with workforce development organizations, in order to provide a sufficient pool of qualified workforce that will be required to support a significant growth in energy efficiency services.

Market Segment/Efficiency Targeted

The Residential Income Eligible Subprogram targets residential customers in PSE&G's electric and/or gas service territory whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL) and those properties located within low and moderate income U.S. census tracts. Customers who receive Federal Supplemental Security Income ("SSI"), Home Energy Assistance ("HEAP"), Universal Service Fund ("USF"), Lifeline, Pharmaceutical Assistance to the Aged and Disabled ("PAAD"), Temporary Assistance to Needy Families ("TANF"), or Section 8 Housing will also be eligible.

Delivery Method

This subprogram will be managed by PSE&G with the support of a qualified third-party implementation contractor with experience delivering services in similar subprograms. It is envisioned that PSE&G's third-party implementation contractor will facilitate subprogram delivery across the multiple subprogram vendors as well as PSE&G's workforce. Eligible customers will receive an in-home energy assessment from PSE&G. The applicable measures and services will be installed either by subprogram vendors, or by PSE&G's workforce. PSE&G, with its third-party implementation contractor will be responsible for activities including, but not limited to, the following:

- Ensuring customers meet eligibility requirements
- Marketing collateral development and deployment
- Reviewing, approving, and tracking of documentation for completed projects
- Payment processing, fund management, and reporting
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Call center services
- Customer satisfaction and problem resolution
- Provide technical training to workforce

Proposed Incentives

Equipment and installation costs for all eligible measures will be provided free to eligible customers, subject to subprogram terms and conditions.

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of programmable and smart thermostats; insulation upgrades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as may be needed to enable the installation of energy efficiency measures (e.g. repair or replacement of a broken window, repair of a hole in the wall and/or roof, mold remediation, or the installation of rain gutters).

Failed or failing heating or cooling systems can be replaced for efficiency and/or health and safety reasons, on a case-by-case basis, as subprogram funds permit. For customer homes that require treatment beyond the scope of the subprogram, such services may be coordinated with other agencies.

Marketing Approach

Marketing efforts will be focused toward property owners, non-profit organizations, churches, and community organizations to bring awareness to the subprogram and initiate effective participation. Key elements of the marketing strategy include:

- Targeted outreach through local agencies
- Websites and newsletters
- Press releases
- Posters in municipal buildings
- Neighborhood canvassing

Contractor Role

PSE&G will administer and manage the overall subprogram with the support of a third-party implementation contractor(s). The third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G. To select a qualified third-party implementation contractor, PSE&G will prioritize criteria including, but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualification for delivering low-income energy efficiency subprograms
- Cost

1.2. Multifamily Sector Subprogram

1.2.1. Residential Multi-Family

The Residential Multi-Family Subprogram provides a turnkey service for multi-family property owners, managers, and the residents of multi-family facilities to help improve the energy efficiency of their facilities and reduce their operating costs. This service provides direct installation of energy-efficient measures in individual living units. The primary measures to be installed include LED lighting, low-flow showerheads and faucet aerators, and smart power strips. The subprogram will also provide literature on energy saving tips achieved through other behavioral actions (e.g. thermostat settings, maximizing dishwasher and clothes washer loads, etc.).

Market Segment/Efficiency Targeted

The subprogram targets multi-family property owners, property managers, and residents. All multi-family buildings with three or more units in PSE&G's electric or natural gas service territory are eligible to participate, although it is anticipated that the majority of participating units will be from low income or moderate income multi-family units, and will have 12 or more units.

The subprogram will look to achieve direct, easy to install, energy savings through the provision of measures such as LED lighting, low-flow showerheads and faucet aerators, and smart power strips.

Delivery Method

The Multi-Family Subprogram will be delivered by PSE&G and/or a qualified third-party implementation contractor with experience delivering similar subprograms. The subprogram manager will recruit multi-family property owners and oversee the direct installation of free low-cost measures (e.g. lighting, showerheads) in individual units. The service is provided at no cost to property owners or occupants. This subprogram design (including the provision of no cost services) is intended to overcome market barriers and assure that benefits are provided to tenants.

PSE&G and/or the implementation contractor will be responsible for activities including, but not limited to, the following:

- Developing relationships with property management companies, owners, associations, and their members to recruit participants
- Training, education, and coordination with direct-install staff and/or contractors
- Marketing collateral development and deployment
- Procuring energy efficiency equipment and materials
- Reviewing, approving, and tracking of documentation for completed projects
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Customer satisfaction and problem resolution
- Provide notice to tenants and property owners prior to conducting work

Proposed Incentives

Equipment and installation costs for all measures directly installed in tenant units will be provided free to eligible properties.

Marketing Approach

The marketing strategy will focus on informing property owners, managers, associations, tenant groups, municipalities, and community organizations about the availability and benefits of the subprogram and how to participate. Marketing activities will be focused on serving the lower income multi-family sector. Key elements of the marketing strategy include:

- Targeted outreach through direct mailings and presentations to inform property owners, managers, apartment associations, tenant groups, municipalities and community organizations about the benefits of the subprogram and participation processes
- Brochures highlighting the benefits and features of the subprogram as well as the participation processes
- Website content providing subprogram information resources and contact information
- In-person visits by subprogram representatives to properties with three or more units

- Walk-through energy assessments of properties to encourage the building owners or facility managers to allow participation in the direct installation component of the subprogram as well as encourage participation in the other PSE&G efficiency subprograms

Contractor Role

PSE&G will administer and manage the overall subprogram. Depending on the final design of the delivery process, PSE&G may utilize the support of a third-party implementation contractor(s). In this event, the third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G.

Key elements of the implementation strategy and core responsibilities of the implementation contractor may include:

- **Targeted Outreach to Property Owners**: Subprogram representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the subprogram. The subprogram team will assist customers as necessary to coordinate direct installations and complete rebate application requirements. In addition, property owners will be reached through direct mail, participation in association events, one-on-one meetings with subprogram staff, and other channels. Special emphasis will be placed on properties with as little as three units and greater. This has been traditionally an over-looked segment in other utility-run subprograms around the country.
- **In-Unit Direct Installs**: Subprogram representatives will identify interested property owners and schedule appointments for the free installation of energy saving devices in the individual living units and common areas. In-unit HVAC tune-ups will be offered at no cost to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the energy saving devices installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.
- **Subprogram Operations**: The third-party implementation contractor handles implementation related administrative requirements, including the following:

    - Marketing and educational materials
    - Field services
    - Product ordering and inventory
    - Data tracking and reporting
    - Investment tracking and reporting
    - Prescriptive, custom and comprehensive application processing
    - Trade ally and customer outreach/training
    - Customer satisfaction/problem resolution

To select a qualified third-party contractor, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualifications
- Cost

In the event PSE&G delivers the program with its own workforce, contractor role would be minimal, limited to customer acquisition and alignment with other subprograms.

1.3. Commercial & Industrial Sector Subprograms

PSE&G's commercial and industrial customers are very diverse. These subprograms address each segment, including those with limited time and resources to make efficiency improvements. The subprogram designs are intended to enable PSE&G to address the unique needs of each sub-sector. For example, if a large customer has ready access to financing and more advanced approaches to energy management, PSE&G will offer customized financial support to reduce paybacks on investments and bring about increased installation of measures. For small businesses or municipal customers, PSE&G will provide more substantial management, financial support, and on-bill repayment.

1.3.1. C&I Prescriptive

The C&I Prescriptive Subprogram will promote the installation of high-efficiency electric and natural gas equipment by C&I customers. The subprogram is designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls
- Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by participating trade allies such as electrical contractors, mechanical contractors, and their distributors
- Ensure the participation process is clear and simple

The subprogram will offer a broad range of energy efficient equipment and appliances through a variety of channels, including reduced point of sale costs, and a network of trade allies. The subprogram will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. These measures will range in type and price but include both electric and natural gas technologies that improve energy efficiency. Up-front rebates will be offered on all technologies to reduce initial costs and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique customer relationships to positively impact the entire sales process surrounding efficient equipment, from education and awareness with customers, engagement with trade ally contractors and equipment distributors, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

Market Segment/Efficiency Targeted

The C&I Prescriptive Subprogram will be available to all commercial, industrial, and other non-residential electric and natural gas customers located within PSE&G's service territory. The subprogram is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates. Potential technologies incentivized through this subprogram include energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures.

Delivery Method

To maximize customer participation and streamline the customer experience, PSE&G will use its strong customer and marketplace relationships to support multiple implementation strategies to achieve subprogram goals.

- **Trade Allies:** PSE&G will establish a network of trade allies (e.g. electricians, HVAC contractors, lighting retailers and distributors, building energy managers, etc.) to promote the efficiency opportunities and incentives to their clients, and deliver the subprogram with a consistent

experience to the customer. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G or the third-party implementation contractor can refer customers to a list of qualified trade allies to perform more intricate work. By allowing participants to select a partner they are comfortable with (either through an existing relationship or by reference from PSE&G or the third-party implementation contractor), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will oversee trade ally performance to verify quality standards are met and qualify contractors to participate in the Trade Ally network. By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms include:

  - Design, engineering, and controls firms
  - HVAC distributors, contractors, and retail providers
  - Food service retailers and service providers
  - Commercial lighting distributors and wholesalers

- **Retail:** PSE&G subprogram staff, third-party implementation contractors, and field representatives will work with retailers and distributors that directly target C&I customers so they are aware of the participation process and available equipment incentives. This will include training and instruction to participating retailers and distributors about the PSE&G prescriptive rebate forms as well as enrollment of distributors to participate in midstream subprogram offerings.
- **Midstream:** PSE&G will aggressively 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. PSE&G anticipates offering midstream point of sale discounts across numerous equipment types, including, but not limited to: LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream subprogram approach will not be eligible for rebates in any other PSE&G rebate subprogram.
- **Digital:** The subprogram will be marketed directly to C&I customers on the PSE&G website, where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, and incentives across all efficient equipment types and end-uses. In addition, the website will offer information on qualified local trade allies to enable easy access to equipment retailers for customers.
- **Rebate-as-a-Service:** PSE&G will evaluate the viability of using a digital, smartphone based application platform, where business customers purchasing efficient equipment for commercial use at traditional consumer retail outlets can instantly redeem rebates at point-of-sale in both physical stores and online. This channel will help PSE&G offer rebates to very small commercial customers and local businesses outside of the C&I Small Non-Residential Efficiency Subprogram.
- **Targeted Customer Outreach:** In select cases, PSE&G staff and its third-party implementation contractor 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. Subprogram staff can help facilitate completion of rebate applications and serve as a direct resource to these customers.

Proposed Incentives

Incentive levels and the list of eligible equipment will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures. Incentive levels will vary depending on the efficient measure, and the unit level being rebated (e.g. incentives for equipment, and/or incentive based on the system size or square footage where the system is being applied).

Marketing Approach

The C&I Prescriptive Subprogram will engage with customers and trade allies at multiple levels, including broad-based energy efficiency awareness campaigns, direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. In some cases, subprogram staff and representatives will reach out directly to large commercial customers. Use of appropriate types of media are anticipated to be included in the marketing plan, such as direct mail, email, print, and digital media. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the subprogram, raise awareness and encourage participation.

Contractor Role

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will assist with optimizing the subprogram's strategic direction, including but not limited to:

- Customer outreach/subprogram delivery strategy
- Offered efficiency measures and efficiency levels
- Promotion of emerging technologies
- Incentive levels and strategies
- Customer/trade ally/retailer engagement and enrollment in the subprogram
- Marketing
- Customer satisfaction
- Equipment installation and subprogram data tracking
- Rebate processing

1.3.2. C&I Custom

The Commercial and Industrial (C&I) Custom Subprogram will offer incentives for electric and natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by the C&I Prescriptive Subprogram, or any other proposed custom subprogram offering including the C&I Engineered Solutions Subprogram. Typical measures incentivized by the C&I Custom Subprogram are either less common measures or efficiency opportunities in specialized applications that may include specialized manufacturing processes or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Large customers with facilities and engineering teams will develop and submit custom efficiency project rebate applications for review. A third-party implementation contractor will also play an active role in supporting project identification, developing energy savings calculations, and assessing project economics as required. Potential participants are required to submit an application for pre-approval to reserve funding, and if accepted by PSE&G, 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. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

Market Segment/Efficiency Targeted

The C&I Custom Subprogram targets all C&I customers in PSE&G's electric and/or natural gas service territory with cost effective savings opportunities that are not covered by the C&I Prescriptive or Small

Non-Residential Efficiency Programs, and in building types not eligible for participating in the C&I Engineered Solutions Subprogram (non-MUSH/multifamily common areas/non-profit). However, customers participating in the C&I Custom Subprogram will generally be larger energy users with more complex needs and non-standard efficiency opportunities. Customers targeted for participation typically include building types such as light/heavy industrial, manufacturing, data centers, and distribution centers, among others.

Delivery Method

The C&I Custom Subprogram will be supervised by PSE&G and delivered by a qualified third-party implementation contractor. The following delivery strategies will be pursued:

- **Targeted Customer Outreach:** High-use customers will be targeted by subprogram staff to develop relationships with facilities and energy managers, operations staff, and procurement personnel to inform them of the benefits of participating in the custom subprogram. Subprogram staff will provide technical support, assist customers in identifying efficiency opportunities, and assist with review and preparation of their rebate application.
- **Technical Customer Assistance:** An important element of the C&I Custom Subprogram is the availability of technical support from qualified subprogram staff. PSE&G subprogram management staff and their representatives will be available to support customers with project identification and analysis, including assistance with targeted energy audits and savings estimates.
- **Trade Allies:** Developing relationships in the trade ally community will spread broader awareness of the existence of the custom subprogram option and obtain referrals for potential projects.

Measurement & Verification (M&V) for projects above a certain estimated incentive size, or projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after project implementation to determine savings and incentive levels. PSE&G is evaluating a threshold of approximately $100k to necessitate energy monitoring before and after implementation. The Company is also considering the impact of the type of equipment as a driver for energy monitor. PSE&G plans to coordinate with the other utilities to use a consistent approach to the extent feasible.

Proposed Incentives

The C&I Custom Subprogram incentives will be set based on an incentive level per first year kWh or therm saved. These incentive levels will be reviewed and updated periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across a full spectrum of market opportunities. Incentive level design may change over time based on the specific end-use where the savings are being acquired. Additionally, incentive level restrictions may be established that could include limits to total incentives as a percentage of project costs or minimum project payback periods. Overall total facility and customer level incentive limits may also be established to ensure funding is available to as many C&I customers as possible, while also still providing robust incentives to capture the full suite of energy savings from large projects. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

Marketing Approach

The C&I Custom Subprogram will engage with customers and trade allies at multiple levels, including a combination of direct customer, trade ally, and local organization outreach, promotion through key industry events and conferences, and digital marketing, including an informational/engagement web platform to educate and reach relevant contractors and customers. Use of all types of media are anticipated to be included in the marketing plan, including, but not limited to, online and targeted print advertising. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the

subprogram and raise awareness and encourage participation. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

Contractor Role

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction, including, but not limited to, the following activities:

- Offered incentive levels and strategies
- Customer satisfaction
- Measurement and verification during on-site visits
- Subprogram data tracking
- Rebate payments

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

1.3.3. C&I Small Non-Residential Efficiency

The C&I Small Non-Residential Efficiency Subprogram is focused on installation of efficiency measures in small non-residential customers that typically lack the time, knowledge, or financial resources necessary to pursue energy efficiency. The subprogram is designed to provide non-residential owners with easy investment decisions for the direct installation of energy efficiency projects. The subprogram will pay the up-front cost to install the recommended energy efficiency measures with the participating customer repaying a portion of the cost either in a lump sum or interest-free on their PSE&G bill. The reduced overall costs and on-bill repayments mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The C&I Small Non-Residential Efficiency Subprogram plays an important role in the marketplace because private providers of energy efficiency services typically do not target small non-residential customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small non-residential customers are often hard to reach, and the subprogram fills an important gap by delivering efficiency services to these customers directly.

The audit will be provided to customers free of charge and will offer recommendations on energy efficiency projects to reduce energy usage and costs. The aggregation of this data will allow PSE&G to better understand its customers and can be used to inform other subprograms and future subprogram designs, such as the C&I Prescriptive Subprogram, the C&I New Construction Subprogram, and the Business Energy Reports Pilot Subprogram.

The subprogram will also focus on the smallest customers within the small business segment. PSE&G anticipates portions of the subprogram to be directed at restaurants, small offices, and other small businesses that often are left behind in less-comprehensive energy efficiency subprograms. Through a number of delivery mechanisms, PSE&G will assure that all business types are able to participate in this subprogram.

Market Segment/Efficiency Targeted

PSE&G expects small non-residential customers with an average 12-month individual facility annual electricity peak demand usage of less than 200 kW to be the eligibility threshold; however, this figure may be adjusted by PSE&G up to 500 kW subject to Staff approval and alignment with the threshold established by the Joint Utilities, to ensure the subprogram is properly addressing the market in PSE&G's service territory. The subprogram will also be structured to focus on and secure participants especially in the lower-usage tiers.

The subprogram seeks to address high-return, relatively low-cost measures (e.g. LED lighting retrofits), but customers may choose to pursue further retrofits that are eligible for additional incentives. Example end-use categories covered by the subprogram include lighting, HVAC, controls, refrigeration, motors, low-flow devices, pipe wrap and domestic hot water equipment.

Delivery Method

The C&I Small Non-Residential Efficiency Subprogram interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site audit to identify energy efficiency retrofit opportunities. Following the audit, participants are provided with a report assessing the site and recommending investments that could further improve the energy efficiency of the facility.

Based on the results of the audit report, the subprogram will offer to initially pay 100% of the project cost to install the recommended energy efficiency measures with the participating customer (or landlord) repaying a portion of the cost either in a lump sum or interest free on their PSE&G bill. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers. PSE&G will provide for the installation of all work and assure it is completed on time and to specifications. This approach frees up the participant, which, as a small non-residential customer, may not have the time or resources to focus on implementation issues.

The subprogram budget will be split into tranches based upon customer consumption size, or other designated factors, to focus contractors to complete work on specific tranches. This will assure that non-residential customers, even those that are the smallest and often overlooked, receive ample focus. Contractors will be limited to specific tranches to assure minimum volumes and scale can be reached while also providing for adequate cost effectiveness. PSE&G may also elect to provide additional contractor-focused bonus incentives to further encourage contractor emphasis on specific sectors. The tranche divisions will be implemented to combat contractors' inherent focus on larger customer facilities. The subprogram may also be marketed and structured into customer types. For example, one element of the subprogram structure may focus on restaurants, while another is focused on convenience stores and bodegas.

Proposed Incentives

One of the key benefits of the subprogram is that it is a simple, turnkey solution for small non-residential customers that requires no up-front customer investment. The initial site visit, energy audit, and installation of recommended efficiency measures are provided at no initial cost to participants. This up-front incentive value will be evaluated periodically to assure that the subprogram incentive is adequate and provides the correct signal to the marketplace regarding energy efficiency. Participants will reimburse PSE&G a portion

of total project cost interest-free through on-bill repayments, thereby eliminating the up-front cost burden of installing energy efficiency measures. The incentive portion of the total project cost is up to 70%, with the option to provide up to 80% incentive for underserved markets such as small businesses up to 100kW, or customers in Urban Enterprise Zones, etc. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers.

Marketing Approach

The C&I Small Non-Residential Efficiency Subprogram will be marketed to customers through a combination of direct outreach by subprogram staff and a third-party implementation contractor, web-based engagement and customer information analytics, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Direct outreach from a third-party implementation contractor may include unsolicited visits to customer premises to distribute hard-copy subprogram materials, inform customers about the subprogram directly, and solicit participation. This strategy is useful for enrolling small non-residential customers that may be interested in participating, but have not heard of the subprogram and do not have resources to prioritize reaching out to PSE&G.

PSE&G will evaluate the potential to utilize Business Energy Reports or customer information analytics to identify and target customers best suited for participation in the subprogram.

Contractor Role

PSE&G will administer and manage the subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's management and strategic direction, including, but not limited to:

- Initial participant recruitment, audit, and equipment installation
- Subprogram data tracking
- Direct customer outreach/subprogram delivery strategy
- Development of measure mix
- Marketing
- Promotion of emerging technology
- Customer satisfaction

The third-party implementation contractor will take on the responsibility of managing the subprogram, directing the qualification of contractors, and will work to assure that ample contractors are available to complete all work derived from the subprogram.

A group of selected vendors will perform the audits and installations, working with PSE&G and the third-party implementation contractor's oversight to undertake all construction and installation work identified in the audit process.

1.3.4. C&I Energy Management

The C&I Energy Management Subprogram includes two major subprogram initiatives: Retro-commissioning and Strategic Energy Management. Both subprograms are designed to optimize energy consumption in existing C&I buildings through management of major energy using systems, user behavior, and low-cost, easy-to-install efficiency measures at the time of an initial site visit or a follow-up. In many cases, revised building management processes can produce meaningful energy savings without capital

investment in new equipment or controls; however, recommended investment areas may also be identified through this subprogram. Details of the subprogram initiatives are as follows:

- **Retro-commissioning (RCx)**: Also known as 'existing building commissioning', retro-commissioning focuses on identifying operations and maintenance improvements in existing commercial buildings to ensure optimal performance of building systems and system interactions. Retro-commissioning applies the same systematic process to buildings as is applied during initial building commissioning, and may be performed every three to five years to ensure optimal building performance. Retro-commissioning is typically among the most cost-effective energy savings strategies applied in commercial buildings and may produce other non-energy benefits, including extending the life of existing equipment and improving thermal comfort and indoor air quality.
- **Strategic Energy Management (SEM)**: This subprogram is primarily geared toward industrial and manufacturing buildings and is a holistic approach to managing energy usage 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 led by an external instructor focused on developing and executing an energy management strategy via workshops, webinars, and group/individual training sessions with cohorts of facility managers. SEM applies continuous improvement principles to energy management to encourage and enable a culture of energy efficiency within an organization to develop measurable long-term savings.

Market Segment/Efficiency Targeted

All commercial, industrial, and other non-residential customers located within PSE&G's electric and/or natural gas territory are eligible to participate in this subprogram.

RCx targets the existing commercial building stock, and is particularly relevant for medium to large non-industrial building types including office, lodging, education, healthcare, laboratory, warehouse/storage, supermarkets, and more. The primary target market for the RCx subprogram will be C&I customers utilizing a building management system.

SEM targets existing large and very large commercial and industrial customers and building types, and is particularly relevant to large energy users engaged in manufacturing processes. For SEM to be successful, the subprogram will invest significant resources upfront to focus on recruiting and pre-qualifying customers to participate in the subprogram. SEM's objective is to change a company's focus and engagement with energy management over the long-term, in a continuous manner. A core goal is to recruit customers who demonstrate genuine and committed interest in working with PSE&G over a long period of time. These "energy champions" will ideally include multiple staff at each company, placed in different departments and various levels of seniority and decision making in the company.

