

ENERGY AND CLEAN

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 1st Floor Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

		<u>ENERGY</u>
IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF ITS)	ORDER APPROVING STIPULATION
ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS)	DOCKET NO. EO20090623

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel **Philip J. Passanante**, **Esq.**, Assistant General Counsel, Atlantic City Electric Company **John M. Kolesnik, Esq.**, Policy Counsel for the Energy Efficiency Alliance of New Jersey

BY THE BOARD:

On December 5, 2023, Rockland Electric Company ("RECO" or "Company") filed a letter petition requesting that the New Jersey Board of Public Utilities ("Board") authorize the Company to extend the term of its initial energy efficiency ("EE") portfolio of programs ("Triennium 1 EE Program" or "CEP") established pursuant to New Jersey Clean Energy Act of 2018, <u>L.</u> 2018, <u>c.</u> 17 ("CEA") for a six (6)-month period ("Extension Period") from July 1, 2024 through December 31, 2024 ("Petition"). Additionally, by the Petition, RECO sought approval from the Board to implement a budget of \$5,587,466 for the Extension Period and other relief related to this budget request.

By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by RECO, the New Jersey Division of Rate Counsel ("Rate Counsel"), Board Staff ("Staff"), and the Energy Efficiency Alliance of New Jersey ("EEA-NJ") (collectively, "Parties") that resolves all issues relating to the Petition.

BACKGROUND AND PROCEDURAL HISTORY

On September 25, 2020, RECO filed a petition with the Board seeking approval to implement its Triennium 1 EE Program from July 1, 2021 through June 30, 2024. By Order dated June 9, 2021, the Board approved a stipulation of settlement authorizing RECO to implement its Triennium 1 EE Program with a total budget of \$18,081,625. The Triennium 1 EE Program's component subprograms are detailed below:

_

¹ In re the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. EO20090623, Order dated June 9, 2021.

Program	Туре	Direct Investment	O&M	Total EE
				Program
Efficient Products	Core	\$2,880,802	\$498,445	\$3,379,247
Existing Homes	Core	\$1,378,113	\$312,081	\$1,690,194
Moderate Income Weatherization	Utility-Led	\$813,354	\$84,674	\$898,028
Multi-Family	Core	\$1,062,366	\$166,176	\$1,228,542
Energy Savings for Business	Core	\$3,699,970	\$511,624	\$4,211,594
Energy Solutions for Business	Core	\$3,270,799	\$487,834	\$3,758,634
Clean Heat Beneficial Electrification Program - Pilot	Utility-Led	\$1,585,779	\$175,858	\$1,761,637
Peak Demand Reduction Program - Pilot	Utility-Led	\$995,000	\$158,749	\$1,153,749
Total Portfolio Cost				\$18,081,625

By Order dated May 24, 2023, the Board directed each of the State's electric and gas public utilities ("Utilities") to propose, for Board approval, EE programs for the second three (3)-year EE program period ("Triennium 2") on or before October 2, 2023, and addressed certain aspects of the Triennium 2 framework.² By Order dated July 26, 2023, the Board approved the remaining aspects of the Triennium 2 framework.³

_

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

³ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated July 26, 2023.

By Order dated October 25, 2023, the Board delayed the start of Triennium 2 by six (6) months, from July 1, 2024 until January 1, 2025, and directed the Utilities to file petitions to extend their respective Triennium 1 programs, without changes, by six (6) months for Board approval.⁴ By the October 2023 Order, the Board directed that each Utility's Extension Period budget should not exceed 50% of that Utility's Program Year 3 ("PY3") budget in order to align with the progress and ramping of the EE programs. The Board further ordered that, as part of the Extension Period, each Utility shall meet energy savings targets equivalent to 50% of their respective PY3 energy savings targets to align with the progress and ramping of the EE programs. The Board further authorized the Utilities to shift program budgets within the same sector, or among sectors, during the Extension Period according to the parameters applicable to Triennium 2.

On February 8, 2023, RECO filed a notice of budget reallocation within the commercial and residential sectors of the Triennium 1 EE Program to cover an increase in participation in the Energy Efficiency and Peak Demand Reduction program and ensure uninterrupted program implementation during Triennium 1.

On February 29, 2024, RECO filed a notice of budget reallocation within the commercial and residential sectors of the Triennium 1 EE Program to cover an increase in participation in the Energy Efficiency and Peak Demand Reduction program and ensure uninterrupted program implementation during Triennium 1.

PETITION

By the Petition, the Company requested Board approval to continue its Triennium 1 EE Program through December 31, 2024 with an incremental budget for the six (6)-month Extension Period of \$5,587,466 compared to its PY3 budget of \$11,174,932 (i.e., 50% of its PY3 budget). Consistent with the October 2023 Order, the Company's energy savings target is 50% of its PY3 energy savings target, or an estimated 7,310 megawatt-hours ("MWh") annual savings and 80,413 MWh in lifetime savings for the Extension Period.