Eligible measures will vary depending on the business segment served, but are likely to include at least the following:

- 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
- System rebalancing and decreasing supply air pressure set-point
- Reducing supply air temperature and fan speed in air handling units
- Aligning zone temperature set-points to match the building's occupancy patterns
- Operating equipment only when building is occupied or when equipment is needed
- Lighting controls including occupancy/vacancy controls, photo-sensors, and timer controls

Delivery Method

The RCx and SEM Programs will be delivered by a third-party implementation contractor(s). Both subprograms require customer and trade ally involvement in the form of on-site access to existing equipment, management protocols, and energy management/facilities staff.

To support the marketplace and develop a project pipeline, the following delivery strategies, among others, will be pursued:

- **Targeted Customer Outreach:** Subprogram staff and their representatives will make outreach efforts directly to PSE&G customers that own or operate facilities identified by internal screening activity as potential participants. Factors considered in initial screening may include building age/size/type and historical energy use patterns.
- **Technical Customer Assistance:** An important element of the C&I Energy Management Subprogram is the availability of technical support, guidance, training and orientation from PSE&G's third-party implementation contractor(s). Subprogram staff will be available to support customers and determine if they may qualify for participation for either RCx or SEM. Depending on the customer's goals and likely energy savings potential, significant customer engagement may be undertaken for the SEM subprogram.
- **On-Site Implementation:** Both the RCx and SEM subprograms require subprogram staff to visit customer premises to identify energy savings opportunities (including through the logging and analysis of energy consumption data) and develop strategies and solutions for acquiring these savings.

The RCx subprogram will be delivered through a network of approved retro-commissioning service providers (RSPs) operating in PSE&G's service territory that have been trained in subprogram protocols and participation processes. Once an application has been accepted, one of the expert engineering RSPs conducts a detailed energy assessment to investigate and identify low-cost energy-saving operational improvements through a systematic evaluation of energy using systems. RCx involves a series of steps to qualify appropriate customers for participation and to ensure the subprogram will produce meaningful energy savings. These steps may include:

- **Initial Customer Screening:** Customer-submitted applications are reviewed to assess the likelihood of energy savings. Customers may also be identified through a data analytics engine using PSE&G data and through data acquired via the Business Energy Reports Pilot or other methods.
- **Project Scoping:** The building owner or primary representative will be contacted by PSE&G subprogram staff or their representatives to schedule a time for an on-site visit. This visit will entail inspecting the building and major energy using equipment, reviewing past energy consumption, and identifying preliminary opportunities for energy-use reduction.
- **Agreement and Implementation:** A rigorous evaluation of building systems is conducted and an incentive agreement is finalized with the customer regarding project measures, implementation strategy, and incentives.
- **Follow-up:** Additional training may be provided to building owners/operators after completion of an RCx project to ensure savings persistence.

Example SEM implementation efforts also include the following:

- **Onsite Energy Management Assessment:** Identify current strengths and weaknesses in existing energy management practices.

- **Metering Training:** Instruction on the use of metering equipment to identify energy saving opportunities and an introduction to energy modelling.
- **Coach-led Training Sessions:** Targeted at any combination of building operations/facilities staff, management personnel, and other company staff, training sessions are used to build awareness and detect inefficient operating practices.
- **Benchmarking:** Energy consumption benchmarking is a key aspect of SEM, and both baseline and ongoing energy use monitoring strategies are employed to encourage data-driven energy management and short-term feedback.

Proposed Incentives

Incentives will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure the incentive design is optimally driving energy savings and participation. The incentive design structure and payment per first year kWh and therm saved may be different between the RCx and SEM subprogram participants. Additionally, incentive levels may vary depending on the end-use where the savings are achieved, and the overall comprehensiveness and estimated longevity of the energy savings. These incentives are subject to change based on final subprogram design and the go-to-market implementation plan.

Marketing Approach

The C&I Energy Management Subprogram will engage with customers at multiple levels, including through a combination of direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Engagement with building and facilities managers for large commercial and industrial customers will all be an important pathway for PSE&G to present information about the subprogram, raise awareness, and encourage participation. PSE&G's brand and its relationships with these customer types will drive participation. The subprogram will leverage PSE&G's existing relationships with customers through subprogram staff and account management team.

Education and promotional materials will be developed for building owners and operators to reinforce the benefits of energy efficiency improvements and improved systems performance, including educational brochures, customer and market provider seminars, subprogram promotional material, and website content.

The marketing strategy will identify key customer segments and vertical markets for targeting, and will prepare specific outreach activities for these customers. The strategy will be designed to inform customers of the availability and benefits of the subprogram and how they can participate in the RCx or SEM subprograms.

The marketing and communications plan will include:

- Creating and updating Subprogram Fact Sheets, Case Studies
- Hosting an annual Subprogram product knowledge workshop
- Participating in local conferences and industry events to promote the RCx and SEM programs

Contractor Role

PSE&G will administer and manage the overall subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction including, but not limited to, conducting the following tasks:

- Customer outreach/subprogram delivery strategy
- Select, train and manage network of RCx trade ally contractors
- Energy modeling and equipment metering
- Leading SEM coaching and engagement sessions
- Incentive levels and strategies
- Marketing
- Customer satisfaction
- Subprogram data tracking
- Rebate processing

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

1.3.5. C&I Engineered Solutions

The C&I Engineered Solutions Subprogram will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals (MUSH), non-profit entities and multi-family facilities. The subprogram will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on-site, while requiring no up-front funding from the customer.

Through this subprogram, 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, and participants may select their preferred installation providers. 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 interest free on-bill repayments over a period of five years (and ten years for HMFA qualified multi-family facilities). Through this subprogram design, participants in market segments that have typically been underserved are able to achieve greater energy savings.

Market Segment/Efficiency Targeted

C&I public service (MUSH), non-profit, and multi-family entities located within PSE&G's electric and/or natural gas service territory are eligible to participate in this subprogram. The subprogram will provide energy audits and incentives to entities that directly serve the public, but often have difficultly investing in energy efficiency. The measures included in this subprogram may include HVAC, building envelope, motors, lighting, controls, energy storage, and other energy consuming equipment.

Delivery Method

PSE&G will retain qualified vendors to undertake the audit and engineering services required to deliver this subprogram. Participants will contract with their preferred installation providers to install the measures included in projects.

The subprogram delivery will typically occur in four steps:

- **Audit:** PSE&G shall assess the required level of American Society of Heating, Refrigerating, and Air Conditioning Engineers (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 selected PSE&G vendor will then perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. PSE&G and its representatives 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, an engineering analysis may be required. PSE&G will conduct a screening of the payback and project cost effectiveness and select a set of approved energy efficiency measures for the project. The subprogram engineering vendor will prepare bid-ready documents and work with the participant to prepare a project scope of work, which will be used by the customer to obtain installation cost estimates for the project.
- **Scope of Work/Contractor Bids:** The participant will issue a scope of work to obtain bids to complete the identified project. PSE&G, the subprogram engineering vendor and the participant will review and evaluate the bids/costs received, with the participant making the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness and the participant is presented the funding commitment proposal from PSE&G. Once (i) the participant and PSE&G have executed the funding commitment and (ii) the installation provider and the participant have executed applicable agreements and contracts, the first progress payment equal to approximately 30% of the installation cost can be issued to the customer to initiate the project (Stage 1 Progress Payment).
- **Measures Installation and Inspections:** PSE&G and the energy engineering vendor, acting as construction administration agent, will monitor project progress. Upon verification of satisfactory project progress, a series of Stage 2 progress payments up to 50% of total project commitment can be issued. When the project is 100% complete, a final project true-up, and final inspection are undertaken. 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 building owners can pay their contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by PSE&G or a designated third-party implementation contractor.

Proposed Incentives

The subprogram will provide a 100% incentive for an up-front ASHRAE Level I, II, or III audit. The specific audit level will be determined based upon the type, size, and age of the facility. In addition, PSE&G 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 on-bill.

PSE&G will retain the option and flexibility to adjust the incentive offered to participants to enable a whole-building approach that will include additional ECMs in the project.

The full cost of the energy efficiency projects (including engineering, transaction costs and cost of construction) will be covered through a combination of subprogram incentive and customer repayments.

Marketing Approach

PSE&G will leverage existing relationships with municipalities, universities, schools, and other public agencies to promote the subprogram and will conduct further outreach through school, university, and municipal associations. In addition, PSE&G will generate a marketing campaign to hospitals, healthcare facilities, non-profits, and multi-family agencies to increase awareness of the subprogram. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

Contractor Role

PSE&G will select qualified subprogram participating vendors to undertake all auditing and engineering work associated with the subprogram. Participants are permitted to select their preferred installation providers to complete work on-site. PSE&G may also utilize a third-party implementation contractor to assist in the outreach, marketing, and trade ally coordination, to support the large number of municipalities and schools within the PSE&G service territory. The installation provider will adhere to the project specifications set forth by PSE&G and the engineering vendor and approved by the participant. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and vendor availability and provide suggestions for improvement.

To select a qualified third-party implementation contractor, PSE&G will prioritize criteria such as:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

APPENDIX A – MEASURE-LEVEL DETAILS

The chart below contains preliminary measure-by-measure details used to develop the subprograms. It is anticipated that incentive levels may change prior to and during the implementation of each Subprogram.

Table 1. Measure Level Details

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Eff Products	Storage WH, EF=0.82	GAS	per water heater	$125.00
Res Eff Products	Instant WH, EF>=0.82	GAS	per water heater	$150.00
Res Eff Products	Heat Pump WH	ELEC	per water heater	$400.00
Res Eff Products	Circulator with demand control	GAS	per water heater	$40.00
Res Eff Products	Indirect water heater with Energy Star hot water boiler	GAS	per water heater	$400.00
Res Eff Products	Condensing Boiler 90-95%	GAS	Per Boiler	$400.00
Res Eff Products	ENERGY STAR RAC	ELEC	Per Room AC	$50.00
Res Eff Products	ENERGY STAR CAC (16 SEER 13 EER)	ELEC	Per Air Conditioner	$400.00
Res Eff Products	ENERGY STAR Fan	ELEC	Per Fan	$15.00
Res Eff Products	ENERGY STAR Mini Split HP	ELEC	Per Heat Pump	$400.00
Res Eff Products	SEER 18 HSPF 8.5, installed according to specifications	ELEC	Per Heat Pump	$450.00
Res Eff Products	ENERGY STAR heat pump	ELEC	Per System	$450.00
Res Eff Products	WiFi thermostat	ELEC	Per Thermostat	$100.00
Res Eff Products	WiFi thermostat	GAS	Per Thermostat	$75.00
Res Eff Products	Condensing Furnace 95-97%	GAS	Per Furnace	$400.00
Res Eff Products	VRF Heat Pump	ELEC	Per VRF System	$400.00
Res Eff Products	Most efficient Direct Unit Heater available	GAS	Per Direct Heater	$400.00
Res Eff Products	ECM circulator pump	ELEC	Per pump	$75.00
Res Eff Products	ECM Motor	ELEC	Per HVAC system	$100.00
Res Eff Products	Condensing boiler combo	GAS	Per Water Heating System	$350.00
Res Eff Products	Properly maintained CAC, 2.6 ton	ELEC	Per AC System	$25.00
Res Eff Products	ENERGY STAR Freezer	ELEC	per Freezer	$75.00
Res Eff Products	ENERGY STAR Most Efficient Refrigerator	ELEC	per Refrigerator	$75.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Eff Products	Heat Pump Clothes Dryer	ELEC	per dryer	$75.00
Res Eff Products	EnergyStar Side-Loading Clothes Washer	GAS	Per Clothes Washer	$75.00
Res Eff Products	EnergyStar Side-Loading Clothes Washer	ELEC	Per Clothes Washer	$75.00
Res Eff Products	EnergyStar Ceiling Fan, no light	ELEC	per Ceiling Fan	$15.00
Res Eff Products	EnergyStar Portable Dehumidifier	ELEC	per Dehumidifier	$35.00
Res Eff Products	Energy Star Dryer	ELEC	per Dryer	$50.00
Res Eff Products	Energy Star Dryer	GAS	PER DRYER	$50.00
Res Eff Products	Energy Star Air Cleaner	ELEC	per Air Cleaner	$50.00
Res Eff Products	Energy Star Television	ELEC	per Television	$10.00
Res Eff Products	Energy Star 5.0 TV Set Top Box	ELEC	per TV Set Top Box	$1.50
Res Eff Products	Energy Star 7.0 LCD Monitor	ELEC	Per Monitor	$2.50
Res Eff Products	ECM Whole Home Fan	ELEC	per Fan	$15.00
Res Eff Products	Induction Cooktop Stove	ELEC	per stove	$25.00
Res Eff Products	Variable Speed Pool Pump	ELEC	per in-ground pool	$250.00
Res Eff Products	Above ground pool with pump timer	ELEC	per above-ground pool	$10.00
Res Eff Products	LED Screw-in General Service Lamp	ELEC	Per Bulb	$3.00
Res Eff Products	Networked/ Connected - Indoor LED Lamp	ELEC	Per Bulb	$5.00
Res Eff Products	LED Replacement Lamp (Tube)	ELEC	Per Bulb	$3.00
Res Eff Products	LED ENERGY STAR Fixture	ELEC	Per Fixture	$10.00
Res Eff Products	Networked/ Connected - Indoor LED Luminaire	ELEC	Per Fixture	$10.00
Res Eff Products	LED Outdoor Flood Light Fixture	ELEC	Per Fixture	$5.00
Res Eff Products	LED Nightlight	ELEC	Per Bulb	$1.59
Res Eff Products	Manual Dimming Control All Types	ELEC	Per Bulb	$2.21
Res Eff Products	Occupancy Sensor	ELEC	Per Bulb	$5.33
Res Eff Products	Daylighting Control	ELEC	Per Bulb	$5.00
Res Eff Products	Low flow aerator	ELEC	per faucet	$6.00
Res Eff Products	Low flow aerator	GAS	per faucet	$7.00
Res Eff Products	Low flow showerhead	GAS	per shower	$8.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Eff Products	Low flow showerhead	ELEC	per shower	$9.00
Res Eff Products	Pipe wrap (hot water)	GAS	per house	$10.00
Res Eff Products	Pipe wrap (hot water)	ELEC	per house	$10.00
Res Eff Products	Secondary Freezer Not Replaced	ELEC	per Freezer	$75.00
Res Eff Products	Secondary Refrigerator Not Replaced	ELEC	per Refrigerator	$75.00
Res Eff Products	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$15.00
Res Eff Products	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$25.00
Res Existing Homes	Sealed duct in unconditioned spaces	ELEC	Per Household	$150.00
Res Existing Homes	Ground Source Heat Pump	ELEC	Per GSHP	$450.00
Res Existing Homes	ENERGY STAR RAC	ELEC	Per Room AC	$35.00
Res Existing Homes	ENERGY STAR CAC (16 SEER 13 EER)	ELEC	Per Air Conditioner	$450.00
Res Existing Homes	ENERGY STAR heat pump	ELEC	Per System	$350.00
Res Existing Homes	VRF Heat Pump	ELEC	Per VRF System	$350.00
Res Existing Homes	Fan system with heat recovery	GAS	Per Fan System	$300.00
Res Existing Homes	Properly installed CAC	ELEC	Per Air Conditioner	$50.00
Res Existing Homes	Added Desuperheater	ELEC	per GSHP	$250.00
Res Existing Homes	Drainwater Heat Exchanger	ELEC	per house	$300.00
Res Existing Homes	LED Screw-in General Service Lamp	ELEC	Per Bulb	$10.00
Res Existing Homes	Networked/ Connected - Indoor LED Lamp	ELEC	Per Bulb	$10.00
Res Existing Homes	LED Replacement Lamp (Tube)	ELEC	Per Bulb	$5.00
Res Existing Homes	LED ENERGY STAR Fixture	ELEC	Per Fixture	$8.00
Res Existing Homes	Networked/ Connected - Indoor LED Luminaire	ELEC	Per Fixture	$10.00
Res Existing Homes	LED Outdoor Flood Light Fixture	ELEC	Per Fixture	$5.00
Res Existing Homes	LED Nightlight	ELEC	Per Bulb	$2.00
Res Existing Homes	Manual Dimming Control All Types	ELEC	Per Bulb	$2.00
Res Existing Homes	Occupancy Sensor	ELEC	Per Bulb	$5.00
Res Existing Homes	Daylighting Control	ELEC	Per Bulb	$5.00
Res Existing Homes	Condensing Boiler 90-95%	GAS	Per Boiler	$400.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Existing Homes	Condensing Furnace 95-97%	GAS	Per Furnace	$400.00
Res Existing Homes	Low flow aerator	ELEC	per faucet	$4.00
Res Existing Homes	Low flow aerator	GAS	per faucet	$4.00
Res Existing Homes	Low flow showerhead	ELEC	per shower	$11.00
Res Existing Homes	Low flow showerhead	GAS	per shower	$11.00
Res Existing Homes	Pipe wrap (hot water)	GAS	per house	$22.00
Res Existing Homes	Pipe wrap (hot water)	ELEC	per house	$22.48
Res Existing Homes	Standard flow showerhead with TSV	ELEC	per shower	$34.00
Res Existing Homes	Water Heater set to 120F	ELEC	per water heater	$5.00
Res Existing Homes	Instant WH, EF>=0.82	GAS	per water heater	$300.00
Res Existing Homes	WH timer	ELEC	per water heater	$5.00
Res Existing Homes	Single-Pane window with low-E film	ELEC	per living unit	$138.60
Res Existing Homes	Home that has air sealing performed	ELEC	per house	$350.00
Res Existing Homes	Home that has air sealing performed	GAS	per house	$350.00
Res Existing Homes	Insulated ductwork	GAS	per living unit	$300.00
Res Existing Homes	Home with insulated basement	GAS	per house	$500.00
Res Existing Homes	Home with insulated ceiling roof	GAS	per house	$500.00
Res Existing Homes	Home with insulated knee walls	GAS	per house	$400.00
Res Existing Homes	Home with insulated rim joists	GAS	per house	$350.00
Res Existing Homes	Home with insulated walls	GAS	per house	$350.00
Res Existing Homes	Insulated ductwork	ELEC	per living unit	$500.00
Res Existing Homes	Home with insulated basement	ELEC	per house	$500.00
Res Existing Homes	Home with insulated ceiling roof	ELEC	per house	$500.00
Res Existing Homes	Home with insulated knee walls	ELEC	per house	$350.00
Res Existing Homes	Home with insulated rim joists	ELEC	per house	$350.00
Res Existing Homes	Home with insulated walls	ELEC	per house	$500.00
Res Existing Homes	Boiler with reset controls	GAS	Per Boiler	$200.00
Res Existing Homes	Insulated piping	GAS	Per Household	$11.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res Existing Homes	HVAC system sized according to Manual J	ELEC	Per System	$125.00
Res Existing Homes	Heat Pump operating according to specifications	ELEC	Per Heat Pump	$75.00
Res Existing Homes	Properly maintained furnace	GAS	Per Furnace	$25.00
Res Existing Homes	Steam heating system with properly adjusted vents	GAS	Per household	$40.00
Res Existing Homes	Secondary Freezer Not Replaced	ELEC	per Freezer	$50.00
Res Existing Homes	Secondary Refrigerator Not Replaced	ELEC	per Refrigerator	$50.00
Res Existing Homes	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$20.00
Res Existing Homes	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$30.00
Res Behavior	Home Energy Reports	ELEC	per report	$11.00
Res K-12 Education	K-12 Education Behavior (HER)	GAS	per report	$0.00
Res K-12 Education	K-12 Education Behavior (HER)	ELEC	per report	$0.00
Res K-12 Education	Low flow aerator	ELEC	per faucet	$4.00
Res K-12 Education	Low flow aerator	GAS	per faucet	$4.00
Res K-12 Education	Low flow showerhead	GAS	per shower	$11.00
Res K-12 Education	Low flow showerhead	ELEC	per shower	$11.00
Res K-12 Education	LED Screw-in General Service Lamp	ELEC	Per Bulb	$9.00
Res K-12 Education	Networked/ Connected - Indoor LED Lamp	ELEC	Per Bulb	$41.00
Res K-12 Education	LED Nightlight	ELEC	Per Bulb	$9.00
Res New Construction	Res New Construction - Per Home Gas Component	GAS	per living unit	$1,250.00
Res New Construction	Res New Construction - Per Home Elec Component	ELEC	per living unit	$1,250.00
Res MF	Home Energy Reports	ELEC	per report	$6.00
Res MF	Home Energy Reports	GAS	per report	$6.00
Res MF	Low flow aerator	ELEC	per faucet	$4.00
Res MF	Low flow aerator	GAS	per faucet	$4.00
Res MF	Low flow showerhead	GAS	per shower	$11.00
Res MF	Low flow showerhead	ELEC	per shower	$11.00
Res MF	Standard flow showerhead with TSV	ELEC	per shower	$34.00
Res MF	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$33.00

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Res MF	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$45.00
Res MF	LED Screw-in General Service Lamp	ELEC	Per Bulb	$9.00
Res MF	LED Nightlight	ELEC	Per Bulb	$0.00
Income Eligible	Condensing Furnace 95-97%	GAS	Per Furnace	$2,637.98
Income Eligible	Condensing Boiler 90-95%	GAS	Per Boiler	$3,754.57
Income Eligible	LED Outdoor Flood Light Fixture	ELEC	Per Fixture	$60.30
Income Eligible	LED Screw-in General Service Lamp	ELEC	Per Bulb	$8.76
Income Eligible	LED ENERGY STAR Fixture	ELEC	Per Fixture	$43.17
Income Eligible	LED Nightlight	ELEC	Per Bulb	$9.17
Income Eligible	Low flow aerator	ELEC	per faucet	$4.00
Income Eligible	Low flow aerator	GAS	per faucet	$4.00
Income Eligible	Low flow showerhead	GAS	per shower	$11.00
Income Eligible	Low flow showerhead	ELEC	per shower	$11.00
Income Eligible	Pipe wrap (hot water)	GAS	per house	$22.48
Income Eligible	Pipe wrap (hot water)	ELEC	per house	$22.48
Income Eligible	Standard flow showerhead with TSV	ELEC	per shower	$34.00
Income Eligible	Water Heater set to 120F	GAS	per water heater	$5.00
Income Eligible	Instant WH, EF>=0.82	GAS	per water heater	$1,828.65
Income Eligible	WH timer	GAS	per water heater	$136.00
Income Eligible	Single-Pane window with low-E film	ELEC	per living unit	$789.60
Income Eligible	Home that has air sealing performed	ELEC	per house	$1,007.40
Income Eligible	Home that has air sealing performed	GAS	per house	$1,007.40
Income Eligible	Insulated ductwork	ELEC	per living unit	$667.00
Income Eligible	Home with insulated basement	ELEC	per house	$1,500.00
Income Eligible	Home with insulated ceiling roof	ELEC	per house	$1,800.00
Income Eligible	Home with insulated knee walls	ELEC	per house	$900.00
Income Eligible	Home with insulated rim joists	ELEC	per house	$500.00
Income Eligible	Home with insulated walls	ELEC	per house	$1,500.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
Income Eligible	Boiler with reset controls	GAS	Per Boiler	$300.00
Income Eligible	Insulated ductwork	GAS	per living unit	$667.00
Income Eligible	Home with insulated basement	GAS	per house	$1,500.00
Income Eligible	Home with insulated ceiling roof	GAS	per house	$1,800.00
Income Eligible	Home with insulated knee walls	GAS	per house	$900.00
Income Eligible	Home with insulated rim joists	GAS	per house	$500.00
Income Eligible	Home with insulated walls	GAS	per house	$1,500.00
Income Eligible	Insulated piping	GAS	Per Household	$22.48
Income Eligible	HVAC system sized according to Manual J	ELEC	Per System	$250.00
Income Eligible	Heat Pump operating according to specifications	ELEC	Per Heat Pump	$130.00
Income Eligible	Properly maintained furnace	GAS	Per Furnace	$125.00
Income Eligible	Steam heating system with properly adjusted vents	GAS	Per household	$125.02
Income Eligible	Smart (Tier 1) Power Strip	ELEC	per smart power strip	$33.00
Income Eligible	Advanced Smart (Tier 2) Power Strip	ELEC	per advanced power strip	$50.00
C&I Prescriptive	Instant WH 0.82 or 0.94 TE (Gas)	GAS	per kBtu/hr	$2.00
C&I Prescriptive	Comm Storage WH Et=0.8, with heat recovery (Gas)	GAS	per kBtu/hr	$200.00
C&I Prescriptive	HW Recirc System w Demand control (Gas)	GAS	per recirculation system	$1,000.00
C&I Prescriptive	Insulated HW pipe in unconditioned space (Gas)	GAS	per linear foot pipe	$8.00
C&I Prescriptive	Advanced Smart (Tier 2) Power Strip (Electric)	ELEC	per Power Strip	$20.00
C&I Prescriptive	Boiler with reset controls (Gas)	GAS	Per kBtu/h	$0.24
C&I Prescriptive	HVAC with WiFi thermostat (Gas)	GAS	per thermostat	$75.00
C&I Prescriptive	HVAC with WiFi thermostat (Electric)	ELEC	per thermostat	$75.00
C&I Prescriptive	HVAC system with EMS (Gas)	GAS	Per 1000 sqft	$500.00
C&I Prescriptive	HVAC with CO2-based control (Gas)	GAS	Per 1000 sqft	$30.00
C&I Prescriptive	HVAC with CO2-based control (Electric)	ELEC	Per 1000 sqft	$40.00
C&I Prescriptive	Boiler Tune-Up	GAS	kbtu/hr input	$0.33
C&I Prescriptive	Furnace Tune-Up	GAS	kbtu/hr input	$0.33
C&I Prescriptive	Furnace with ECM Fan Motor (Electric)	ELEC	Per kBtu/h	$1.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	VFD-Controlled Motor (Electric)	ELEC	per HP	$100.00
C&I Prescriptive	ECM Circulator Pump (Electric)	ELEC	Per HP	$635.00
C&I Prescriptive	Insulated pipe (Gas)	GAS	per linear foot pipe	$8.00
C&I Prescriptive	Chilled Water Pump with VFD (Electric)	ELEC	per HP	$150.00
C&I Prescriptive	Variable Air Volume HVAC (Electric)	ELEC	Per ton	$200.00
C&I Prescriptive	Cooling Tower Fan with VFD (Electric)	ELEC	per HP	$100.00
C&I Prescriptive	PTAC/PTHP with occupancy sensor (Electric)	ELEC	Per ton	$100.00
C&I Prescriptive	Air Handler with DOAS (Gas)	GAS	Per ton	$275.00
C&I Prescriptive	Ventilation with heat recovery (Gas)	GAS	Per ventilator	$375.00
C&I Prescriptive	Hotel Guest Room Occupancy Sensor (Electric)	ELEC	per 1000 sq ft	$150.00
C&I Prescriptive	Interior Occupancy Sensor (Electric)	ELEC	per 1000 sq ft	$100.00
C&I Prescriptive	LED Outdoor Building Exterior (Electric)	ELEC	per 1000 sq ft	$25.00
C&I Prescriptive	Exterior Occupancy Sensor (Electric)	ELEC	per 1000 sq ft	$10.00
C&I Prescriptive	LED Track Lighting (Electric)	ELEC	per 1000 sq ft	$7.50
C&I Prescriptive	Solid State (LED) Recessed Downlight (Electric)	ELEC	per 1000 sq ft	$30.00
C&I Prescriptive	LED Refrigerator/Freezer Case (Electric)	ELEC	per 1000 sq ft	$0.10
C&I Prescriptive	Refrigerator Case Light Sensor (Electric)	ELEC	per 1000 sq ft	$1.50
C&I Prescriptive	Freezer Case Light Sensor (Electric)	ELEC	per 1000 sq ft	$0.50
C&I Prescriptive	LED Exit Sign (Electric)	ELEC	per 1000 sq ft	$25.00
C&I Prescriptive	Bi-Level Stairway Lighting (Electric)	ELEC	per 1000 sq ft	$15.00
C&I Prescriptive	LED Bollard (Electric)	ELEC	per 1000 sq ft	$0.50
C&I Prescriptive	Daylight Dimming Control (Electric)	ELEC	per 1000 sq ft	$200.00
C&I Prescriptive	LED Troffer/Surface/Suspended (Electric)	ELEC	per 1000 sq ft	$300.00
C&I Prescriptive	LED Display Case Lighting (Electric)	ELEC	per 1000 sq ft	$1.50
C&I Prescriptive	LED Replacement Lamp (Tube) (Electric)	ELEC	per 1000 sq ft	$50.00
C&I Prescriptive	LED Other Linear Fixture (Electric)	ELEC	per 1000 sq ft	$50.00
C&I Prescriptive	LED Low/High Bay (Electric)	ELEC	per 1000 sq ft	$250.00
C&I Prescriptive	LED Pole/Arm Mounted (Electric)	ELEC	per 1000 sq ft	$50.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	LLLC - Low Impact Application (Electric)	ELEC	per 1000 sq ft	$400.00
C&I Prescriptive	LED Channel Signage (Electric)	ELEC	per 1000 sq ft	$3.00
C&I Prescriptive	LED Parking Garage and Canopy (Electric)	ELEC	per 1000 sq ft	$50.00
C&I Prescriptive	Market Avg Eff Spray Valve (1.16 GPM) (Gas)	GAS	per Spray Valve	$25.00
C&I Prescriptive	ENERGY STAR Commercial Refrigerator (Electric)	ELEC	per Refrigerator	$300.00
C&I Prescriptive	ENERGY STAR Commercial Freezer (Electric)	ELEC	per Freezer	$300.00
C&I Prescriptive	Pool with Cover (Gas)	GAS	per sqft of pool surface	$1.00
C&I Prescriptive	Demand Controlled Ventilation (DCV) Exhaust Hood (Electric)	ELEC	per HP	$800.00
C&I Prescriptive	Refrigerated Vending Machine with control system (Electric)	ELEC	Vending Machine	$100.00
C&I Prescriptive	Non-Refrigerated Vending Machine with control system (Electric)	ELEC	Vending Machine	$100.00
C&I Prescriptive	Refrigeration – Cooler Night Covers LT (Electric)	ELEC	Per foot	$6.00
C&I Prescriptive	Refrigeration – Cooler Night Covers MT (Electric)	ELEC	Per foot	$6.00
C&I Prescriptive	Refrigeration – Cooler Night Covers HT (Electric)	ELEC	Per foot	$6.00
C&I Prescriptive	Evaporator Fan Control (Electric)	ELEC	Per Compressor HP	$30.00
C&I Prescriptive	Add Door to Open Display Case (Electric)	ELEC	Per foot	$200.00
C&I Prescriptive	electronically commutated motors Motor (Electric)	ELEC	Motor	$75.00
C&I Prescriptive	Automatic door Closer (Electric)	ELEC	autocloser	$75.00
C&I Prescriptive	Freezer and Cooler Door Strip Curtians (Electric)	ELEC	Per square foot	$2.00
C&I Prescriptive	Insulated Lines (Electric)	ELEC	Per foot	$1.00
C&I Prescriptive	Anti sweat heat control (Electric)	ELEC	Per foot	$20.00
C&I Prescriptive	Defrost Controls (Electric)	ELEC	Per evap Fan	$125.00
C&I Prescriptive	Floating Head- Air Cooled (Electric)	ELEC	Per Ton	$100.00
C&I Prescriptive	Floating Head- Evap Cooled (Electric)	ELEC	Per Ton	$40.00
C&I Prescriptive	Freezer and Cooler Door Gaskets (Electric)	ELEC	Per foot	$20.00
C&I Prescriptive	Condensing Storage WH 90% TE (Gas)	GAS	per kBtu/hr	$5.00
C&I Prescriptive	Indirect WH 85% CAE (Gas)	GAS	per kBtu/hr	$4.00
C&I Prescriptive	Elec Storage WH 2.30 Et (Electric)	ELEC	per kBtu/hr	$2.00
C&I Prescriptive	Volume Water Heater 92% TE (Gas)	GAS	per kBtu/hr	$5.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	High performance hood (Gas)	GAS	Hood	$500.00
C&I Prescriptive	hood controls (Gas)	GAS	Hood	$1,000.00
C&I Prescriptive	High Pressure Steam Trap, Greater than 75 PSIG, Tested	GAS	PER UNIT	$300.00
C&I Prescriptive	Medium Pressure Steam Trap, 15 PSIG to 75 PSIG, Tested	GAS	PER UNIT	$200.00
C&I Prescriptive	95% or 97% AFUE and ECM motor (Gas)	GAS	Per kBtu/h	$2.76
C&I Prescriptive	ENERGY STAR RAC (Electric)	ELEC	per kBtu/hr	$1.47
C&I Prescriptive	90% Et Condensing Boiler (Gas)	GAS	Per kBtu/h	$7.92
C&I Prescriptive	CEE-compliant heat pump (Electric)	ELEC	per ton cooling	$100.00
C&I Prescriptive	ENERGY STAR Minisplit (Electric)	ELEC	per ton cooling	$100.00
C&I Prescriptive	VRF HP (Electric)	ELEC	per ton cooling	$1,250.00
C&I Prescriptive	15.0 EER Ground-Source HP (Electric)	ELEC	Per Ton	$80.00
C&I Prescriptive	ROB DX Packaged System, EER=10.8, 30 tons (Electric)	ELEC	Per Ton	$24.93
C&I Prescriptive	ROB DX Packaged System, EER=10.8, 30 tons, AFUE 95% (Gas)	GAS	Per Ton	$90.00
C&I Prescriptive	Condensing integrated boiler and water heater (Gas)	GAS	Per kbtuhr	$1.36
C&I Prescriptive	Variable Speed Centrifugal Chiller (Electric)	ELEC	Per ton	$100.00
C&I Prescriptive	95 AFUE make-up air unit (Gas)	GAS	Per kBtu/h	$2.61
C&I Prescriptive	HVLS fan (Electric)	ELEC	Per 1000 sqft	$100.00
C&I Prescriptive	High-efficiency PTHP (Electric)	ELEC	Per ton	$40.00
C&I Prescriptive	High-efficiency PTAC (Electric)	ELEC	Per ton	$40.00
C&I Prescriptive	Condensing unit heater, 90% AFUE (Gas)	GAS	per kBtu/h	$5.32
C&I Prescriptive	Gas-fired low-intensity infrared heating unit (Gas)	GAS	per kBtu/h	$1.10
C&I Prescriptive	HVAC system with high-efficiency air-cooled chiller (Electric)	ELEC	Per ton cooling	$100.00
C&I Prescriptive	HVAC system with high-efficiency water-cooled chiller (Electric)	ELEC	Per ton cooling	$100.00
C&I Prescriptive	HVAC system with dual enthalpy sensor outside air economizer (Electric)	ELEC	Per tons cooling	$80.00
C&I Prescriptive	Heat Pump Multi-Family Laundromat Dryer (Electric)	ELEC	per Dryer	$300.00
C&I Prescriptive	Variable Speed Pool Pump (Electric)	ELEC	per in-ground pool	$300.00
C&I Prescriptive	ENERGY STAR Refrigerator-Freezer (Electric)	ELEC	per Refrigerator	$61.00
C&I Prescriptive	ES 3.0 Beverage Vending Machine (Electric)	ELEC	per Beverage Vending Machine	$100.00

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I Prescriptive	Electric Clothes Dryer - High Efficiency- Electric (Electric)	ELEC	per Dryer	$100.00
C&I Prescriptive	Electric Clothes Dryer - High Efficiency- Gas (Gas)	GAS	per Dryer	$200.00
C&I Prescriptive	HE Commercial Cloths Washer (Gas)	GAS	Per Washer	$100.00
C&I Prescriptive	Ozone Laundry Washing Machine (Gas)	GAS	Per Washer	$2,500.00
C&I Prescriptive	ENERGY STAR Electric Convection Oven (Electric)	ELEC	per oven	$750.00
C&I Prescriptive	ENERGY STAR Electric Combination Oven (Electric)	ELEC	per oven	$750.00
C&I Prescriptive	ENERGY STAR Gas Convection Oven (Gas)	GAS	per oven	$600.00
C&I Prescriptive	ENERGY STAR Gas Combination Oven (Gas)	GAS	per oven	$1,250.00
C&I Prescriptive	ENERGY STAR Hot Food Holding Cabinet (Electric)	ELEC	per hot food holding cabinet	$750.00
C&I Prescriptive	ENERGY STAR Ice Machine or CEE Tier 2 (Electric)	ELEC	per ice machine	$100.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Electric (Electric)	ELEC	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Gas (Gas)	GAS	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - electric (Electric)	ELEC	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - gas (Gas)	GAS	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR Low Temperature Commercial Dishwasher - Electric (Electric)	ELEC	per dishwasher	$300.00
C&I Prescriptive	ENERGY STAR Low Temperature Commercial Dishwasher - Gas (Gas)	GAS	per dishwasher	$300.00
C&I Prescriptive	Existing Compressor (Electric)	ELEC	Per compressor	$275.00
C&I Prescriptive	High Efficiency Compressor (Electric)	ELEC	Per compressor	$125.00
C&I Prescriptive	Oversized Condenser- Air Cooled (Electric)	ELEC	Per Ton	$125.00
C&I Prescriptive	Oversized Condenser- Evap Cooled (Electric)	ELEC	Per Ton	$125.00
C&I Prescriptive	Refrigeration/Freezer Door Heater Controls	ELEC	per door	$20.00
C&I Prescriptive	ENERGY STAR Commercial Fryers	ELEC	per fryer	$300.00
C&I Custom	C&I Custom - Elec	ELEC	per kWh	$0.20
C&I Custom	C&I Custom - Gas	GAS	per therm	$1.64
C&I Small Non-Residential Efficiency	C&I Small Non-Residential Efficiency Electric	ELEC	per kWh	$0.20
C&I Small Non-Residential Efficiency	C&I Small Non-Residential Efficiency Gas	GAS	per therm	$1.50
C&I New Construction	C&I NC Electric	ELEC	per kWh	$0.16

ATTACHMENT 1

Subprogram Name	Measure	Primary Fuel Type	Unit Basis	Modeled AVG Incentive
C&I New Construction	C&I NC Gas	GAS	per therm	$2.00
C&I Energy Management	RCX Electric	ELEC	per kWh	$0.05
C&I Energy Management	RCX Gas	GAS	per therm	$0.96
C&I Energy Management	Strategic Energy Mgmt Electric	ELEC	per kWh	$0.05
C&I Energy Management	Strategic Energy Mgmt Gas	GAS	per therm	$0.96
C&I Engineered Solutions	MUSH Engineered Solution - Audit	ELEC	PROGRAM	$21,223.14
C&I Engineered Solutions	MUSH Engineered Solution - Audit	GAS	PROGRAM	$9,987.36
C&I Engineered Solutions	MUSH Engineered Solution - Engineering	ELEC	PROGRAM	$43,889.46
C&I Engineered Solutions	MUSH Engineered Solution - Engineering	GAS	PROGRAM	$20,653.86
C&I Engineered Solutions	MUSH Engineered Solution - Construction Begins (1st Pay)	ELEC	PROGRAM	$129,696.98
C&I Engineered Solutions	MUSH Engineered Solution - Construction Begins (1st Pay)	GAS	PROGRAM	$61,033.87
C&I Engineered Solutions	MUSH Engineered Solution - 50% Complete (2nd Pay)	ELEC	PROGRAM	$129,696.98
C&I Engineered Solutions	MUSH Engineered Solution - 50% Complete (2nd Pay)	GAS	PROGRAM	$61,033.87
C&I Engineered Solutions	MUSH Engineered Solution - Construction Finished (3rd Pay)	ELEC	PROGRAM	$129,696.98
C&I Engineered Solutions	MUSH Engineered Solution - Construction Finished (3rd Pay)	GAS	PROGRAM	$61,033.87
C&I Streetlight	STREETLIGHTING - HPS 58 TO LED 36	ELEC	PER FIXTURE	$305.83
C&I Streetlight	STREETLIGHTING - HPS 117 TO LED 56	ELEC	PER FIXTURE	$309.23
C&I Streetlight	STREETLIGHTING - HPS 171 TO LED 73	ELEC	PER FIXTURE	$353.44
C&I Streetlight	STREETLIGHTING - HPS 300 TO LED 107	ELEC	PER FIXTURE	$353.41
C&I Streetlight	STREETLIGHTING - HPS 450 TO LED 180	ELEC	PER FIXTURE	$473.49
C&I Streetlight	LED CONTROLLER	ELEC	PER FIXTURE	$124.74
C&I Streetlight	LED CONTROLLER INSTALL	ELEC	PER FIXTURE	$0.00
C&I Streetlight	INDUCTION CONTROLLER	ELEC	PER FIXTURE	$124.74
C&I Streetlight	INDUCTION CONTROLLER INSTALL	ELEC	PER FIXTURE	$61.43
C&I Streetlight	Smart City Pilot	ELEC	Per Controller	$90.33

APPENDIX B: Enrollment

Subprogram	Enrollment
Residential Efficient Products	Customer application received
Residential Existing Homes	Customer application received
Residential Behavioral	Customer included in treatment group
Residential Multi-Family	Customer application received
Residential Income Eligible	Customer application received
C&I Prescriptive	Customer application received
C&I Custom	Customer application received
C&I Small Non-Residential Efficiency	Customer application received (Audit Access Agreement)
C&I Energy Management	Customer application received
C&I Engineered Solutions	Customer application received (Customer Access Consent Agreement)

ATTACHMENT 2 – IT COST BREAKDOWN

Platform	Description	Investment ($M)
SAP	ERP/Billing platform	8.9
Salesforce	Customer relationship management platform	5.5
Mulesoft	Integration system using Application Programming Interfaces (APIs)	2.9
Online Integration	Web based customer self-service portal, Mobile App, Digital Assistant, IVR integration, and e-signature enablement	6.1
Energy Efficiency Tracking System	Platform for tracking EE program investments, energy savings, enrollments and customer participation, and tracking BPU reporting requirements	2.8
Program-specific support	Support for Behavioral and Marketplace platforms	1.0
Analytics	Platform to provide insights into program participation, energy savings and overall program effectiveness, leveraging data lakes and advanced algorithms	5.8
Total		33.0

Note: values rounded to the nearest $0.1M

Note: The cost breakdown above is based on program scope as documented in this Stipulation. PSE&G will have flexibility to move the dollars among the platforms within the approved budget of $33M.

Benefit Cost Analysis Results

Subprograms	NJCT*	SCT	TRC	PCT	PAC	RIM
Res Eff Products	1.7	2.3	0.7	7.7	0.9	0.6
Res Existing Homes	1.6	2.4	0.8	4.9	1.2	0.7
Res Behavior	2.2	2.6	1.2	n/a**	1.2	0.6
Res MF	1.3	2.4	0.7	n/a**	0.7	0.5
Income Eligible	1.2	1.8	0.5	n/a**	0.5	0.4
C&I Prescriptive	2.7	3.5	1.3	6.6	2.0	1.2
C&I Custom	3.0	4.7	1.5	6.9	2.1	1.3
C&I Small Non-Residential Efficiency	2.7	4.3	1.3	5.4	1.9	1.1
C&I Energy Management	1.8	4.0	1.3	8.7	1.4	1.0
C&I Engineered Solutions	1.8	3.0	0.9	5.3	1.1	0.9
Residential Programs	1.7	2.4	0.8	8.7	1.0	0.6
Commercial & Industrial Programs	2.5	3.7	1.2	6.1	1.8	1.1
Low Income Programs	1.2	1.8	0.5	n/a*	0.5	0.4
Total Portfolio	**2.2**	**3.2**	**1.0**	**7.0**	**1.4**	**0.9**

**- NJCT assumptions and calculations are consistent with the August 24th, 2020 order and subsequent guidance*

***- PCT results for Res Behavior, Res MF, & Income Eligible are n/a as these subprograms are provided at no cost*

Cost-to-Achieve Savings Analysis

CEF-EE CTA	Electric ($/annualized kWh)		Gas ($/annualized therm)	
	Guidance +/- 10%*	CEF-EE CTA	Guidance +/- 10%*	CEF-EE CTA
Residential Sector	0.29 - 0.35	0.19	7.82 - 9.56	2.06
Eff Products		0.32		3.42
Existing Homes		0.59		12.50
Behavior		0.05		0.68
C&I Sector	0.33 - 0.41	0.46	3.72 - 4.54	2.36
Prescriptive		0.45		0.16
Custom		0.31		2.46
Direct Install		0.27		1.94
Energy Management		0.17		3.16
Engineered Solutions		1.91		9.03
Multifamily Sector	1.09 - 1.33	0.35	16.82 - 20.56	2.54
Multifamily		0.35		2.54
Low Income Sector**	1.89 - 2.31	0.88	25.53 - 31.21	20.98
Income Eligible		0.88		20.98

* Guidance is based on Core Program Cost Guidelines established in the June 10th Board Order.

** Co-managed low income sector targets used for income eligible subprogram

Values for the QPIs in years 1-3

Electric Results*	**PY1 (Jul21-Jun22)**	**PY2 (Jul22-Jun23)**	**PY3 (Jul23-Jun24)**
Annual Energy Savings (kWh)	439,366,569	487,189,790	368,845,495
Annual Peak Demand Savings (MW)	38,277	50,580	41,190
Lifetime Energy Savings (kWh)	2,985,212,297	4,705,957,570	4,110,966,390
Lifetime Persistent Peak Demand Savings (MW)	376,882	634,685	525,044
Utility Cost Test (NPV of Benefits)**	1.43	1.43	1.43
Low-Income Lifetime Savings (kWh)	137,524,557	33,327,854	20,891,897
Small Business Lifetime Savings (kWh)	547,176,929	615,127,006	920,902,348

Gas Results*	**PY1 (Jul21-Jun22)**	**PY2 (Jul22-Jun23)**	**PY3 (Jul23-Jun24)**
Annual Energy Savings (Therms)	12,425,905	19,736,673	11,701,416
Annual Peak Demand Savings***	-	-	-
Lifetime Energy Savings (Therms)	94,604,425	151,631,297	108,635,745
Lifetime Persistent Peak Demand Savings***	-	-	-
Utility Cost Test (NPV of Benefits)**	1.43	1.43	1.43
Low-Income Lifetime Savings (Therms)	13,104,732	18,229,550	11,427,375
Small Business Lifetime Savings (Therms)	2,162,032	2,430,520	3,638,714

** QPIs are based on July 2021 to June 2024 program years as established in the June 10th Board Order. Should PSE&G's program year be changed to align with the schedule of its program, these values will be adjusted accordingly. Currently PY3 represents a partial year of programs that would be supplemented with PSE&G's second triennial program approval.*

*** The Utility Cost Test, also known as the Program Administrator Cost Test (PAC) result represents the result across the entire program cycle.*

**** The approach to calculating the Gas Peak Demand Savings has not yet been finalized. Collaboration with other utilities to establish the appropriate methodology is ongoing.*

PSE&G Clean Energy Future Energy Efficiency Program
Weighted Average Cost of Capital (WACC)

Schedule SS-CEF-EE-1

	Percent	Cost	Weighted Cost	Revenue Conversion Factor	Pre-Tax Weighted Cost	Discount Rate
Long Term Debt	45.53%	3.9567%	1.8017%	1.0000	1.8017%	
Custumer Deposits	0.47%	0.8700%	0.0041%	1.0000	0.0041%	
Sub-total	46.00%		1.8058%		1.8058%	1.2982%
Common Equity	54.00%	9.60%	5.1836%	1.3910	7.2105%	5.1836%
Total	100.00%		6.99%		9.02%	6.4818%
Monthly WACC			0.5825%		0.7514%	

Reflects a tax rate of 28.11%

PSE&G Clean Energy Future Energy Efficiency Program
Electric Revenue Requirements Calculation

Schedule SS-CEF-EE-2E

Monthly WACC effective 11/1/2018	0.75136%
Inc. tax rate effective 11/1/2018	28.11%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Monthly Calculation	PSE&G Program Investment	Program Investment from/to Partner utility	Capitalized IT Costs	Gross Plant	PSE&G + Partner Utility Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Beginning Acumulated Deferred Income Tax
Jan-20	-	-	-	-	-	-	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-	-	-	-	-	-	-
Mar-20	-	-	-	-	-	-	-	-	-	-	-	-
Apr-20	-	-	-	-	-	-	-	-	-	-	-	-
May-20	-	-	-	-	-	-	-	-	-	-	-	-
Jun-20	-	-	-	-	-	-	-	-	-	-	-	-
Jul-20	-	-	-	-	-	-	-	-	-	-	-	-
Aug-20	-	-	-	-	-	-	-	-	-	-	-	-
Sep-20	-	-	-	-	-	-	-	-	-	-	-	-
Oct-20	1,176,140	-	-	1,176,140	4,901	-	4,901	1,171,239	1,127,626	4,895	79,826	-
Nov-20	1,130,607	-	-	2,306,746	14,512	-	19,413	2,287,334	1,082,291	14,298	75,934	79,826
Dec-20	1,148,983	-	-	3,455,729	24,010	-	43,423	3,412,306	1,100,865	23,588	76,594	155,760
Jan-21	1,594,628	-	-	5,050,357	35,442	-	78,865	4,971,492	1,570,964	34,815	109,220	232,355
Feb-21	1,631,273	-	-	6,681,630	48,883	-	127,748	6,553,882	1,607,708	48,152	110,884	341,575
Mar-21	1,669,128	-	1,079,699	9,430,457	62,635	8,997	199,381	9,231,076	1,675,654	70,797	114,105	452,459
Apr-21	5,557,437	-	-	14,987,893	92,746	17,995	310,121	14,677,772	2,736,810	111,421	186,665	566,565
May-21	5,557,437	-	-	20,545,330	139,058	17,995	467,174	20,078,156	2,750,365	147,412	185,070	753,230
Jun-21	5,575,813	-	538,053	26,659,196	185,446	22,479	675,099	25,984,097	2,797,243	187,964	185,520	938,300
Jul-21	5,558,892	-	-	32,218,088	231,841	26,963	933,902	31,284,186	4,025,683	227,541	270,048	1,123,820
Aug-21	14,067,634	-	-	46,285,723	313,618	17,965	1,265,485	45,020,238	9,797,815	294,631	675,676	1,393,868
Sep-21	15,544,425	-	4,619,024	66,449,172	437,002	65,454	1,767,941	64,681,231	11,422,265	448,332	780,247	2,069,544
	Program Assumption	Investment in Shared Service Territory shared with Partner Utility	See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht	Prior Month + (Col 1 + Col 1a + Col 2)	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht
Annual Summary												
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	3,455,729	-	-	3,455,729	43,423	-	43,423	3,412,306	3,310,782	42,782	232,355	155,760
2021	99,654,053	-	10,863,771	113,973,553	3,588,398	523,761	4,155,583	109,817,970	69,063,488	3,692,730	4,647,861	4,211,396
2022	239,530,305	-	12,478,752	365,982,611	20,957,581	3,360,096	28,473,260	337,509,350	162,949,482	21,538,237	10,054,340	13,986,581
2023	279,773,822	-	3,218,796	648,975,229	46,558,204	5,043,982	80,075,446	568,899,782	189,887,627	44,811,604	10,314,905	24,164,264
2024	125,289,009	-	-	774,264,237	70,371,913	5,312,264	155,759,623	618,504,614	71,713,143	68,084,403	258,003	25,591,912
2025	32,434,923	-	-	806,699,160	76,457,933	5,312,264	237,529,820	569,169,340	48,486,675	83,158,064	(2,465,136)	23,291,523
2026	7,938,174	-	-	814,637,334	78,456,999	4,865,553	320,852,372	493,784,962	46,648,952	93,434,179	(3,326,430)	20,008,840
2027	-	-	-	814,637,334	78,807,601	1,901,990	401,561,963	413,075,371	-	47,278,621	(3,361,510)	16,628,966
2028	-	-	-	814,637,334	78,807,601	241,410	480,610,974	334,026,360	-	45,618,041	(3,243,443)	13,379,802
2029	-	-	-	814,637,334	78,807,601	-	559,418,576	255,218,758	-	45,376,631	(3,226,278)	10,153,524
2030	-	-	-	814,637,334	78,764,179	-	638,182,754	176,454,580	-	45,335,035	(3,223,321)	6,928,568
2031	-	-	-	814,637,334	75,219,203	-	713,401,957	101,235,377	-	42,878,837	(3,048,685)	3,842,556
2032	-	-	-	814,637,334	57,850,020	-	771,251,977	43,385,356	-	31,337,150	(2,228,071)	1,525,463
2033	-	-	-	814,637,334	32,249,397	-	803,501,375	11,135,959	-	15,296,581	(1,087,587)	337,153
2034	-	-	-	814,637,334	8,435,688	-	811,937,063	2,700,271	-	3,153,014	(224,179)	82,627
2035	-	-	-	814,637,334	2,349,668	-	814,286,731	350,603	-	891,253	(63,368)	11,418
2036	-	-	-	814,637,334	350,603	-	814,637,334	-	-	132,987	(9,455)	-
2037	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2038	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2039	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2040	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2041	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2042	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2043	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
2044	-	-	-	814,637,334	-	-	814,637,334	-	-	-	-	-
Total	788,076,014	-	26,561,319		788,076,014	26,561,319			592,060,149	592,060,149	(0)	
Oct 20 - Sep 21	60,212,396	-			1,590,093	177,848			41,695,290	1,613,847	2,849,791	

PSE&G Clean Energy Future Energy Efficiency Program
Electric Revenue Requirements Calculation

Schedule SS-CEF-EE-2E

					Monthly WACC effective 11/1/2018		0.75136%			
					Inc. tax rate effective 11/1/2018		28.11%			
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Ending Acumulated Deferred Income Tax	Average Net Investment	Return Requirement	Program Investment Repayments	Expenses	Revenue Offsets	Tax Flow-through	Tax Flow-Through Gross-up	Tax Adjustment on Loan	Revenue Requirements
Monthly Calculation										
Jan-20	-	-	-	-	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-	-	-	-	-
Mar-20	-	-	-	-	-	-	-	-	-	-
Apr-20	-	-	-	-	-	-	-	-	-	-
May-20	-	-	-	-	-	-	-	-	-	-
Jun-20	-	-	-	-	-	-	-	-	-	-
Jul-20	-	-	-	-	-	-	-	-	-	-
Aug-20	-	-	-	-	-	-	-	-	-	-
Sep-20	-	-	-	-	-	-	-	-	-	-
Oct-20	79,826	545,706	4,100	(1,002)	1,544,650	-	(235,774)	(92,191)	(313)	1,224,371
Nov-20	155,760	1,611,493	12,108	(2,005)	1,544,650	-	(224,278)	(87,696)	(546)	1,256,745
Dec-20	232,355	2,655,762	19,954	(3,007)	1,544,650	-	(226,228)	(88,458)	(779)	1,270,142
Jan-21	341,575	3,904,934	29,340	(3,508)	1,544,650	-	(322,591)	(126,138)	(856)	1,156,338
Feb-21	452,459	5,365,669	40,315	(4,010)	1,544,650	-	(327,507)	(128,060)	(973)	1,173,299
Mar-21	566,565	7,382,967	55,473	(4,511)	1,544,650	-	(337,020)	(131,780)	(1,089)	1,197,355
Apr-21	753,230	11,294,527	84,862	(65,398)	1,544,650	-	(551,332)	(215,578)	(20,190)	887,755
May-21	938,300	16,532,199	124,216	(126,286)	1,544,650	-	(546,620)	(213,736)	(34,662)	904,615
Jun-21	1,123,820	22,000,067	165,299	(187,173)	1,544,650	-	(547,948)	(214,256)	(49,134)	919,363
Jul-21	1,393,868	27,375,298	205,687	(221,470)	1,693,621	-	(797,610)	(311,877)	(55,226)	771,929
Aug-21	2,069,544	36,420,506	273,649	(313,233)	1,693,621	-	(1,995,669)	(780,334)	(81,315)	(871,699)
Sep-21	2,849,791	52,391,067	393,645	(404,997)	1,693,621	-	(2,304,526)	(901,102)	(102,913)	(1,123,818)
	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	(Prev Col 7 - Col 11 + Col 7 - Col 12) / 2	Col 15 * Monthly Pre Tax WACC	Program Assumption	Program Assumption	Program Assumption	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Col 4 + Col 5 + Col 14 + Col 15 + Col 68 + Col 17 + Col 18 + Col 19 + Col 20
Annual Summary										
2019	-	-	-	-	-	-	-	-	-	-
2020	232,355	2,655,762	36,163	(6,014)	4,633,949	-	(686,280)	(268,345)	(1,637)	3,751,257
2021	4,880,216	96,342,826	3,219,489	(3,099,098)	19,429,621	-	(13,727,859)	(5,367,786)	(785,349)	3,781,178
2022	14,934,555	311,294,740	18,353,621	(18,386,694)	21,092,020	-	(29,696,361)	(11,611,695)	(4,484,382)	(415,814)
2023	25,249,460	530,542,055	37,834,675	(41,320,776)	16,667,803	-	(30,465,965)	(11,912,620)	(9,713,815)	12,691,488
2024	25,507,464	593,032,269	52,976,305	(72,606,000)	7,731,777	-	(762,035)	(297,967)	(17,383,587)	45,342,670
2025	23,042,328	548,677,208	51,433,652	(93,135,722)	2,880,357	-	7,280,992	2,846,970	(23,915,657)	29,160,789
2026	19,715,898	477,375,614	46,027,738	(105,755,396)	1,040,221	-	9,824,898	3,841,673	(28,364,957)	9,936,727
2027	16,354,388	399,907,578	39,237,031	-	516,795	-	9,928,510	3,882,187	13,071,979	147,346,094
2028	13,110,946	324,064,636	32,346,228	-	422,115	-	9,579,789	3,745,832	13,071,979	138,214,954
2029	9,884,667	248,483,313	25,527,377	-	249,541	-	9,529,093	3,726,009	13,071,979	130,911,600
2030	6,661,346	172,931,267	18,713,060	-	94,352	-	9,520,357	3,722,593	13,071,265	123,885,806
2031	3,612,661	100,391,324	11,984,336	-	97,182	-	9,004,556	3,520,908	12,645,538	112,471,722
2032	1,384,590	43,838,449	6,121,047	-	100,098	-	6,580,801	2,573,186	10,366,905	83,592,057
2033	297,003	11,577,462	2,179,155	-	103,101	-	3,212,282	1,256,047	6,628,789	45,628,772
2034	72,824	2,804,292	518,269	-	52,312	-	662,133	258,903	2,065,600	11,992,905
2035	9,455	376,549	109,011	-	-	-	187,163	73,183	570,261	3,289,286
2036	-	-	9,503	-	-	-	27,927	10,920	85,091	484,044
2037	-	-	0	-	-	-	-	-	-	0
2038	-	-	0	-	-	-	-	-	-	0
2039	-	-	0	-	-	-	-	-	-	0
2040	-	-	0	-	-	-	-	-	-	0
2041	-	-	0	-	-	-	-	-	-	0
2042	-	-	0	-	-	-	-	-	-	0
2043	-	-	0	-	-	-	-	-	-	0
2044	-	-	-	-	-	-	-	-	-	-
Total			346,626,660	(334,309,700)	75,111,241	-	(0)	0	(0)	902,065,534
Oct 20 - Sep 21			1,408,648	(1,336,600)	18,982,707	-	(8,417,103)	(3,291,206)	(347,994)	8,766,394

PSE&G Clean Energy Future Energy Efficiency Program
Gas Revenue Requirements Calculation

Schedule SS-CEF-EE-2G

Monthly WACC effective 11/1/2018	0.75136%
Inc. tax rate effective 11/1/2018	28.11%

	(1)	(1a)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	PSE&G Program Investment	Program Investment from/to Partner utility	Capitalized IT Costs	Gross Plant	PSE&G + Partner Utility Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Beginning Acumulated Deferred Income Tax
Monthly Calculation												
Jan-20	-	-	-	-	-	-	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-	-	-	-	-	-	-
Mar-20	-	-	-	-	-	-	-	-	-	-	-	-
Apr-20	-	-	-	-	-	-	-	-	-	-	-	-
May-20	-	-	-	-	-	-	-	-	-	-	-	-
Jun-20	-	-	-	-	-	-	-	-	-	-	-	-
Jul-20	-	-	-	-	-	-	-	-	-	-	-	-
Aug-20	-	-	-	-	-	-	-	-	-	-	-	-
Sep-20	-	-	-	-	-	-	-	-	-	-	-	-
Oct-20	507,155	-	-	507,155	2,113	-	2,113	505,042	462,150	2,496	32,681	-
Nov-20	485,728	-	-	992,884	6,250	-	8,363	984,520	441,295	6,825	30,891	32,681
Dec-20	494,376	-	-	1,487,259	10,334	-	18,697	1,468,562	450,515	11,101	31,242	63,572
Jan-21	899,980	-	-	2,387,240	16,144	-	34,841	2,352,399	879,194	16,912	61,308	94,815
Feb-21	880,082	-	-	3,267,322	23,561	-	58,402	3,208,920	859,583	24,425	59,380	156,123
Mar-21	890,199	-	269,897	4,427,418	30,937	2,249	91,588	4,335,830	877,483	34,147	59,961	215,503
Apr-21	1,020,595	-	-	5,448,013	38,898	4,498	134,984	5,313,028	912,406	45,268	61,654	275,464
May-21	1,020,595	-	-	6,468,608	47,403	4,498	186,886	6,281,722	913,910	54,278	61,120	337,117
Jun-21	1,029,242	-	134,499	7,632,349	55,944	5,619	248,450	7,383,900	927,797	64,446	61,384	398,237
Jul-21	1,461,993	-	-	9,094,343	66,325	6,740	321,514	8,772,829	1,199,440	77,834	79,746	459,621
Aug-21	3,878,186	-	-	12,972,529	88,575	4,491	414,580	12,557,949	3,064,136	103,753	210,483	539,368
Sep-21	4,573,146	-	1,154,637	18,700,312	123,789	16,362	554,731	18,145,580	3,801,799	154,412	259,329	749,851
	Program Assumption	Investment in Shared Service Territory shared with Partner Utility	See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht	Prior Month + (Col 1 + Col 1a + Col 2)	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht
Annual Summary												
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	1,487,259	-	-	-	18,697	-	-	18,697	1,353,960	20,422	94,815	31,242
2021	27,250,846	-	2,715,662	1,156,629	1,066,868	130,927	35,622	1,216,492	22,841,563	1,301,031	1,531,532	198,903
2022	62,141,088	-	3,119,366	402,312	5,581,838	839,937	93,898	7,638,267	49,804,758	7,000,332	3,043,395	291,141
2023	80,242,992	-	804,616	-	12,679,129	1,260,865	110,661	21,578,261	61,319,860	14,977,401	3,294,949	322,589
2024	24,802,695	-	-	-	18,337,416	1,327,929	110,661	41,243,606	17,902,923	20,885,185	(212,039)	2,764
2025	15,263,493	-	-	-	20,386,672	1,327,929	110,661	62,958,207	15,160,029	23,770,732	(612,221)	(69,327)
2026	3,735,611	-	-	-	21,327,409	1,216,262	84,677	85,501,878	11,733,070	25,589,120	(985,165)	(90,141)
2027	-	-	-	-	21,492,399	475,448	20,115	107,469,725	-	14,673,001	(1,043,250)	(85,551)
2028	-	-	-	-	21,492,399	60,346	-	129,022,470	-	14,257,899	(1,013,737)	(84,121)
2029	-	-	-	-	21,492,399	-	-	150,514,869	-	14,197,553	(1,009,446)	(84,121)
2030	-	-	-	-	21,473,701	-	-	171,988,570	-	14,180,565	(1,008,238)	(83,453)
2031	-	-	-	-	20,425,531	-	-	192,414,101	-	13,274,221	(943,797)	(70,960)
2032	-	-	-	-	15,910,561	-	-	208,324,661	-	9,694,892	(689,307)	(43,815)
2033	-	-	-	-	8,813,269	-	-	217,137,931	-	4,613,887	(328,047)	(11,461)
2034	-	-	-	-	3,154,983	-	-	220,292,913	-	1,197,926	(85,173)	(4,613)
2035	-	-	-	-	1,105,726	-	-	221,398,640	-	419,413	(29,820)	(924)
2036	-	-	-	-	164,989	-	-	221,563,629	-	62,582	(4,450)	-
2037	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2038	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2039	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2040	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2041	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2042	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2043	-	-	-	-	-	-	-	221,563,629	-	-	-	-
2044	-	-	-	-	-	-	-	221,563,629	-	-	-	-
Total	214,923,986	-	6,639,644		214,923,986	6,639,644			180,116,163	180,116,163	(0)	
Oct 20 - Sep 21	17,141,279	-			510,274	44,457			14,789,709	595,897	1,009,180	

PSE&G Clean Energy Future Energy Efficiency Program
Gas Revenue Requirements Calculation

Schedule SS-CEF-EE-2G

Monthly WACC effective 11/1/2018	0.75136%
Inc. tax rate effective 11/1/2018	28.11%

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	Ending Acumulated Deferred Income Tax	Average Net Investment	Return Requirement	Program Investment Repayments	Expenses	Revenue Offsets	Tax Flow-through	Tax Flow-Through Gross-up	Tax Adjustment on Loan	Revenue Requirements
Monthly Calculation										
Jan-20	-	-	-	-	-		-	-	-	-
Feb-20	-	-	-	-	-		-	-	-	-
Mar-20	-	-	-	-	-		-	-	-	-
Apr-20	-	-	-	-	-		-	-	-	-
May-20	-	-	-	-	-		-	-	-	-
Jun-20	-	-	-	-	-		-	-	-	-
Jul-20	-	-	-	-	-		-	-	-	-
Aug-20	-	-	-	-	-		-	-	-	-
Sep-20	-	-	-	-	-		-	-	-	-
Oct-20	32,681	236,180	1,775	(1,325)	524,340		(96,527)	(37,744)	(444)	392,188
Nov-20	63,572	696,654	5,234	(2,650)	524,340		(91,239)	(35,676)	(814)	405,446
Dec-20	94,815	1,147,348	8,621	(3,976)	524,340		(92,277)	(36,082)	(1,183)	409,777
Jan-21	156,123	1,785,012	13,412	(4,638)	524,340		(181,079)	(70,805)	(1,331)	296,043
Feb-21	215,503	2,594,847	19,497	(5,301)	524,340		(175,383)	(68,577)	(1,516)	316,620
Mar-21	275,464	3,526,892	26,500	(5,964)	524,340		(177,101)	(69,249)	(1,701)	330,012
Apr-21	337,117	4,518,139	33,947	(9,446)	524,340		(182,099)	(71,203)	(2,830)	336,106
May-21	398,237	5,429,698	40,796	(12,928)	524,340		(180,523)	(70,587)	(3,801)	349,199
Jun-21	459,621	6,403,881	48,116	(16,411)	524,340		(181,304)	(70,892)	(4,773)	360,640
Jul-21	539,368	7,578,870	56,944	(24,681)	572,406		(235,537)	(92,098)	(7,348)	342,750
Aug-21	749,851	10,020,779	75,292	(49,296)	572,406		(621,681)	(243,086)	(15,130)	(188,429)
Sep-21	1,009,180	14,472,249	108,738	(73,912)	572,406		(765,951)	(299,498)	(21,997)	(340,062)
	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	(Prev Col 7 - Col 11 + Col 7 - Col 12) / 2	Col 15 * Monthly Pre Tax WACC	Program Assumption	Program Assumption	Program Assumption	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht	Col 4 + Col 5 + Col 14 + Col 15 + Col 68 + Col 17 + Col 18 + Col 19 + Col 20
Annual Summary										
2019	-	-	-	-	-	-	-	-	-	-
2020	63,572	94,815	15,630	(7,951)	1,573,020	-	(280,043)	(109,501)	(2,441)	1,207,411
2021	1,427,443	1,626,346	932,227	(571,464)	6,580,479	-	(4,523,512)	(1,768,757)	(167,326)	1,679,442
2022	4,378,600	4,669,741	4,807,551	(3,838,899)	7,087,828	-	(8,988,929)	(3,514,798)	(1,079,090)	895,437
2023	7,642,101	7,964,690	10,192,106	(9,570,699)	5,806,282	-	(9,731,917)	(3,805,316)	(2,531,908)	4,298,543
2024	7,749,887	7,752,651	13,610,437	(15,185,839)	2,687,298	-	626,275	244,882	(3,850,726)	17,797,672
2025	7,209,757	7,140,430	13,621,233	(20,065,205)	784,992	-	1,808,248	707,050	(5,261,748)	13,309,172
2026	6,245,406	6,155,265	12,535,441	(23,708,399)	260,028	-	2,909,771	1,137,761	(6,457,973)	9,220,301
2027	5,197,565	5,112,015	10,764,574	-	129,185	-	3,081,330	1,204,843	2,852,387	40,000,167
2028	4,182,398	4,098,278	8,898,731	-	105,518	-	2,994,159	1,170,758	2,852,387	37,574,297
2029	3,172,952	3,088,832	7,050,873	-	62,379	-	2,981,486	1,165,803	2,852,387	35,605,327
2030	2,164,047	2,080,594	5,204,208	-	23,585	-	2,977,919	1,164,408	2,851,719	33,695,540
2031	1,207,756	1,136,797	3,385,371	-	24,293	-	2,787,586	1,089,985	2,796,263	30,509,029
2032	491,305	447,490	1,795,788	-	25,022	-	2,035,927	796,076	2,430,414	22,993,788
2033	130,903	119,442	712,780	-	25,773	-	968,916	378,860	1,642,017	12,541,616
2034	38,883	34,270	231,028	-	13,077	-	251,564	98,365	765,237	4,514,254
2035	5,373	4,450	51,299	-	-	-	88,077	34,439	268,358	1,547,899
2036	-	-	4,472	-	-	-	13,142	5,139	40,043	227,785
2037	-	-	(0)	-	-	-	-	-	-	(0)
2038	-	-	(0)	-	-	-	-	-	-	(0)
2039	-	-	(0)	-	-	-	-	-	-	(0)
2040	-	-	(0)	-	-	-	-	-	-	(0)
2041	-	-	(0)	-	-	-	-	-	-	(0)
2042	-	-	(0)	-	-	-	-	-	-	(0)
2043	-	-	(0)	-	-	-	-	-	-	(0)
2044	-	-	-	-	-	-	-	-	-	-
Total			93,813,750	(72,948,457)	25,188,759	-	0	0	(0)	267,617,681
Oct 20 - Sep 21			438,873	(210,528)	6,436,280	-	(2,980,701)	(1,165,496)	(62,868)	3,010,291

PSE&G Clean Energy Future Energy Efficiency Program
Proposed Rate Calculations

Schedule SS-CEF-EE-3

($'s Unless Specified)

Current SUT Rate 6.625%

Line	Date(s)		Electric	Gas	Source/Description
1	Oct 20 - Sep 21	Revenue Requirements	8,766,394	3,010,291	SS-2E/G, Col 23
2	Oct 20 - Sep 21	Forecasted ($/kWh or $/Therm)	40,681,934	2,852,756	
3		Proposed Rate w/o SUT ($/kWh or $/Therm)	0.000215	0.001055	Line 1 / Line 2 [Rnd 6]
4		Public Notice Rate w/o SUT ($/kWh)	0.000215	0.001055	Line 3
5		Proposed Rate w/ SUT ($/kWh or $/Therm)	0.000229	0.001125	(Line 3 * (1 + SUT Rate)) [Rnd 6]
6		Existing Rate w/o SUT ($/kWh or $/Therm)	0.000000	0.000000	
7		Difference in Proposed and Existing Rate	0.000215	0.001055	(Line 3 - Line 6)
8		Resultant CEF-EE Program Revenue Increase / (Decrease)	8,746,616	3,009,657	(Line 2 * Line 7 * 1,000)

PSE&G Clean Energy Future Energy Efficiency Program

Schedule SS-CEF-EE-4E

Electric GPRC Recovery Charge (GPRC) - Rate Impact Analysis

6,920 Avg RS kWh / yr.
740 Avg RS kWh / Summer Month
495 Avg RS kWh / Winter Month

6.625% SUT Rate effective 1/1/2018
40,681,934 kWh Sales (000) - Oct 20 - Sep 21
40,681,934 kWh Sales (000) - Oct 20 - thereafter

0.001901 Current electric GPRC ($/kWh)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
				Class Average Rate w/SUT - $/kWh[1]							Typical RS GPRC ($)					
	Electric CEF-EE Revenue Requirements[2]	Electric CEF-EEC w/o SUT ($/kWh)	**Electric CEF-EEC w/ SUT ($/kWh)[3]**	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S	Summer Monthly Bill	Winter Monthly Bill	Annual Bill	Change in RS Typical Annual Bill ($'s)	RS Typical Annual Bill ($'s)[3]	% Change in RS Typical Annual Bill
Current				0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16		1,312.72	
Oct 20 - Sep 21	8,766,394	0.000215	**0.000229**	0.189928	0.144099	0.189178	0.168632	0.130827	0.106124	0.090903	1.58	1.05	14.72	$1.56	1,314.28	0.12%
Oct 21 - Sep 22	(2,310,773)	(0.000057)	**(0.000061)**	0.189638	0.143809	0.188888	0.168342	0.130537	0.105834	0.090613	1.36	0.91	12.72	-$0.44	1,312.28	-0.03%
Oct 22 - Sep 23	11,493,290	0.000283	**0.000302**	0.190001	0.144172	0.189251	0.168705	0.130900	0.106197	0.090976	1.63	1.09	15.24	$2.08	1,314.80	0.16%
Oct 23 - Sep 24	35,878,508	0.000882	**0.000940**	0.190639	0.144810	0.189889	0.169343	0.131538	0.106835	0.091614	2.10	1.41	19.68	$6.52	1,319.24	0.50%
Oct 24 - Sep 25	36,083,142	0.000887	**0.000946**	0.190645	0.144816	0.189895	0.169349	0.131544	0.106841	0.091620	2.11	1.41	19.72	$6.56	1,319.28	0.50%
Oct 25 - Sep 26	12,344,026	0.000303	**0.000323**	0.190022	0.144193	0.189272	0.168726	0.130921	0.106218	0.090997	1.65	1.10	15.40	$2.24	1,314.96	0.17%
Oct 26 - Sep 27	113,476,801	0.002789	**0.002974**	0.192673	0.146844	0.191923	0.171377	0.133572	0.108869	0.093648	3.61	2.41	33.72	$20.56	1,333.28	1.57%
Oct 27 - Sep 28	140,246,121	0.003447	**0.003675**	0.193374	0.147545	0.192624	0.172078	0.134273	0.109570	0.094349	4.13	2.76	38.60	$25.44	1,338.16	1.94%
Oct 28 - Sep 29	132,693,551	0.003262	**0.003478**	0.193177	0.147348	0.192427	0.171881	0.134076	0.109373	0.094152	3.98	2.66	37.20	$24.04	1,336.76	1.83%
Oct 29 - Sep 30	125,644,735	0.003088	**0.003293**	0.192992	0.147163	0.192242	0.171696	0.133891	0.109188	0.093967	3.84	2.57	35.92	$22.76	1,335.48	1.73%
Oct 30 - Sep 31	116,766,520	0.002870	**0.003060**	0.192759	0.146930	0.192009	0.171463	0.133658	0.108955	0.093734	3.67	2.46	34.36	$21.20	1,333.92	1.61%
Oct 31 - Sep 32	92,363,341	0.002270	**0.002420**	0.192119	0.146290	0.191369	0.170823	0.133018	0.108315	0.093094	3.20	2.14	29.92	$16.76	1,329.48	1.28%
Oct 32 - Sep 33	55,444,874	0.001363	**0.001453**	0.191152	0.145323	0.190402	0.169856	0.132051	0.107348	0.092127	2.48	1.66	23.20	$10.04	1,322.76	0.76%
Oct 33 - Sep 34	17,734,940	0.000436	**0.000465**	0.190164	0.144335	0.189414	0.168868	0.131063	0.106360	0.091139	1.75	1.17	16.36	$3.20	1,315.92	0.24%
Oct 34 - Sep 35	4,558,249	0.000112	**0.000119**	0.189818	0.143989	0.189068	0.168522	0.130717	0.106014	0.090793	1.49	1.00	13.96	$0.80	1,313.52	0.06%
Oct 35 - Sep 36	854,834	0.000021	**0.000022**	0.189721	0.143892	0.188971	0.168425	0.130620	0.105917	0.090696	1.42	0.95	13.28	$0.12	1,312.84	0.01%
Oct 36 - Sep 37	26,982	0.000001	**0.000001**	0.189700	0.143871	0.188950	0.168404	0.130599	0.105896	0.090675	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 37 - Sep 38	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 38 - Sep 39	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 39 - Sep 40	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 40 - Sep 41	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 41 - Sep 42	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 42 - Sep 43	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
Oct 43 - Sep 44	0	-	-	0.189699	0.143870	0.188949	0.168403	0.130598	0.105895	0.090674	1.41	0.94	13.16	$0.00	1,312.72	0.00%
	From Schedule SS-CEF-EE-2E Col 23	Col 1 / [kWh Sales] (Rnd to 6 dec.)	Col 2 * (1 + SUT Rate) Rnd 6	Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 11)							(Cur. eGPRC + Col 3) * Avg RS kWh Sum Mo Rnd 2	(Cur. eGPRC + Col 3) * Avg RS kWh Win Mo Rnd 2	(4 * Col 11) + (8 * Col 12)	Col 13 - Current Col 13	Current Col 15 + Col 14	Col 14 / Current Col 15 Rnd 4

	% Change from Current Class Average Rate w/SUT						
	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S
Apr 19 - Sep 20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 20 - Sep 21	0.12%	0.16%	0.12%	0.14%	0.18%	0.22%	0.25%
Oct 21 - Sep 22	-0.03%	-0.04%	-0.03%	-0.04%	-0.05%	-0.06%	-0.07%
Oct 22 - Sep 23	0.16%	0.21%	0.16%	0.18%	0.23%	0.29%	0.33%
Oct 23 - Sep 24	0.50%	0.65%	0.50%	0.56%	0.72%	0.89%	1.04%
Oct 24 - Sep 25	0.50%	0.66%	0.50%	0.56%	0.72%	0.89%	1.04%
Oct 25 - Sep 26	0.17%	0.22%	0.17%	0.19%	0.25%	0.31%	0.36%
Oct 26 - Sep 27	1.57%	2.07%	1.57%	1.77%	2.28%	2.81%	3.28%
Oct 27 - Sep 28	1.94%	2.55%	1.94%	2.18%	2.81%	3.47%	4.05%
Oct 28 - Sep 29	1.83%	2.42%	1.84%	2.07%	2.66%	3.28%	3.84%
Oct 29 - Sep 30	1.74%	2.29%	1.74%	1.96%	2.52%	3.11%	3.63%
Oct 30 - Sep 31	1.61%	2.13%	1.62%	1.82%	2.34%	2.89%	3.37%
Oct 31 - Sep 32	1.28%	1.68%	1.28%	1.44%	1.85%	2.29%	2.67%
Oct 32 - Sep 33	0.77%	1.01%	0.77%	0.86%	1.11%	1.37%	1.60%
Oct 33 - Sep 34	0.25%	0.32%	0.25%	0.28%	0.36%	0.44%	0.51%
Oct 34 - Sep 35	0.06%	0.08%	0.06%	0.07%	0.09%	0.11%	0.13%
Oct 35 - Sep 36	0.01%	0.02%	0.01%	0.01%	0.02%	0.02%	0.02%
Oct 36 - Sep 37	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 37 - Sep 38	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 38 - Sep 39	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 39 - Sep 40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 40 - Sep 41	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 41 - Sep 42	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 42 - Sep 43	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

[1] All customers assumed to have BGS Supply

[2] Initial Rate period is October 2020 to September 2021 for the CEF-EE Program

[3] SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program

[4] The rates are based on a typical residential bill as of September 1, 2020

PSE&G Clean Energy Future Energy Efficiency Program

Schedule SS-CEF-EE-4G

Gas GPRC Recovery Charge (GPRC) - Rate Impact Analysis

6.625% SUT Rate effective 1/1/2018
2,852,756 Therm Sales (000) Oct 20 - Sep 21
2,852,756 Therm Sales (000) Oct 20 - thereafter

1,040 Typical RSG Therms / yr.
0.004361 Current gas GPRC ($/therm)
172 89 29 Monthly Therms
4 2 6 # of Months/year

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
				Class Average Rate w/SUT - $/therm[1]						Typical RSG GPRC ($)						
	Gas CEF-EE Revenue Requirements[2]	Gas CEF-EEC w/o SUT ($/therm)	Gas CEF-EEC w/ SUT ($/therm)[3]	RSG	GSG	LVG	TSG-F	TSG-NF	CIG	Dec-Mar Monthly Bill	Nov & Apr Monthly Bill	May-Oct Monthly Bill	Annual Bill	Change in RSG Typcial Annual Bill ($'s)	RSG Typical Annual Bill ($'s)[4]	% Change in RSG Typical Annual Bill
Current				0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56		872.72	
Oct 20 - Sep 21	3,010,291	0.001055	0.001125	0.840279	0.906770	0.729187	0.615896	0.571939	0.414209	0.94	0.49	0.16	5.70	$1.14	873.86	0.13%
Oct 21 - Sep 22	339,194	0.000119	0.000127	0.839281	0.905772	0.728189	0.614898	0.570941	0.413273	0.77	0.40	0.13	4.66	$0.10	872.82	0.01%
Oct 22 - Sep 23	3,657,933	0.001282	0.001367	0.840521	0.907012	0.729429	0.616138	0.572181	0.414436	0.99	0.51	0.17	6.00	$1.44	874.16	0.17%
Oct 23 - Sep 24	14,760,013	0.005174	0.005517	0.844671	0.911162	0.733579	0.620288	0.576331	0.418328	1.70	0.88	0.29	10.30	$5.74	878.46	0.66%
Oct 24 - Sep 25	14,685,113	0.005148	0.005489	0.844643	0.911134	0.733551	0.620260	0.576303	0.418302	1.69	0.88	0.29	10.26	$5.70	878.42	0.65%
Oct 25 - Sep 26	9,791,235	0.003432	0.003659	0.842813	0.909304	0.731721	0.618430	0.574473	0.416586	1.38	0.71	0.23	8.32	$3.76	876.48	0.43%
Oct 26 - Sep 27	32,421,115	0.011365	0.012118	0.851272	0.917763	0.740180	0.626889	0.582932	0.424519	2.83	1.47	0.48	17.14	$12.58	885.30	1.44%
Oct 27 - Sep 28	38,117,867	0.013362	0.014247	0.853401	0.919892	0.742309	0.629018	0.585061	0.426516	3.20	1.66	0.54	19.36	$14.80	887.52	1.70%
Oct 28 - Sep 29	36,086,599	0.012650	0.013488	0.852642	0.919133	0.741550	0.628259	0.584302	0.425804	3.07	1.59	0.52	18.58	$14.02	886.74	1.61%
Oct 29 - Sep 30	34,181,256	0.011982	0.012776	0.851930	0.918421	0.740838	0.627547	0.583590	0.425136	2.95	1.53	0.50	17.86	$13.30	886.02	1.52%
Oct 30 - Sep 31	31,682,744	0.011106	0.011842	0.850996	0.917487	0.739904	0.626613	0.582656	0.424260	2.79	1.44	0.47	16.86	$12.30	885.02	1.41%
Oct 31 - Sep 32	25,257,132	0.008854	0.009441	0.848595	0.915086	0.737503	0.624212	0.580255	0.422008	2.37	1.23	0.40	14.34	$9.78	882.50	1.12%
Oct 32 - Sep 33	15,335,201	0.005376	0.005732	0.844886	0.911377	0.733794	0.620503	0.576546	0.418530	1.74	0.90	0.29	10.50	$5.94	878.66	0.68%
Oct 33 - Sep 34	5,731,956	0.002009	0.002142	0.841296	0.907787	0.730204	0.616913	0.572956	0.415163	1.12	0.58	0.19	6.78	$2.22	874.94	0.25%
Oct 34 - Sep 35	2,145,058	0.000752	0.000802	0.839956	0.906447	0.728864	0.615573	0.571616	0.413906	0.89	0.46	0.15	5.38	$0.82	873.54	0.09%
Oct 35 - Sep 36	402,275	0.000141	0.000150	0.839304	0.905795	0.728212	0.614921	0.570964	0.413295	0.78	0.40	0.13	4.70	$0.14	872.86	0.02%
Oct 36 - Sep 37	12,697	0.000004	0.000004	0.839158	0.905649	0.728066	0.614775	0.570818	0.413158	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 37 - Sep 38	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 38 - Sep 39	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 39 - Sep 40	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 40 - Sep 41	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 41 - Sep 42	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 42 - Sep 43	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
Oct 43 - Sep 44	(0)	-	-	0.839154	0.905645	0.728062	0.614771	0.570814	0.413154	0.75	0.39	0.13	4.56	$0.00	872.72	0.00%
	From Schedule SS-CEF-EE-2G Col 23	Col 1 / Therm Sales	Col 2 * (1 + SUT Rate) Rnd 6	Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 10)						(Cur. GPRC + Col 3) * Dec-Mar Monthly Therms Rnd 2	(Cur. GPRC + Col 3) * Nov & Apr Monthly Therms Rnd 2	(Cur. GPRC + Col 3) * May-Oct Monthly Therms Rnd 2	(4 * Col 10) + (2 * Col 11) + (6 * Col 12)	Col 13 - Current Col 13	Current Col 15 + Col 14	Col 14 / Current Col 15 Rnd 4

	% Change from Current Class Average Rate w/SUT					
	RSG	GSG	LVG	TSG-F	TSG-NF	CIG
Apr 19 - Sep 20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 20 - Sep 21	0.13%	0.12%	0.15%	0.18%	0.20%	0.27%
Oct 21 - Sep 22	0.02%	0.01%	0.02%	0.02%	0.02%	0.03%
Oct 22 - Sep 23	0.16%	0.15%	0.19%	0.22%	0.24%	0.33%
Oct 23 - Sep 24	0.66%	0.61%	0.76%	0.90%	0.97%	1.34%
Oct 24 - Sep 25	0.65%	0.61%	0.75%	0.89%	0.96%	1.33%
Oct 25 - Sep 26	0.44%	0.40%	0.50%	0.60%	0.64%	0.89%
Oct 26 - Sep 27	1.44%	1.34%	1.66%	1.97%	2.12%	2.93%
Oct 27 - Sep 28	1.70%	1.57%	1.96%	2.32%	2.50%	3.45%
Oct 28 - Sep 29	1.61%	1.49%	1.85%	2.19%	2.36%	3.26%
Oct 29 - Sep 30	1.52%	1.41%	1.75%	2.08%	2.24%	3.09%
Oct 30 - Sep 31	1.41%	1.31%	1.63%	1.93%	2.07%	2.87%
Oct 31 - Sep 32	1.13%	1.04%	1.30%	1.54%	1.65%	2.29%
Oct 32 - Sep 33	0.68%	0.63%	0.79%	0.93%	1.00%	1.39%
Oct 33 - Sep 34	0.26%	0.24%	0.29%	0.35%	0.38%	0.52%
Oct 34 - Sep 35	0.10%	0.09%	0.11%	0.13%	0.14%	0.19%
Oct 35 - Sep 36	0.02%	0.02%	0.02%	0.02%	0.03%	0.04%
Oct 36 - Sep 37	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 37 - Sep 38	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 38 - Sep 39	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 39 - Sep 40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 40 - Sep 41	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 41 - Sep 42	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 42 - Sep 43	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

[1] All customers assumed to have BGSS Supply
[2] Initial Rate period is October 2020 to September 2021 for the CEF-EE Program
[3] SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program
[4] The rates are based on a typical residential bill as of September 1, 2020

PSE&G Clean Energy Future Energy Efficiency Program
Electric Over/(Under) Calculation

Schedule SS-CEF-EE-6E

Reflects a tax rate of	28.11%
Existing Rate / kWh (w/o SUT)	0.000000
Proposed Rate / kWh (w/o SUT)	0.000215

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Monthly Calculation	Over / (Under) Recovery Beginning Balance	Electric Revenues	Revenue Requirement	Over / (Under) Recovery	Over / (Under) Recovery Ending Balance	Over / (Under) Average Monthly Balance	Interest Rate (Annualized)	Interest On Over / (Under) Average Monthly Balance	Interest Roll-In	Cumulative Interest
Jan-20	-	-	-	-	-	-	2.14%	-	-	-
Feb-20	-	-	-	-	-	-	2.14%	-	-	-
Mar-20	-	-	-	-	-	-	2.14%	-	-	-
Apr-20	-	-	-	-	-	-	2.14%	-	-	-
May-20	-	-	-	-	-	-	2.14%	-	-	-
Jun-20	-	-	-	-	-	-	2.14%	-	-	-
Jul-20	-	-	-	-	-	-	2.14%	-	-	-
Aug-20	-	-	-	-	-	-	2.14%	-	-	-
Sep-20	-	-	-	-	-	-	2.14%	-	-	-
Oct-20	-	666,051	1,224,371	(558,320)	(558,320)	(279,160)	2.14%	(358)	-	(358)
Nov-20	(558,320)	629,938	1,256,745	(626,807)	(1,185,127)	(871,724)	2.14%	(1,118)	-	(1,475)
Dec-20	(1,185,127)	718,729	1,270,142	(551,413)	(1,736,540)	(1,460,833)	2.14%	(1,873)	-	(3,348)
Jan-21	(1,736,540)	758,469	1,156,338	(397,869)	(2,134,409)	(1,935,474)	2.14%	(2,481)	-	(5,830)
Feb-21	(2,134,409)	688,465	1,173,299	(484,834)	(2,619,243)	(2,376,826)	2.14%	(3,047)	-	(8,877)
Mar-21	(2,619,243)	692,767	1,197,355	(504,587)	(3,123,830)	(2,871,537)	2.14%	(3,681)	-	(12,558)
Apr-21	(3,123,830)	599,517	887,755	(288,237)	(3,412,068)	(3,267,949)	2.14%	(4,190)	-	(16,748)
May-21	(3,412,068)	671,801	904,615	(232,814)	(3,644,881)	(3,528,475)	2.14%	(4,524)	-	(21,272)
Jun-21	(3,644,881)	781,108	919,363	(138,255)	(3,783,137)	(3,714,009)	2.14%	(4,762)	-	(26,033)
Jul-21	(3,783,137)	911,272	771,929	139,343	(3,643,794)	(3,713,465)	2.14%	(4,761)	-	(30,794)
Aug-21	(3,643,794)	908,713	(871,699)	1,780,412	(1,863,382)	(2,753,588)	2.14%	(3,530)	-	(34,324)
Sep-21	(1,863,382)	719,786	(1,123,818)	1,843,604	(19,778)	(941,580)	2.14%	(1,207)	-	(35,531)
	(Prior Col 5) + (Col 9)	Forecasted kWh * Proposed Rate	See Revenue Requirements Schedule for Details	Col 2 - Col 3	Col 1 + Col 4	(Col 1 + Col 5) / 2		(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

PSE&G Clean Energy Future Energy Efficiency Program
Gas Over/(Under) Calculation

Schedule SS-CEF-EE-6G

Reflects a tax rate of	28.11%
Existing Rate / Therms (w/o SUT)	0.000000
Proposed Rate /Therms (w/o SUT)	0.001055

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Monthly Calculations	Over / (Under) Recovery Beginning Balance	Gas Revenues	Revenue Requirement	Over / (Under) Recovery	Over / (Under) Recovery Ending Balance	Over / (Under) Average Monthly Balance	Interest Rate (Annualized)	Interest On Over / (Under) Average Monthly Balance	Interest Roll-In	Cumulative Interest
Jan-20	-	-	-	-	-	-	2.14%	-	-	-
Feb-20	-	-	-	-	-	-	2.14%	-	-	-
Mar-20	-	-	-	-	-	-	2.14%	-	-	-
Apr-20	-	-	-	-	-	-	2.14%	-	-	-
May-20	-	-	-	-	-	-	2.14%	-	-	-
Jun-20	-	-	-	-	-	-	2.14%	-	-	-
Jul-20	-	-	-	-	-	-	2.14%	-	-	-
Aug-20	-	-	-	-	-	-	2.14%	-	-	-
Sep-20	-	-	-	-	-	-	2.14%	-	-	-
Oct-20	-	154,120	392,188	(238,067)	(238,067)	(119,034)	2.14%	(153)	-	(153)
Nov-20	(238,067)	293,829	405,446	(111,617)	(349,684)	(293,875)	2.14%	(377)	-	(529)
Dec-20	(349,684)	441,840	409,777	32,063	(317,621)	(333,652)	2.14%	(428)	-	(957)
Jan-21	(317,621)	537,726	296,043	241,683	(75,938)	(196,779)	2.14%	(252)	-	(1,209)
Feb-21	(75,938)	479,764	316,620	163,144	87,206	5,634	2.14%	7	-	(1,202)
Mar-21	87,206	388,702	330,012	58,690	145,896	116,551	2.14%	149	-	(1,053)
Apr-21	145,896	241,498	336,106	(94,608)	51,288	98,592	2.14%	126	-	(926)
May-21	51,288	122,145	349,199	(227,054)	(175,766)	(62,239)	2.14%	(80)	-	(1,006)
Jun-21	(175,766)	101,527	360,640	(259,113)	(434,880)	(305,323)	2.14%	(391)	-	(1,398)
Jul-21	(434,880)	80,892	342,750	(261,858)	(696,737)	(565,809)	2.14%	(725)	-	(2,123)
Aug-21	(696,737)	84,379	(188,429)	272,808	(423,929)	(560,333)	2.14%	(718)	-	(2,841)
Sep-21	(423,929)	83,234	(340,062)	423,296	(634)	(212,281)	2.14%	(272)	-	(3,113)
	(Prior Col 5) + (Col 9)		See Revenue Requirements Schedule for Details	Col 2 - Col 3	Col 1 + Col 4	(Col 1 + Col 5) / 2	PSE&G CP/STD Wght Avg Rate from Previous Month	(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 65**
Superseding
B.P.U.N.J. No. 16 ELECTRIC **XXX Revised Sheet No. 65**

GREEN PROGRAMS RECOVERY CHARGE

Component:	**Charge (per kilowatt-hour)**
Carbon Abatement Program	$0.000022
Energy Efficiency Economic Stimulus Program	($0.000060)
Demand Response Program	$0.000000
Solar Generation Investment Program	$0.000767
Solar Loan II Program	$0.000282
Energy Efficiency Economic Extension Program	($0.000079)
Solar Generation Investment Extension Program	($0.000035)
Solar Loan III Program	($0.000060)
Energy Efficiency Economic Extension Program II	$0.000274
Solar Generation Investment Extension II Program	($0.000035)
Energy Efficiency 2017 Program	$0.000175
Transition Renewable Energy Certificate Program	$0.000532
Clean Energy Future - Energy Efficiency Program	$0.000000
Sub-total per kilowatt-hour	$0.001783

Charge including New Jersey Sales and Use Tax (SUT) $0.001901

GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 65**
Superseding
B.P.U.N.J. No. 16 ELECTRIC **XXX Revised Sheet No. 65**

GREEN PROGRAMS RECOVERY CHARGE

	Charge (per kilowatt-hour)
Component:	
Carbon Abatement Program	$0.000022
Energy Efficiency Economic Stimulus Program	($0.000060)
Demand Response Program	$0.000000
Solar Generation Investment Program	$0.000767
Solar Loan II Program	$0.000282
Energy Efficiency Economic Extension Program	($0.000079)
Solar Generation Investment Extension Program	($0.000035)
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Energy Efficiency Economic Extension Program II	$0.000274
Solar Generation Investment Extension II Program	($0.000035)
Energy Efficiency 2017 Program	$0.000175
Transition Renewable Energy Certificate Program	$0.000532
Clean Energy Future - Energy Efficiency Program	$0.000000
Sub-total per kilowatt-hour	$0.001783
Charge including New Jersey Sales and Use Tax (SUT)	$0.001901

GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 44**
Superseding
B.P.U.N.J. No. 16 GAS **XXX Revised Sheet No. 44**

GREEN PROGRAMS RECOVERY CHARGE

CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)

Component:

Carbon Abatement Program	$ 0.000834
Energy Efficiency Economic Stimulus Program	(0.000555)
Energy Efficiency Economic Extension Program	(0.000369)
Energy Efficiency Economic Extension Program II	0.002340
Energy Efficiency 2017 Program	0.001840
Clean Energy Future - Energy Efficiency Program	0.000000
Green Programs Recovery Charge	$ 0.004090

Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)……. $ 0.004361

Green Programs Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY **XXX Revised Sheet No. 44**
Superseding
B.P.U.N.J. No. 16 GAS **XXX Revised Sheet No. 44**

GREEN PROGRAMS RECOVERY CHARGE

CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)

Component:

Carbon Abatement Program	$ 0.000834
Energy Efficiency Economic Stimulus Program	(0.000555)
Energy Efficiency Economic Extension Program	(0.000369)
Energy Efficiency Economic Extension Program II	0.002340
Energy Efficiency 2017 Program	0.001840
Clean Energy Future - Energy Efficiency Program	0.000000
Green Programs Recovery Charge	$ 0.004090

Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)……. $ 0.004361

Green Programs Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM

CHARGE APPLICABLE TO
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S

	Conservation Incentive Program	Conservation Incentive Program including SUT	
RS & RHS	$0.000000	$0.000000	Per kilowatt-hour
RLM	$0.000000	$0.000000	Per kilowatt-hour
GLP	$0.0000	$0.0000	Per kilowatt of monthly peak demand
LPL-S	$0.0000	$0.0000	Per kilowatt of monthly peak demand

Conservation Incentive Program

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Actual Number of Customers
- the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program ("CIP") Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company's books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

2. Actual Revenue Per Customer
– the Actual Revenue per Customer ("ARC") shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company's books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

3. Adjustment Period
– shall be the year beginning immediately following the conclusion of the Annual Period.

4. Annual Period
– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

5. Average 13 Month Common Equity Balance
– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

6. Baseline Revenue per Customer
– the Baseline Revenue per Customer ("BRC") shall be stated in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BRC shall be calculated as the current variable margin revenue per rate schedule, including any revenue from Infrastructure Investment Program rate adjustments, divided by the number of customers from the most recent approve base rate case for the rate schedule. Baseline revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

7. Customer Class Group
– For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:

Group I:	RS & RHS
Group IA:	RLM
Group II:	GLP
Group III:	LPL-S

8. Forecast Annual Usage
– the Forecast Annual Usage ("FAU") shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

9. Degree Days (DD)
- the difference between 65^{o}F and the mean daily temperature. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day. Heating Degree Days (HDD) are used to measure winter weather.

10. Temperature Humidity Index (THI)
- a measure of the degree of discomfort experienced by an individual in warm weather that includes temperature and humidity which is included by incorporating the dew point in the measure. The daily THI is the sum of the 24 hourly THI observations for a day. THI is used to measure summer weather.

11. Actual Calendar Month HDD and THI
- the accumulation of the actual HDD and THI for each day of a calendar month.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

12. Normal Calendar Month HDD and THI
- the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the XXX-XXX Periods are set forth in the table below:

Month	Normal Heating Degree Days	Normal Temperature Humidity Index
January	XXX	
February	XXX	
March	XXX	
April	XXX	XXX
May	XXX	XXX
June		XXX
July		XXX
August		XXX
September		XXX
October	XXX	XXX
November	XXX	
December	XXX	

13. Winter Period
- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

14. Summer Period
- shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

15. Consumption Factors
- the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the XXX-XXX Winter Period for HDD and XXX Summer Period for THI are set forth below and presented as kWh per degree day:

	Consumption Factors (kWh per HDD and THI)					
	RS		**RHS**		**RLM**	
Month	**HDD**	**THI**	**HDD**	**THI**	HDD	THI
January	XXX	XXX	XXX	XXX	XXX	XXX
February	XXX	XXX	XXX	XXX	XXX	XXX
March	XXX	XXX	XXX	XXX	XXX	XXX
April	XXX	XXX	XXX	XXX	XXX	XXX
May	XXX	XXX	XXX	XXX	XXX	XXX
June	XXX	XXX	XXX	XXX	XXX	XXX
July	XXX	XXX	XXX	XXX	XXX	XXX
August	XXX	XXX	XXX	XXX	XXX	XXX
September	XXX	XXX	XXX	XXX	XXX	XXX
October	XXX	XXX	XXX	XXX	XXX	XXX
November	XXX	XXX	XXX	XXX	XXX	XXX
December	XXX	XXX	XXX	XXX	XXX	XXX

II. BASELINE REVENUE PER CUSTOMER

– The BRC for each Customer Class Group by month are as follows:

Month	**RS & RHS**	**RLM**	**GLP**	**LPL-S**
Jun	XXX	XXX	XXX	XXX
Jul	XXX	XXX	XXX	XXX
Aug	XXX	XXX	XXX	XXX
Sep	XXX	XXX	XXX	XXX
Oct	XXX	XXX	XXX	XXX
Nov	XXX	XXX	XXX	XXX
Dec	XXX	XXX	XXX	XXX
Jan	XXX	XXX	XXX	XXX
Feb	XXX	XXX	XXX	XXX
Mar	XXX	XXX	XXX	XXX
Apr	XXX	XXX	XXX	XXX
May	XXX	XXX	XXX	XXX
Total Annual	**249.7**	**458.5**	**947.6**	**21,429**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Revenue per Customer from the Actual Revenue per Customer by the Actual Number of Customers.

2. The weather related change in customer usage shall be calculated as the difference between actual HDD and THI and the above HDD and THI multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGS savings test and a Variable Margin Revenue recovery limitation (“recovery tests”). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Variable Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program’s Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Electric Distribution Net Plant (including the Electric Distribution allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM

CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Therm)

	Conservation Incentive Program	Conservation Incentive Program including SUT
RSG	$0.000000	$0.000000
GSG	$0.000000	$0.000000
LVG	$0.000000	$0.000000

Conservation Incentive Program

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Mechanism shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Actual Number of Customers
– the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program ("CIP") Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company's books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

2. Actual Usage Per Customer
– the Actual Usage per Customer ("AUC") shall be determined in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company's books divided by the ANC for the corresponding month.

3. Adjustment Period
– shall be the year beginning immediately following the conclusion of the Annual Period.

4. Annual Period
– shall be the twelve consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

5. Average 13 Month Common Equity Balance
– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

6. Baseline Usage per Customer
– the Baseline Usage per Customer ("BUC") shall be stated in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

7. Customer Class Group
– For purposes of determining and applying the CIP, customers shall be aggregated into three separate recovery class groups. The Customer Class Groups shall be as follows:

Group I: RSG
Group II: GSG
Group III: LVG

8. Forecast Annual Usage
– the Forecast Annual Usage ("FAU") shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

9. Margin Revenue Factor
– the Margin Revenue Factor ("MRF") shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

Group I (RSG): $XXX
Group II (GSG): $XXX
Group III (LVG): $XXX

The MRF shall be reset each time new base rates are placed into effect, including through a base rate case or any Infrastructure Investment Program rate adjustment.

10. Degree Days (DD)
- the difference between 65^{o}F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

11. Actual Calendar Month Degree Days
- the accumulation of the actual Degree Days for each day of a calendar month.

12. Normal Calendar Month Degree Days
- the level of calendar month degree days to which the weather portion of the CIP applies.

The normal calendar month Degree Days will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually. The base level of normal HDD for the defined winter period months for the XXX-XXX Winter Period are set forth in the table below:

Month	Normal Heating Degree Days
October	XXX
November	XXX
December	XXX
January	XXX
February	XXX
March	XXX
April	XXX
May	XXX

13. Winter Period
- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

14. Degree Day Consumption Factors
- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the XXX-XXX Winter Period are set forth below and presented as therms per degree day:

	Consumption Factors (therms per degree day)				
	RSG		GSG		LVG
Month	Heating	Non-Heating	Heating	Non-Heating	
October	XXX	XXX	XXX	XXX	XXX
November	XXX	XXX	XXX	XXX	XXX
December	XXX	XXX	XXX	XXX	XXX
January	XXX	XXX	XXX	XXX	XXX
February	XXX	XXX	XXX	XXX	XXX
March	XXX	XXX	XXX	XXX	XXX
April	XXX	XXX	XXX	XXX	XXX
May	XXX	XXX	XXX	XXX	XXX

II. BASELINE USE PER CUSTOMER

– The BUC for each Customer Class Group by month are as follows:

Month	RSG	GSG	LVG
Oct.	XXX	XXX	XXX
Nov.	XXX	XXX	XXX
Dec.	XXX	XXX	XXX
Jan.	XXX	XXX	XXX
Feb.	XXX	XXX	XXX
Mar.	XXX	XXX	XXX
Apr.	XXX	XXX	XXX
May	XXX	XXX	XXX
Jun.	XXX	XXX	XXX
Jul.	XXX	XXX	XXX
Aug.	XXX	XXX	XXX
Sep.	XXX	XXX	XXX
Total Annual	**909.7**	**2,132.3**	**40,143.9**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS **Original Sheet No. XX**

CONSERVATION INCENTIVE PROGRAM
(Continued)

III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the Actual Number of Customers and then multiplying the resulting therms by the Margin Revenue Factor.

2. The weather related change in customer usage shall be calculated as the difference between actual degree days and the above normal degree days multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related deficiency in customer usage will be subject to a BGSS savings test and a Variable Margin Revenue recovery limitation (“recovery tests”). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGSS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGSS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program’s Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Gas Net Plant (including the Gas allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group I: Residential Service RS and RHS
June 2021 - May 2022

Customer Class (a)	Actual/ Estimate	Actual per Books[1] Total Class Revenues (b)	Actual per Books[1] Number of Customers (c)	Actual Avg. Revenue / Cust. (d) = (b) / (c)	Baseline Revenue / Cust.[2] (e)	Difference (f) = (d) - (e)	Margin Variance
Residential							
June	e	49,371,972	1,921,455	25.7	33.2	(7.5)	($14,451,083)
July	e	66,562,969	1,923,694	34.6	42.4	(7.8)	($15,061,780)
August	e	62,183,411	1,916,474	32.5	42.5	(10.0)	($19,204,604)
September	e	39,442,052	1,916,615	20.6	20.4	0.2	$419,197
October	e	27,262,574	1,914,216	14.2	12.2	2.1	$3,958,738
November	e	28,180,670	1,921,687	14.7	12.5	2.2	$4,160,448
December	e	35,710,474	1,916,894	18.6	14.3	4.3	$8,271,811
January	e	37,910,446	1,911,763	19.8	15.1	4.7	$8,997,068
February	e	31,534,835	1,916,381	16.5	13.9	2.6	$4,936,039
March	e	29,979,266	1,866,048	16.1	13.5	2.5	$4,706,744
April	e	24,767,541	1,995,221	12.4	11.4	1.0	$1,954,531
May	e	31,047,164	1,906,131	16.3	18.3	(2.0)	($3,824,224)
Total		463,953,374		241.9	249.7	(7.8)	($15,137,116)

Margin Deficiency/ (Credit)	$	15,137,116
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	15,137,116
Projected Residential kWh Use		12,735,566,204
Pre-tax CIP Charge/(Credit) per kWh	$	0.0012
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.0012
6.625% Sales Tax	$	0.0001
Proposed After-tax CIP Charge/(Credit) per kWh	**$**	**0.0013**
Current After-tax CIP Charge/(Credit) per kWh	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh	$	0.0013

[1] Per Exhibit C, Schedule 1, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 1, Page 3

Public Service Electric and Gas
Customers and Therms

Group I: Residential Service RS and RHS

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	8,915,549	8,925,942	8,892,438	8,893,095	8,881,964	8,916,629	8,894,386	8,870,582	8,892,006	8,658,464	9,257,826	8,844,450	
Service Charge Rate (pre-tax)	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	
Total Customers	1,921,455	1,923,694	1,916,474	1,916,615	1,914,216	1,921,687	1,916,894	1,911,763	1,916,381	1,866,048	1,995,221	1,906,131	1,918,263
Volumes													
RS kWh	1,249,731,621	1,660,904,132	1,555,566,043	1,067,201,231	812,603,869	839,597,043	1,063,517,481	1,127,566,843	937,651,870	892,211,731	737,944,250	869,949,572	
RHS kWh	5,492,583	6,297,597	6,294,388	4,952,544	6,178,453	8,090,827	12,380,098	15,996,419	13,230,413	10,650,572	6,702,851	4,729,049	
Total Volumes	1,255,224,204	1,667,201,729	1,561,860,431	1,072,153,774	818,782,322	847,687,870	1,075,897,579	1,143,563,262	950,882,282	902,862,303	744,647,102	874,678,621	7,043,583,705

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group I: Residential Service RS and RHS
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kWh Sales	1,667,201,729	1,561,860,431	1,072,153,774	818,782,322	847,687,870	1,075,897,579	1,143,563,262	950,882,282	902,862,303	744,647,102	874,678,621	1,255,224,204	12,915,441,480
Pre-tax Recovery Rate per kWh[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group Ia: Residential Load Management (RLM)
June 2021 - May 2022

Customer Class	Actual/ Estimate	Actual per Books[1] Total Class Revenues	Number of Customers	Actual Avg. Revenue / Cust.	Baseline Revenue / Cust.[2]	Difference	Margin Variance
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	
Residential Load Management							
June	e	833,526	11,427	73.0	61.0	12.0	$136,744
July	e	1,157,983	11,540	100.3	77.9	22.5	$259,110
August	e	975,534	11,475	85.0	78.0	7.0	$80,869
September	e	570,198	11,811	48.3	37.4	10.9	$128,776
October	e	168,969	11,545	14.6	22.3	(7.7)	($88,939)
November	e	160,451	11,511	13.9	22.9	(9.0)	($103,562)
December	e	210,289	11,542	18.2	26.3	(8.1)	($92,998)
January	e	218,345	11,559	18.9	27.8	(8.9)	($102,553)
February	e	184,553	11,609	15.9	25.5	(9.6)	($111,296)
March	e	182,328	11,233	16.2	24.9	(8.6)	($97,040)
April	e	155,299	11,576	13.4	21.0	(7.6)	($87,543)
May	e	342,186	11,781	29.1	33.6	(4.5)	($53,437)
Total		5,159,660		446.9	458.5	(11.6)	($131,868)

Margin Deficiency/ (Credit)	$ 131,868
Prior Period (Over) / Under Recovery[3]	$ -
Total Deficiency/(Credit)	$ 131,868
Projected Residential kWh Use	186,694,277
Pre-tax CIP Charge/(Credit) per kWh	$ 0.0007
BPU/RC Assessment Factor	1.002569
CIP Charge/(Credit) including assessments	$ 0.000708
6.625% Sales Tax	$ -
Proposed After-tax CIP Charge/(Credit) per kWh	**$ 0.0007**
Current After-tax CIP Charge/(Credit) per kWh	$ -
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh	$ 0.0007

[1] Per Exhibit C, Schedule 1a, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 1, Page 3

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Customers and Therms

Group Ia: RLM

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	149,346	150,829	149,980	154,366	150,892	150,449	150,854	151,070	151,729	146,810	151,298	153,973	
Service Charge Rate (pre-tax)	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	13.07	
Total Customers	11,427	11,540	11,475	11,811	11,545	11,511	11,542	11,559	11,609	11,233	11,576	11,781	
Volumes													
RLM kWh	20,896,208	27,849,888	25,509,789	17,611,308	11,449,339	10,873,364	14,251,120	14,837,393	12,531,596	12,380,556	10,545,170	14,082,828	
Total Volumes	20,896,208	27,849,888	25,509,789	17,611,308	11,449,339	10,873,364	14,251,120	14,837,393	12,531,596	12,380,556	10,545,170	14,082,828	192,818,561

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group Ia: Residential Load Management (RLM)
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kWh Sales	27,849,888	25,509,789	17,611,308	11,449,339	10,873,364	14,251,120	14,837,393	12,531,596	12,380,556	10,545,170	14,082,828	20,896,208	192,818,561
Pre-tax Recovery Rate per kWh[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group II: General Power & Light (GLP)
June 2021 - May 2022

Customer Class (a)	Actual/ Estimate	Actual per Books[1] Total Class Revenues (b)	Actual per Books[1] Number of Customers (c)	Actual Avg. Revenue / Cust. (d) = (b) / (c)	Baseline Revenue / Cust.[2] (e)	Difference (f) = (d) - (e)	Margin Variance
Residential Heating							
June	e	32,681,689	286,513	114.1	134.2	(20.1)	($5,759,173)
July	e	36,480,013	283,243	128.8	148.9	(20.1)	($5,705,520)
August	e	37,048,243	268,939	137.8	156.5	(18.7)	($5,042,047)
September	e	24,295,879	295,678	82.2	101.7	(19.5)	($5,766,077)
October	e	14,966,985	288,457	51.9	46.9	5.0	$1,435,801
November	e	12,280,664	280,410	43.8	46.9	(3.1)	($855,537)
December	e	12,319,359	284,876	43.2	45.2	(2.0)	($558,163)
January	e	13,020,503	282,497	46.1	45.9	0.2	$60,502
February	e	12,583,581	283,851	44.3	46.8	(2.4)	($689,008)
March	e	13,114,961	272,327	48.2	46.2	1.9	$530,016
April	e	12,148,504	292,470	41.5	46.0	(4.4)	($1,299,656)
May	e	22,334,793	284,631	78.5	82.5	(4.0)	($1,145,607)
Total		243,275,174		860.3	947.6	(87.3)	($24,794,468)

Margin Deficiency/ (Credit)	$	24,794,468
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	24,794,468
Projected GLP Annual kW Use		27,884,493
Pre-tax CIP Charge/(Credit) per kW	$	0.8892
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.8915
6.625% Sales Tax	$	0.0591
Proposed After-tax CIP Charge/(Credit) per kW	**$**	**0.9506**
Current After-tax CIP Charge/(Credit) per kW	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW	$	0.9506

[1] Per Exhibit C, Schedule 2, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 2, Page 3

Public Service Electric and Gas
Customers and Therms

Group II: General Power & Light (GLP)

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	1,269,252	1,254,767	1,191,401	1,309,853	1,277,865	1,242,218	1,262,002	1,251,462	1,257,459	1,206,409	1,295,640	1,260,914	
Service Charge Rate (pre-tax)	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	
Total Customers	286,513	283,243	268,939	295,678	288,457	280,410	284,876	282,497	283,851	272,327	292,470	284,631	
Demand													
GLP kW	2,504,424	2,595,005	2,707,023	2,332,346	2,566,230	2,162,933	2,023,033	2,129,087	2,131,198	2,210,824	2,123,320	2,528,576	
Total Demand	2,504,424	2,595,005	2,707,023	2,332,346	2,566,230	2,162,933	2,023,033	2,129,087	2,131,198	2,210,824	2,123,320	2,528,576	28,013,999

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group II: General Power & Light (GLP)
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kW Demand	2,595,005	2,707,023	2,332,346	2,566,230	2,162,933	2,023,033	2,129,087	2,131,198	2,210,824	2,123,320	2,528,576	2,504,424	28,013,999
Pre-tax Recovery Rate per kW[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group III: Large Power & Light - Seconday (LPLS)
June 2021 - May 2022

		Actual per Books[1]					
Customer Class	Actual/ Estimate	Total Class Therms	Number of Customers	Actual Avg. Use / Cust.	Baseline Use / Cust.[2]	Difference	Margin Variance
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	
General Service Small							
June	e	8,638,705	9,018	958	2,464	(2,536)	($22,868,738)
July	e	9,103,155	9,251	984	3,494	(2,622)	($24,254,873)
August	e	9,431,600	9,153	1,030	3,606	(1,221)	($11,178,685)
September	e	8,533,046	9,122	935	2,252	(681)	($6,213,948)
October	e	8,789,688	8,912	986	1,617	(122)	($1,088,393)
November	e	14,464,383	9,026	1,603	1,108	542	$4,891,640
December	e	24,818,028	9,234	2,688	1,061	1,718	$15,861,232
January	e	29,836,602	8,927	3,342	970	2,237	$19,971,315
February	e	29,402,661	9,273	3,171	1,105	2,092	$19,401,571
March	e	21,209,712	8,598	2,467	1,078	1,457	$12,525,184
April	e	9,727,248	9,819	991	1,010	(674)	($6,615,493)
May	e	9,030,553	8,978	1,006	1,664	(1,458)	($13,090,450)
Total		182,985,380		20,161	21,429	(1,269)	($12,659,637)

Margin Deficiency/ (Credit)	$ 12,659,637
Prior Period (Over) / Under Recovery[3]	$ -
Total Deficiency/(Credit)	$ 12,659,637
Projected LPLS Annual kW Use	27,994,029
Pre-tax CIP Charge/(Credit) per kW	$ 0.4522
BPU/RC Assessment Factor	1.002569
CIP Charge/(Credit) including assessments	$ 0.4534
6.625% Sales Tax	$ 0.0300
Proposed After-tax CIP Charge/(Credit) per kW	**$ 0.4834**
Current After-tax CIP Charge/(Credit) per kW	$ -
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW	$ 0.4834

[1] Per Exhibit C, Schedule 3, Page 2
[2] From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case
[3] Per Exhibit C, Schedule 3, Page 3

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Customers and Therms

Group III: LPLS

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	
Customers													
Service Charge Revenues	3,136,159	3,217,067	3,182,982	3,172,309	3,099,319	3,138,913	3,211,214	3,104,484	3,224,986	2,990,179	3,414,691	3,122,387	
Service Charge Rate (pre-tax)	348	348	348	348	348	348	348	348	348	348	348	348	
Total Customers	9,018	9,251	9,153	9,122	8,912	9,026	9,234	8,927	9,273	8,598	9,819	8,978	
Demand													
LPLS kW	2,448,613	2,580,259	2,673,356	2,418,664	2,491,408	2,211,925	1,982,675	2,184,804	2,193,451	2,182,891	2,066,302	2,559,680	
Total Demand	2,448,613	2,580,259	2,673,356	2,418,664	2,491,408	2,211,925	1,982,675	2,184,804	2,193,451	2,182,891	2,066,302	2,559,680	27,994,029

PUBLIC SERVICE ELECTRIC AND GAS
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group III: Large Power & Light - Seconday (LPLS)
June 2021 - May 2022

	Estimate Jun-21	Estimate Jul-21	Estimate Aug-21	Estimate Sep-21	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
kW Demand	2,580,259	2,673,356	2,418,664	2,491,408	2,211,925	1,982,675	2,184,804	2,193,451	2,182,891	2,066,302	2,559,680	2,448,613	27,994,029
Pre-tax Recovery Rate per kW[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E
Schedule 4

Public Service Electric and Gas
Conservation Incentive Program
Weather Normalization Calculation

Group I
RS

		DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	THI NORMAL	THI ACTUAL	THI VARIANCE	THI CONSUMPTION FACTOR	THI kWh	TOTAL kWh	MARGIN FACTOR[2]	MARGIN IMPACT
Jun-21	e	989	1,010	21	383,845	8,089,540	1	0	-1	154,244	(137,662)	7,951,878	$0.0334	$265,911
Jul-21	e	836	814	(22)	382,431	(8,462,078)	0	0	0	153,675	(69,538)	(8,531,616)	$0.0334	($285,297)
Aug-21	e	685	734	48	385,559	18,591,967	30	23	-7	154,932	(1,122,483)	17,469,484	$0.0334	$584,180
Sep-21	e	350	302	(48)	381,946	(18,330,399)	182	169	-13	153,480	(1,987,571)	(20,317,970)	$0.0334	($679,433)
Oct-21	e	126	127	2	386,245	580,976	925	791	-134	155,208	(20,815,678)	(20,234,702)	$0.0334	($676,648)
Nov-21	e	14	2	(12)	386,226	(4,519,654)	3,009	2,814	-195	155,200	(30,331,589)	(34,851,243)	$0.0380	($1,324,347)
Dec-21	e	0	0	(0)	387,218	(9,680)	5,275	6,710	1,436	155,599	223,406,438	223,396,757	$0.0380	$8,489,077
Jan-22	e	1	0	(1)	386,022	(260,565)	4,673	4,522	-151	155,118	(23,394,951)	(23,655,516)	$0.0380	($898,910)
Feb-22	e	24	8	(16)	388,852	(6,355,305)	2,116	2,216	100	156,256	15,583,759	9,228,454	$0.0380	$350,681
Mar-22	e	240	178	(62)	387,280	(23,975,359)	345	476	131	155,624	20,462,203	(3,513,155)	$0.0334	($117,480)
Apr-22	e	511	650	139	389,194	54,106,315	21	0	-21	156,393	(3,315,921)	50,790,394	$0.0334	$1,698,431
May-22	e	824	836	12	387,107	4,808,194	6	0	-6	155,554	(866,049)	3,942,145	$0.0334	$131,825
TOTAL		4,600	4,662	61		24,263,952	16,583	17,721	1,138		177,410,958	201,674,910		$7,537,989

Group I
RHS

		DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	THI NORMAL	THI ACTUAL	THI VARIANCE	THI CONSUMPTION FACTOR	THI kWh	TOTAL kWh	MARGIN FACTOR[2]	MARGIN IMPACT
Jun-21	e	989	1,010	21	14,674	309,255	1	0	-1	729	(651)	308,604	$0.0328	$10,117
Jul-21	e	836	814	(22)	14,576	(322,516)	0	0	0	724	(328)	(322,844)	$0.0328	($10,584)
Aug-21	e	685	734	48	14,560	702,100	30	23	-7	724	(5,242)	696,858	$0.0328	$22,846
Sep-21	e	350	302	(48)	14,458	(693,883)	182	169	-13	719	(9,305)	(703,188)	$0.0328	($23,053)
Oct-21	e	126	127	2	14,386	21,639	925	791	-134	715	(95,884)	(74,245)	$0.0328	($2,434)
Nov-21	e	14	2	(12)	14,287	(167,192)	3,009	2,814	-195	710	(138,768)	(305,960)	$0.0486	($14,874)
Dec-21	e	0	0	(0)	14,260	(356)	5,275	6,710	1,436	709	1,017,505	1,017,149	$0.0486	$49,447
Jan-22	e	1	0	(1)	14,136	(9,541)	4,673	4,522	-151	702	(105,951)	(115,492)	$0.0486	($5,614)
Feb-22	e	24	8	(16)	14,018	(229,109)	2,116	2,216	100	697	69,480	(159,629)	$0.0486	($7,760)
Mar-22	e	240	178	(62)	13,949	(863,548)	345	476	131	693	91,150	(772,398)	$0.0328	($25,322)
Apr-22	e	511	650	139	13,906	1,933,227	21	0	-21	691	(14,653)	1,918,574	$0.0328	$62,899
May-22	e	824	836	12	13,802	171,437	6	0	-6	686	(3,819)	167,618	$0.0328	$5,495
TOTAL		4,600	4,662	61		851,511	16,583	17,721	1,138		803,535	1,655,046		$61,162

Group Ia
RLM

		DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	THI NORMAL	THI ACTUAL	THI VARIANCE	THI CONSUMPTION FACTOR	THI kWh	TOTAL kWh	MARGIN FACTOR[2]	MARGIN IMPACT
Jun-21	e	989	1,010	21	6,104	128,637	1	0	-1	2,440	(2,178)	126,459	$0.0147	$1,862
Jul-21	e	836	814	(22)	6,015	(133,099)	0	0	0	2,405	(1,088)	(134,187)	$0.0147	($1,976)
Aug-21	e	685	734	48	6,104	294,329	30	23	-7	2,440	(17,681)	276,648	$0.0147	$4,074
Sep-21	e	350	302	(48)	6,077	(291,660)	182	169	-13	2,430	(31,466)	(323,126)	$0.0147	($4,759)
Oct-21	e	126	127	2	6,040	9,085	925	791	-134	2,415	(323,864)	(314,779)	$0.0147	($4,636)
Nov-21	e	14	2	(12)	6,019	(70,431)	3,009	2,814	-195	2,406	(470,298)	(540,730)	$0.0705	($38,146)
Dec-21	e	0	0	(0)	6,047	(151)	5,275	6,710	1,436	2,418	3,471,476	3,471,324	$0.0705	$244,888
Jan-22	e	1	0	(1)	6,026	(4,068)	4,673	4,522	-151	2,409	(363,389)	(367,456)	$0.0705	($25,923)
Feb-22	e	24	8	(16)	5,999	(98,041)	2,116	2,216	100	2,398	239,200	141,159	$0.0705	$9,958
Mar-22	e	240	178	(62)	6,089	(376,968)	345	476	131	2,435	320,118	(56,850)	$0.0147	($837)
Apr-22	e	511	650	139	6,095	847,372	21	0	-21	2,437	(51,671)	795,701	$0.0147	$11,718
May-22	e	824	836	12	5,990	74,397	6	0	-6	2,395	(13,333)	61,063	$0.0147	$899
TOTAL		4,600	4,662	61		379,402	16,583	17,721	1,138		2,755,824	3,135,227		$197,124

Total
All Groups

		TOTAL kWh	MARGIN IMPACT
Jun-21	a	8,386,941	277,890
Jul-21	a	(8,988,647)	(297,858)
Aug-21	a	18,442,989	611,100
Sep-21	a	(21,344,284)	(707,245)
Oct-21	a	(20,623,726)	(683,718)
Nov-21	a	(35,697,933)	(1,377,367)
Dec-21	a	227,885,230	8,783,411
Jan-22	a	(24,138,465)	(930,447)
Feb-22	a	9,209,985	352,879
Mar-22	a	(4,342,403)	(143,639)
Apr-22	a	53,504,669	1,773,048
May-22	a	4,170,827	138,220
TOTAL		206,465,182	$7,796,274

Public Service Electric and Gas
Conservation Incentive Program Filing
June 2021 - May 2022
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	Weather	Non-Weather	Total
CIP Group I RS RHS	$ 7,599,151	$ 7,537,965	$ 15,137,116
CIP Group II RLM	$ 197,124	$ (65,255)	$ 131,868
CIP Group III GLP	$ -	$ 24,794,468	$ 24,794,468
CIP Group IV LPLS	$ -	$ 12,659,637	$ 12,659,637
Total Deficiency/(Credit)	$ 7,796,274	$ 44,926,815	$ 52,723,089

Step 2: Apply Modified BGSS Savings Test

A. Non-weather Impact Subject to Modified BGS Savings Test

Non-Weather Impact	$	44,926,815
75% Factor		75%
Subtotal	$	33,695,111
Prior Year Carry-Forward (Modified BGSS Savings Test)	$	-
Non-weather Impact Subject to Test	**$**	**33,695,111**

B. BGS Savings

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	$	64,505,906
Additional Capacity BGS Savings (Exhibit C, Schedule 6, Page 3)	$	-
Avoided Cost BGS Savings (Exhibit C, Schedule 6, Page 4)	$	26,508,428
Total BGS Savings	**$**	**91,014,334**

C. Results

Non-Weather Impacts Passing Test (current accrual)	**$**	**44,926,815**
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**
Non-Weather Impacts Exceeding Test	**$**	**-**

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program Filing
June 2021 - May 2022
CIP Recovery Tests
Summary

Step 3: Apply Variable Margin Revenue Test

A. Non-weather Impact Subject to Variable Margin Revenue Test				
Non-Weather Impact	$	44,926,815		
Prior Year Carry-Forward (Variable Margin Revenue Test)	$	-		
Non-weather Impact Subject to Test	**$**	**44,926,815**		
B. Variable Margin Revenues				
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	$	949,240,295		
6.5% Factor		6.5%		
Total Fixed Recovery Cap	**$**	**61,700,619**		
C. Results				
Non-Weather Impacts Passing Test (current accrual)	**$**	**44,926,815**		
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**		
Non-Weather Impacts Exceeding Test	**$**	**-**		

Step 4: Determine Recoverable Non-Weather CIP Impacts

A. Current Year Accrual Recoverable Non-Weather Impacts				
Amount Passing Modified BGSS Savings Test	$	44,926,815		
Amount Passing Variable Margin Revenue Test	$	44,926,815		
Recoverable Amount			**$**	**44,926,815**
B. Previous Carry-Forward Recoverable Amounts				
Amount Passing Modified BGSS Savings Test			**$**	**-**
Amount Passing Variable Margin Revenue Test	$	-		
Deduction for any amount also included in above	$	-		
			$	**-**
Total Non-Weather Recoverable CIP Amount			**$**	**44,926,815**

Public Service Electric and Gas
CIP Recovery Tests
CIP BGS Savings

I. Permanent BGS Savings

Year	WN Summer Peak	Final Zonal UCAP Obligation	PS Zonal Net Load Price $/MW-Day	PS Zonal Net Load Price $/kW-yr
2011/2012	10,340	12,333	$116.15	$42.42
2012/2013	10,150	11,645	$157.73	$57.61
2013/2014	10,100	11,629	$248.30	$90.69
2014/2015	10,120	11,564	$170.95	$62.44
2015/2016	10,160	11,398	$166.29	$60.74
2016/2017	9,490	11,043	$224.70	$82.07
2017/2018	9,530	10,932	$208.59	$76.19
2018/2019	9,450	11,272	$218.96	$79.97
2019/2020	9,370	11,281	$115.83	$42.31
2020/2021	9,480	11,320	$174.32	$63.67

Permanent Capacity Savings	1,013
2021 PS Zonal Net Load Capacity Cost per kW-year	$63.67

Total Permanent Reductions **$64,505,906**

II. Additional Capacity BGS Savings

CIP Recovery

Year	WN Summer Peak	Final Zona lUCAP Obligation	PS Zonal Net Load Price $/MW-Day
2019/2020	9,370	11,281	$42.31
2020/2021*	9,480	11,320	$63.67

Incremental Capacity Savings*	0
PS Zonal Net Load Capacity Cost per kW-year	$63.67

Total Additional Capacity Reductions **$ -**

* Due to the potential for Peak increases due to Electric Vehicles and Electrification, incremental savings is set as a minimum of the incremental obligation savings or zero

III. Avoided Capacity

CIP Recovery

Year	Annual $
2019/2020	**$ 26,508,428**

VI. Total of all Savings

CIP Recovery Year	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	Annual $
2019/2020	$ 64,505,906	$ -	$ 26,508,428	**$ 91,014,334**

Public Service Electric and Gas
CIP Recovery Tests
Avoided Capacity Cost BGS Savings

Month	Base Year Customer Count	Current Year Customer Count	Net Increase/ (Decrease) Customer Count	Base Year Unforced Capacity / Customer (kW)	Current Year Capacity Rate / Cust. ($/kW)	Avoided Capacity
(a)	(b)	(c)	(d) = (b) / (c)	(e)	(f)	(g) = (d) * (e) * (f) * 1,000
Group 1: RS						
June	1,882,438	1,921,455	45,393	2.3	$5.31	559,726
July	1,876,061	1,923,694	58,192	2.3	$5.31	720,245
August	1,865,502	1,916,474	43,971	2.3	$5.31	544,190
September	1,872,503	1,916,615	43,447	2.3	$5.31	538,382
October	1,873,168	1,914,216	41,351	2.3	$5.31	510,417
November	1,872,865	1,921,687	35,139	2.3	$5.31	434,824
December	1,886,548	1,916,894	26,299	2.3	$5.31	326,307
January	1,890,595	1,911,763	31,675	2.3	$5.31	392,062
February	1,880,088	1,916,381	64,008	2.4	$5.31	813,641
March	1,852,372	1,866,048	(52,315)	2.2	$5.31	(621,957)
April	1,918,364	1,995,221	131,146	2.3	$5.31	1,632,007
May	1,864,076	1,906,131	28,250	2.3	$5.31	348,742
Subtotal	1,877,882	1,918,882	41,380			$6,198,587
Group 2: RLM						
June	12,114	11,427	(971)	7.4	$5.31	(38,152)
July	12,213	11,540	(574)	7.4	$5.31	(22,690)
August	11,549	11,475	(738)	7.2	$5.31	(28,337)
September	12,247	11,811	262	7.4	$5.31	10,287
October	12,179	11,545	(702)	7.4	$5.31	(27,654)
November	12,329	11,511	(668)	7.4	$5.31	(26,261)
December	12,188	11,542	(787)	7.4	$5.31	(30,898)
January	12,017	11,559	(630)	7.4	$5.31	(24,612)
February	12,039	11,609	(408)	7.6	$5.31	(16,480)
March	12,316	11,233	(806)	7.4	$5.31	(31,589)
April	12,310	11,576	(740)	7.3	$5.31	(28,477)
May	12,397	11,781	(529)	7.5	$5.31	(21,014)
Subtotal	12,158	11,551	(608)			($285,878)
Group 3: GLP						
June	269,005	286,513	21,754	8.9	$5.31	1,030,287
July	264,759	283,243	23,892	9.4	$5.31	1,191,750
August	259,351	268,939	4,401	8.6	$5.31	199,656
September	264,539	295,678	48,029	8.8	$5.31	2,233,630
October	247,648	288,457	29,778	9.0	$5.31	1,424,579
November	258,679	280,410	13,735	8.9	$5.31	646,784
December	266,675	284,876	23,772	8.9	$5.31	1,128,831
January	261,105	282,497	19,522	8.9	$5.31	922,614
February	262,975	283,851	27,296	9.3	$5.31	1,344,609
March	256,555	272,327	4,903	8.6	$5.31	224,882
April	267,424	292,470	27,829	8.9	$5.31	1,311,598
May	264,641	284,631	15,626	8.8	$5.31	731,611
Subtotal	261,946	283,658	21,711			$12,390,832
Group 4: LPLS						
June	8,883	9,018	162	267.1	$5.31	229,325
July	8,727	9,251	368	270.0	$5.31	526,705
August	8,370	9,153	425	270.9	$5.31	611,195
September	8,140	9,122	752	277.3	$5.31	1,106,538
October	9,014	8,912	772	273.8	$5.31	1,120,956
November	7,780	9,026	11	267.6	$5.31	16,100
December	8,886	9,234	1,454	276.8	$5.31	2,135,451
January	8,481	8,927	41	266.5	$5.31	57,568
February	8,891	9,273	793	287.4	$5.31	1,208,750
March	8,867	8,598	(293)	251.7	$5.31	(391,031)
April	8,846	9,819	952	275.2	$5.31	1,390,334
May	8,856	8,978	133	274.0	$5.31	192,996
Subtotal	8,645	9,109	464			$8,204,886
					Total Avoided Capacity Cost BGS Savings	$26,508,428

Notes:
(1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case

(2) Current Year Customer Count is equal to the customer count in the CIP accrual year.

(3) Base Year Unforced capacity is equal to the 2017/2018 Unforced capacity from PJM by rate schedule divided by number of customers

(4) Current Year Capacity rate is the current year PS Zonal Net Load Price $/kW-yr divided by 12

Public Service Electric and Gas
CIP Recovery Tests
Allowed Margin

Group I (RS)	$479,659,857
Group II (RLM)	$5,296,387
Group III (GLP)	$268,638,974
Group IV	$195,645,078
Total Variable Margin	$949,240,295

Customer Class	Actual/ Estimate	Number of Customers	Baseline Revenue / Cust.	Variable Revenue
Group I: Residential Service RS and RHS				
June	e	1,921,455	42.4	$81,526,572
July	e	1,923,694	42.5	$81,700,841
August	e	1,916,474	20.4	$39,021,862
September	e	1,916,615	12.2	$23,328,902
October	e	1,914,216	12.5	$23,918,140
November	e	1,921,687	14.3	$27,508,538
December	e	1,916,894	15.1	$28,990,789
January	e	1,911,763	13.9	$26,543,477
February	e	1,916,381	13.5	$25,962,537
March	e	1,866,048	11.4	$21,329,665
April	e	1,995,221	18.3	$36,505,114
May	e	1,906,131	33.2	$63,323,418
Total			249.7	$479,659,857
Group Ia: Residential Load Management (RLM)				
June	e	11,427	77.9	$889,984
July	e	11,540	78.0	$899,696
August	e	11,475	37.4	$428,901
September	e	11,811	22.3	$263,895
October	e	11,545	22.9	$264,804
November	e	11,511	26.3	$302,478
December	e	11,542	27.8	$320,435
January	e	11,559	25.5	$294,593
February	e	11,609	24.9	$288,705
March	e	11,233	21.0	$235,688
April	e	11,576	33.6	$388,791
May	e	11,781	61.0	$718,417
Total			458.5	$5,296,387
Group II: General Power & Light (GLP)				
June	e	286,513	148.9	$42,671,371
July	e	283,243	156.5	$44,329,777
August	e	268,939	101.7	$27,343,386
September	e	295,678	46.9	$13,870,980
October	e	288,457	46.9	$13,514,508
November	e	280,410	45.2	$12,674,355
December	e	284,876	45.9	$13,068,934
January	e	282,497	46.8	$13,208,820
February	e	283,851	46.2	$13,117,814
March	e	272,327	46.0	$12,522,612
April	e	292,470	82.5	$24,127,246
May	e	284,631	134.2	$38,189,171
Total			947.6	$268,638,974
Group III: Large Power & Light - Seconday (LPLS)				
June	e	9,018	3,493.9	$31,507,445
July	e	9,251	3,606.1	$33,358,072
August	e	9,153	2,251.9	$20,610,296
September	e	9,122	1,616.7	$14,746,992
October	e	8,912	1,108.4	$9,878,101
November	e	9,026	1,060.6	$9,572,704
December	e	9,234	970.0	$8,956,818
January	e	8,927	1,105.1	$9,865,275
February	e	9,273	1,078.5	$10,001,098
March	e	8,598	1,010.0	$8,684,560
April	e	9,819	1,664.4	$16,342,703
May	e	8,978	2,463.8	$22,121,014
Total			21,429.4	$195,645,078

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E
Schedule 6

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
EARNINGS TEST
JANUARY 1, 2021 THROUGH DECEMBER 31, 2021
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE

in $000

1	Equity Base for Earnings Test	3,000,000	
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	10.1%	= ln 2 + ln 3
5	Actual Net Income	250,000	
6	ROE for Earnings Test	8.33%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	**Pass**	= IF ln 4 > 6, Pass else Fail

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas Company
Conservation Incentive Program
Group I: Residential Heat & Non-Heating
October 2021 - September 2022

Customer Class (a)	Actual/ Estimate	Actual per Books[1] Total Class Therms (b)	Number of Customers (c)	Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust.[2] (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
Residential Non-Heating									
October	e	67,342,776	1,660,099	40.6	38.8	1.8	2,981,652	$0.3686	$1,098,986
November	e	156,785,130	1,664,795	94.2	87.3	6.9	11,432,341	$0.3686	$4,213,767
December	e	233,972,053	1,663,080	140.7	144.0	(3.3)	(5,484,489)	$0.3743	($2,052,674)
January	e	295,224,713	1,661,673	177.7	179.4	(1.7)	(2,875,459)	$0.3800	($1,092,545)
February	e	254,970,665	1,662,634	153.4	153.1	0.3	461,869	$0.3800	$175,490
March	e	196,889,032	1,643,868	119.8	125.3	(5.5)	(9,097,576)	$0.3800	($3,456,669)
April	e	115,198,363	1,684,260	68.4	69.2	(0.8)	(1,412,867)	$0.3800	($536,826)
May	e	52,555,770	1,669,027	31.5	36.7	(5.2)	(8,745,217)	$0.3800	($3,322,789)
June	e	41,511,324	1,669,739	24.9	21.0	3.9	6,520,385	$0.3851	$2,510,883
July	e	29,156,563	1,674,659	17.4	17.3	0.1	128,099	$0.3902	$49,985
August	e	27,497,947	1,672,495	16.4	18.1	(1.6)	(2,728,931)	$0.3902	($1,064,853)
September	e	30,310,167	1,670,608	18.1	19.5	(1.3)	(2,249,715)	$0.3902	($877,859)
Total		1,501,414,504		903.0	909.7		(11,069,907)		($4,355,105)

Margin Deficiency/ (Credit)	$	4,355,105
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	4,355,105
Projected Residential Non-Heating Throughput for Recovery Period		1,521,598,100
Pre-tax CIP Charge/(Credit)	$	0.0029
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.0029
6.625% Sales Tax	$	0.0002
Proposed After-tax CIP Charge/(Credit) per Therm	**$**	**0.0031**
Current After-tax CIP Charge/(Credit) per Therm	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	$	0.0031

[1] Per Exhibit C, Schedule 1, Page 2
[2] From 2018 Base Rate Case
[3] Per Exhibit C, Schedule 1, Page 3

Public Service Electric and Gas Company
Customers and Therms

Group I: Residential Heat & Non-Heating

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	
Customers													
RSG heating	1,432,278	1,435,713	1,434,502	1,424,074	1,430,635	1,416,067	1,456,991	1,442,691	1,443,720	1,448,951	1,446,908	1,444,193	
RSG non-heating	227,821	229,083	228,577	237,599	231,999	227,801	227,269	226,336	226,019	225,708	225,587	226,415	
Total Customers	1,660,099	1,664,795	1,663,080	1,661,673	1,662,634	1,643,868	1,684,260	1,669,027	1,669,739	1,674,659	1,672,495	1,670,608	
Volumes													
RSG heating	65,270,130	148,604,339	225,403,007	289,967,465	250,424,912	193,012,074	111,867,103	49,912,548	39,212,812	26,571,828	25,387,358	28,285,580	1,453,919,157
RSG non-heating	2,072,647	8,180,791	8,569,046	5,257,248	4,545,753	3,876,959	3,331,260	2,643,222	2,298,511	2,584,736	2,110,589	2,024,586	47,495,348
Total Volumes	67,342,776	156,785,130	233,972,053	295,224,713	254,970,665	196,889,032	115,198,363	52,555,770	41,511,324	29,156,563	27,497,947	30,310,167	1,501,414,504

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group I: Residential Heat & Non-Heating
October 2021 - September 2022

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Therm Sales	67,342,776	156,785,130	233,972,053	295,224,713	254,970,665	196,889,032	115,198,363	52,555,770	41,511,324	29,156,563	27,497,947	30,310,167	1,501,414,504
Pre-tax Recovery Rate per Therm[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas
Conservation Incentive Program
Group II: General Service Gas (GSG)
October 2021 - September 2022

Customer Class	Actual/ Estimate	Actual per Books[1] Total Class Therms	Number of Customers	Actual Avg. Use / Cust.	Baseline Use / Cust.[2]	Difference	Aggregate Therm Impact	Margin Factor	Margin Variance
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	(g) = (f) * (c)		
General Service Small									
October	e	12,918,483	139,593	92.5	112.2	(19.7)	(2,748,266)	$0.2926	($804,019)
November	e	27,806,708	139,796	198.9	173.7	25.2	3,526,241	$0.2926	$1,031,619
December	e	47,586,518	139,531	341.1	320.4	20.7	2,885,422	$0.2956	$853,016
January	e	55,978,433	139,557	401.1	433.7	(32.6)	(4,551,009)	$0.2987	($1,359,404)
February	e	46,707,448	139,502	334.8	354.4	(19.6)	(2,736,061)	$0.2987	($817,273)
March	e	37,335,157	137,321	271.9	281.5	(9.6)	(1,324,681)	$0.2987	($395,688)
April	e	21,785,596	140,732	154.8	164.4	(9.6)	(1,348,271)	$0.2987	($402,734)
May	e	11,439,173	140,077	81.7	80.6	1.0	144,114	$0.2987	$43,047
June	e	7,482,658	140,041	53.4	49.7	3.8	527,964	$0.3014	$159,105
July	e	7,109,375	138,968	51.2	57.1	(6.0)	(829,433)	$0.3040	($252,155)
August	e	7,669,412	139,089	55.1	51.2	4.0	549,968	$0.3040	$167,195
September	e	6,820,285	138,549	49.2	53.4	(4.2)	(575,054)	$0.3040	($174,822)
Total		290,639,246		2,085.7	2,132.3		(6,479,067)		($1,952,111)

Margin Deficiency/ (Credit)	$	1,952,111
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	1,952,111
Projected Commercial Throughput for Recovery Period		289,952,320
Pre-tax CIP Charge/(Credit)	$	0.0067
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	0.0067
6.625% Sales Tax	$	0.0004
Proposed After-tax CIP Charge/(Credit) per Therm	**$**	**0.0071**
Current After-tax CIP Charge/(Credit) per Therm	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	$	0.0071

[1] Per Exhibit C, Schedule 3, Page 2
[2] From 2018 Base Rate Case
[3] Per Exhibit C, Schedule 3, Page 3

Public Service Electric and Gas
Customers and Therms

Group II: General Service Gas (GSG)

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	
Customers													
GSG Heating	114,183	114,527	114,337	114,295	114,273	112,674	115,341	114,934	114,880	113,941	114,194	113,625	
GSG Non-Heating	25,410	25,269	25,194	25,263	25,229	24,647	25,391	25,142	25,162	25,027	24,895	24,924	
Total Customers	139,593	139,796	139,531	139,557	139,502	137,321	140,732	140,077	140,041	138,968	139,089	138,549	
Volumes													
GSG Heating	10,454,149	24,089,750	41,550,122	50,222,054	40,967,187	32,276,661	18,277,654	8,821,668	5,244,883	5,013,542	5,501,554	5,136,675	247,555,900
GSG Non-Heating	2,464,334	3,716,958	6,036,396	5,756,379	5,740,261	5,058,496	3,507,942	2,617,505	2,237,775	2,095,833	2,167,858	1,683,610	43,083,346
Total Volumes	12,918,483	27,806,708	47,586,518	55,978,433	46,707,448	37,335,157	21,785,596	11,439,173	7,482,658	7,109,375	7,669,412	6,820,285	290,639,246

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group II: General Service Gas (GSG)
October 2021 - September 2022

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Therm Sales	12,918,483	27,806,708	47,586,518	55,978,433	46,707,448	37,335,157	21,785,596	11,439,173	7,482,658	7,109,375	7,669,412	6,820,285	290,639,246
Pre-tax Recovery Rate per Therm[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas Company
Conservation Incentive Program
Group III: Large Volume Gas (LVG)
October 2021 - September 2022

Customer Class	Actual/ Estimate	Actual per Books[1] Total Class Therms	Actual per Books[1] Number of Customers	Large Customer Adjustment	Adjusted Number of Customers	Actual Avg. Use / Cust.[2]	Baseline Use / Cust.	Difference	Aggregate Therm Impact	Margin Factor	Margin Variance
(a)		(b)	(c1)	(c2)	(c) = (c1) + (c2)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	(g) = (f) * (c)		
General Service Large											
October	e	42,763,409	19,081	-	19,081	2,241.1	2,391.9	(150.7)	(2,876,010)	$0.0440	($126,455)
November	e	70,622,456	19,101	-	19,101	3,697.4	3,570.6	126.7	2,420,323	$0.0440	$106,419
December	e	106,773,356	19,008	-	19,008	5,617.3	5,232.3	385.0	7,318,162	$0.0451	$329,793
January	e	121,930,621	18,668	-	18,668	6,531.4	6,507.3	24.1	450,365	$0.0462	$20,789
February	e	109,927,597	19,016	-	19,016	5,780.9	5,836.7	(55.8)	(1,061,727)	$0.0462	($49,010)
March	e	103,382,969	18,579	-	18,579	5,564.5	5,497.3	67.2	1,248,064	$0.0462	$57,612
April	e	66,170,486	19,692	-	19,692	3,360.3	3,498.7	(138.4)	(2,725,064)	$0.0462	($125,792)
May	e	36,430,854	19,054	-	19,054	1,911.9	2,012.5	(100.6)	(1,916,701)	$0.0462	($88,477)
June	e	27,748,463	19,080	-	19,080	1,454.3	1,457.5	(3.1)	(59,566)	$0.0451	($2,685)
July	e	23,818,293	19,086	-	19,086	1,248.0	1,366.7	(118.7)	(2,265,279)	$0.0440	($99,661)
August	e	25,317,371	18,926	-	18,926	1,337.7	1,404.2	(66.5)	(1,258,509)	$0.0440	($55,368)
September	e	25,679,844	18,851	-	18,851	1,362.3	1,368.3	(6.0)	(113,418)	$0.0440	($4,990)
Total		760,565,719				40,107.1	40,143.9		(839,360)		($37,825)

Margin Deficiency/ (Credit)	$	37,825
Prior Period (Over) / Under Recovery[3]	$	-
Total Deficiency/(Credit)	$	37,825
Projected Commercial Throughput for Recovery Period		760,577,559
Pre-tax CIP Charge/(Credit)	$	-
BPU/RC Assessment Factor		1.002569
CIP Charge/(Credit) including assessments	$	-
6.625% Sales Tax	$	-
Proposed After-tax CIP Charge/(Credit) per Therm	**$**	**-**
Current After-tax CIP Charge/(Credit) per Therm	$	-
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	$	-

[1] Per Exhibit C, Schedule 4, Page 2
[2] From 2018 Base Rate Case
[3] Per Exhibit C, Schedule 4, Page 3

Public Service Electric and Gas Company
Customers and Therms

Group III: Large Volume Gas (LVG)

		Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	
Customers														
LVG		19,081	19,101	19,008	18,668	19,016	18,579	19,692	19,054	19,080	19,086	18,926	18,851	
	Total Customers	19,081	19,101	19,008	18,668	19,016	18,579	19,692	19,054	19,080	19,086	18,926	18,851	
Volumes														
LVG		42,763,409	70,622,456	106,773,356	121,930,621	109,927,597	103,382,969	66,170,486	36,430,854	27,748,463	23,818,293	25,317,371	25,679,844	760,565,719
	Total Volumes	42,763,409	70,622,456	106,773,356	121,930,621	109,927,597	103,382,969	66,170,486	36,430,854	27,748,463	23,818,293	25,317,371	25,679,844	760,565,719

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
Group III: Large Volume Gas (LVG)
October 2021 - September 2022

	Estimate Oct-21	Estimate Nov-21	Estimate Dec-21	Estimate Jan-22	Estimate Feb-22	Estimate Mar-22	Estimate Apr-22	Estimate May-22	Estimate Jun-22	Estimate Jul-22	Estimate Aug-22	Estimate Sep-22	TOTAL
Beginning Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Therm Sales	42,763,409	70,622,456	106,773,356	121,930,621	109,927,597	103,382,969	66,170,486	36,430,854	27,748,463	23,818,293	25,317,371	25,679,844	760,565,719
Pre-tax Recovery Rate per Therm[1]	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Under/(Over) Recovery $	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G
Schedule 4

Public Service Electric and Gas
Weather Normalization
2021-2022 Winter Period

Step 1: Determine the degree day variance from the dead band.

	Normal Degree Days	0.50% Dead Band	Dead Band Low End	Dead Band High End	Actual Degree Days	Normalization Amount (1)
October	243	1	242	244	243	-
November	516	3	514	519	516	-
December	827	4	823	831	827	-
January	1,003	5	998	1,008	1,003	-
February	858	4	854	862	858	-
March	692	3	688	695	692	-
April	358	2	356	359	358	-
May	124	1	123	124	124	-

Step 2: Determine the normalized volumes by rate class.

	Therms Per Degree Day (2)			Normalization Volumes (3)		
	RSG	GSG	LVG	RSG	GSG	LVG
October	155,872	17,368	88,550	-	-	-
November	249,538	31,588	88,550	-	-	-
December	246,824	54,161	88,550	-	-	-
January	284,118	68,715	89,001	-	-	-
February	291,909	59,983	89,001	-	-	-
March	292,968	61,432	89,001	-	-	-
April	270,873	61,014	89,001	-	-	-
May	196,672	17,503	89,001	-	-	-

Step 3: Calculate the margin revenue to be deferred.

	Margin Revenue Deferral (4)			
Margin Revenue Factor:				
December 2020- May 2021	**0.36071**	**0.28830**	**0.04198**	
October 2020 - November 2020	**0.35139**	**0.28326**	**0.04181**	**Total**
October	$ -	$ -	$ -	$ -
November	$ -	$ -	$ -	$ -
December	$ -	$ -	$ -	$ -
January	$ -	$ -	$ -	$ -
February	$ -	$ -	$ -	$ -
March	$ -	$ -	$ -	$ -
April	$ -	$ -	$ -	$ -
May	$ -	$ -	$ -	$ -
Winter Period Total	$ -	$ -	$ -	$ -

(1) Amount above or below the Dead Band
(2) Consumption factors to be true-up at the end of the Winter Period for actual # of customers.
(3) Normalization degree days x Therms Per Degree Day
(4) Normalization Volumes x Margin Revenue Factor

Public Service Electric and Gas
Conservation Incentive Program Filing
October 2021 - September 2022
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	Weather	Non-Weather	Total
CIP Group 1 (RSG)	$ -	$ 4,355,105	$ 4,355,105
CIP Group 2 (GSG)	$ -	$ 1,952,111	$ 1,952,111
CIP Group 3 (LVG)	$ -	$ 37,825	$ 37,825
Total Deficiency/(Credit)	$ -	$ 6,345,041	$ 6,345,041

Step 2: Apply Modified BGSS Savings Test

A. Non-weather Impact Subject to Modified BGSS Savings Test

Non-Weather Impact	$	6,345,041
75% Factor		75%
Subtotal	$	4,758,781
Prior Year Carry-Forward (Modified BGSS Savings Test)	$	-
Non-weather Impact Subject to Test	**$**	**4,758,781**

B. BGSS Savings

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	$	45,394,957
Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3)	$	-
Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)	$	3,387,831
Total BGSS Savings	**$**	**48,782,788**

C. Results

Non-Weather Impacts Passing Test (current accrual)	**$**	**6,345,041**
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**
Non-Weather Impacts Exceeding Test	**$**	**-**

Public Service Electric and Gas
Conservation Incentive Program Filing
October 2021 - September 2022
CIP Recovery Tests
Summary

Step 3: Apply Variable Margin Revenue Test

A. Non-weather Impact Subject to Variable Margin Revenue Test				
Non-Weather Impact	$	6,345,041		
Prior Year Carry-Forward (Variable Margin Revenue Test)	$	-		
Non-weather Impact Subject to Test	**$**	**6,345,041**		
B. Variable Margin Revenues				
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	$	695,148,298		
6.5% Factor		6.5%		
Total Fixed Recovery Cap	**$**	**45,184,639**		
C. Results				
Non-Weather Impacts Passing Test (current accrual)	**$**	**6,345,041**		
Non-Weather Impacts Passing Test (prior year carry-forward)	**$**	**-**		
Non-Weather Impacts Exceeding Test	**$**	**-**		

Step 4: Determine Recoverable Non-Weather CIP Impacts

A. Current Year Accrual Recoverable Non-Weather Impacts				
Amount Passing Modified BGSS Savings Test	$	6,345,041		
Amount Passing Variable Margin Revenue Test	$	6,345,041		
Recoverable Amount			**$**	**6,345,041**
B. Previous Carry-Forward Recoverable Amounts				
Amount Passing Modified BGSS Savings Test			**$**	**-**
Amount Passing Variable Margin Revenue Test	$	-		
Deduction for any amount also included in above	$	-		
			$	**-**
Total Non-Weather Recoverable CIP Amount			**$**	**6,345,041**

Public Service Electric and Gas Company
CIP Recovery Tests
CIP BGSS Savings

I. Permanent BGSS Savings

Pipeline	Contract No.	Type of Transaction	Quantity Dth	Annual $
Texas Eastern	870146	Contract Terminated	88,321	$ 3,539,906
Texas Eastern	870145	Contract Terminated	25,000	821,250
Texas Eastern	911678	Contract Reduced	33,376	1,400,000
Texas Eastern	911677	Contract Reduced	56,493	2,000,000
Texas Eastern	911679	Contract Reduced	59,817	2,200,000
Dominion	200318/200315	Contract Terminated	43,300	1,089,237
Dominion	525445	Contract Reduced	48,526	2,537,483
Dominion	200482	Contract Reduced	55,737	4,271,190
National Fuel	F11135	Contract Terminated	48,400	3,545,087
National Fuel	F10833	Contract Terminated	30,795	1,265,702
National Fuel	F10845	Contract Terminated	20,000	822,018
Steuben	4	Contract Terminated	11,111	1,084,634
Steuben	3	Contract Terminated	30,955	3,333,011
Trunkline	21079	Contract Terminated	89,392	6,630,062
Trunkline	20912	Contract Terminated	25,242	998,725
Panhandle	22945	Contract Terminated	88,498	2,994,348
Panhandle	22652	Contract Terminated	25,000	718,138
Texas Gas	T025024	Contract Terminated	85,417	6,144,167
Total Permanent Reductions				**$ 45,394,957**

II. Additional Capacity BGSS Savings

CIP Recovery Year	Annual $
2020-2021	$ -

III. Avoided Capacity

CIP Recovery Year	Annual $
2020-2021	**$ 3,387,831**

VI. Total of all Savings

CIP Recovery Year	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	Annual $
2020-2021	$ 45,394,957	$ -	$ 3,387,831	**$ 48,782,788**

Public Service Electric and Gas
CIP Recovery Tests
Avoided Capacity Cost BGSS Savings

Month (a)	Base Year Customer Count (b)	Current Year Customer Count (c)	Net Increase/ (Decrease) Customer Count (d) = (b) / (c)	Baseline Use / Cust. (e)	Avoided Capacity (f) = (d) * (e)
Group 1: RSG					
October	1,624,278	1,660,099	35,821	38.8	1,388,915
November	1,630,996	1,664,795	33,799	87.3	2,951,107
December	1,635,566	1,663,080	27,514	144.0	3,961,612
January	1,636,952	1,661,673	24,721	179.4	4,434,874
February	1,630,001	1,662,634	32,633	153.1	4,995,253
March	1,615,444	1,643,868	28,424	125.3	3,561,676
April	1,653,790	1,684,260	30,470	69.2	2,109,693
May	1,636,600	1,669,027	32,427	36.7	1,191,044
June	1,631,876	1,669,739	37,863	21.0	793,411
July	1,683,288	1,674,659	(8,629)	17.3	(149,565)
August	1,621,557	1,672,495	50,938	18.1	920,535
September	1,630,455	1,670,608	40,153	19.5	782,444
Subtotal				909.7	26,940,999
			Average Per Unit BGSS Capacity Cost		0.12575
			Total Avoided Capacity Cost BGSS Savings		$3,387,831

Notes:
(1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case

(2) Current Year Customer Count is equal to the customer count in the CIP accrual year.

(3) The average per unit BGSS Capacity Cost represents the average of all capacity costs in the BGSS portfolio included in the annual BGSS filing for the prospective BGSS year. This value is used as a proxy for the avoided cost of incremental capacity.

Public Service Electric and Gas
CIP Recovery Tests
Variable Margin

Group I (RSG)	$572,054,911
Group II (GSG)	$88,504,755
Group III (LVG)	$34,588,632
Total Variable Margin	$695,148,298

Customer Class	Actual/ Estimate	Number of Customers	Baseline Use / Cust.	Margin Factor	Variable Revenue
RSG					
October	e	1,660,099	38.8	$0.3686	$23,725,156
November	e	1,664,795	87.3	$0.3686	$53,576,514
December	e	1,663,080	144.0	$0.3743	$89,623,633
January	e	1,661,673	179.4	$0.3800	$113,266,416
February	e	1,662,634	153.1	$0.3800	$96,699,726
March	e	1,643,868	125.3	$0.3800	$78,264,526
April	e	1,684,260	69.2	$0.3800	$44,308,922
May	e	1,669,027	36.7	$0.3800	$23,292,338
June	e	1,669,739	21.0	$0.3851	$13,473,757
July	e	1,674,659	17.3	$0.3902	$11,326,878
August	e	1,672,495	18.1	$0.3902	$11,793,969
September	e	1,670,608	19.5	$0.3902	$12,703,075
Total			909.7		$572,054,911
GSG					
October	e	139,593	112.2	$0.2926	$4,583,213
November	e	139,796	173.7	$0.2926	$7,103,377
December	e	139,531	320.4	$0.2956	$13,215,149
January	e	139,557	433.7	$0.2987	$18,080,212
February	e	139,502	354.4	$0.2987	$14,769,162
March	e	137,321	281.5	$0.2987	$11,547,748
April	e	140,732	164.4	$0.2987	$6,910,111
May	e	140,077	80.6	$0.2987	$3,373,728
June	e	140,041	49.7	$0.3014	$2,095,763
July	e	138,968	57.1	$0.3040	$2,413,539
August	e	139,089	51.2	$0.3040	$2,164,358
September	e	138,549	53.4	$0.3040	$2,248,396
Total			2,132.3		$88,504,755
LVG					
October	e	19,081	2,391.9	$0.0440	$2,006,715
November	e	19,101	3,570.6	$0.0440	$2,998,783
December	e	19,008	5,232.3	$0.0451	$4,481,945
January	e	18,668	6,507.3	$0.0462	$5,607,648
February	e	19,016	5,836.7	$0.0462	$5,123,380
March	e	18,579	5,497.3	$0.0462	$4,714,650
April	e	19,692	3,498.7	$0.0462	$3,180,291
May	e	19,054	2,012.5	$0.0462	$1,770,159
June	e	19,080	1,457.5	$0.0451	$1,253,530
July	e	19,086	1,366.7	$0.0440	$1,147,551
August	e	18,926	1,404.2	$0.0440	$1,169,202
September	e	18,851	1,368.3	$0.0440	$1,134,777
Total			40,143.9		$34,588,632

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G
Schedule 6

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
EARNINGS TEST
APRIL 1, 2021 THROUGH MARCH 31, 2022
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE

in $000

1	Equity Base for Earnings Test	3,000,000	
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	10.1%	= ln 2 + ln 3
5	Actual Net Income	250,000	
6	ROE for Earnings Test	8.33%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	**Pass**	= IF ln 4 > 6, Pass else Fail