On March 14, 2024, the Company held virtual public hearings in which representatives of the Company, Staff, and Rate Counsel participated. No members of the public attended the hearings, and the Board received no written comments in this matter.

STIPULATION

Following a review of the Petition and conducting discovery, the Parties executed the Stipulation, which provides the following:⁵

1. The Parties agree that the Company's previously Board-approved CEP shall be extended six (6) months beyond the current termination date of June 30, 2024 and RECO is fully authorized to implement and administer its CEP on a regulated basis for an additional six (6)-month term through December 31, 2024 under the terms and conditions set forth in the Board's Order approving the CEP, except as otherwise set forth in the Stipulation.

⁴ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150, Order dated October 25, 2023 ("October 2023 Order").

⁵ 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.

2. The Parties agree that the budget for the Extension Period shall not exceed \$5,587,466, which includes \$726,371 of incremental Operations and Maintenance, and associated cost recovery. The Parties agree that RECO is authorized to utilize deferred accounting for all prudently incurred costs associated with its CEP and recover all reasonably incurred costs associated with its CEP through its Clean Energy Act Surcharge.

- 3. The Parties agree that any projects committed and/or stated prior to December 31, 2024 may continue for close-out and completion activities.
- 4. The Parties agree that the PY3 goal shall be 50% of the original goal established for PY3 for the June 2020 Order, or an estimated 7,310 MWh of annual savings for the Extension Period.
- 5. The Parties further agree:
 - a. The Company may shift program budgets within the same sector or among sectors during the Extension Period consistent with the Staff recommendations adopted by the Board in the May 2023 Order. Specifically, during the Extension Period, the Company may shift budgets between programs within the same sector up to and including 25% with notification to Staff and Rate Counsel, and up to 50% with Staff approval, and greater than 50 percent with Board approval. In addition, the Company may also shift budgets out of a sector up to and including 10% of the total Triennium 1 budget with notification to Staff and Rate Counsel, greater than 10% and up to 20% with Staff approval, and over 20% with Board approval.
 - b. The Company will submit its Program Year 3 annual progress report no later than 150 days following the end of Program Year 3, that is, on or about May 31, 2025.

DISCUSSION AND FINDINGS

The Board, having carefully reviewed the record in this matter, including the Petition, the Company's notices of budget reallocation, and the Stipulation, <u>HEREBY FINDS</u> that continuing RECO's existing Triennium 1 EE Program is in the public interest and that the Stipulation is reasonable, in the public interest, and in accordance with the law. The Board <u>FURTHER FINDS</u> that the Stipulation is consistent with the goals of the CEA and New Jersey's Energy Master Plan, as well as the requirements of the Board's June 10, 2020 Order establishing the framework for Triennium 1 EE programs and the October 2023 Order.⁶ Accordingly, the Board <u>HEREBY APPROVES</u> the attached Stipulation in its entirety and <u>HEREBY INCORPORATES</u> its terms and conditions as though fully set forth herein.

There will be no immediate rate impacts as a result of the Stipulation.

The Company's rates and costs, including the Triennium 1 EE Program and any associated modification costs, remain subject to audit. This Decision and Order shall neither preclude nor prohibit the Board from taking any action determined to be appropriate as a result of such audit.

⁶ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040, QO19060748, and QO17091004, Order dated June 10, 2020.

The effective date of this Order is May 29, 2024.

DATED: May 22, 2024

BOARD OF PUBLIC UTILITIES

BY:

CHRISTINE GUHL-SADOV

PRESIDENT

DR. ZENON CHRISTODOLOU COMMISSIONER

MARIAN ABDOU COMMISSIONER

MICHAEL BANGE COMMISSIONER

ATTEST:

SHÈRRI L. GOLDEN SECRETARY

document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF ITS ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS

DOCKET NO. EO20090623

SERVICE LIST

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director

blipman@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney

mcaroselli@rpa.nj.gov

Mamie W. Purnell, Esq. mpurnell@rpa.nj.gov

Rockland Electric Company

4 Irving Place, Room 18-833 New York, NY 10003

Margaret Comes, Esq., Associate Counsel

comesm@oru.com

Charmaine Cigliano ciglianoc@oru.com

Philip Madnick madnickp@oru.com

Kyle Haddock haddockk@oru.com

Cindy Kursar kursarc@oru.com

John Carley carleyj@coned.com

Cheryl Ruggiero ruggieroc@coned.com

Jinghua Wang wangj@coned.com

Bill Atzl

atzlw@coned.com

Michael DiGravina digravinam@coned.com

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary board.secretary@bpu.nj.gov

Bob Brabston, Executive Director robert.brabson@bpu.nj.gov

Stacy Peterson, Deputy Executive Director

stacy.peterson@bpu.nj.gov

Ben Witherell, Chief Economist benjamin.witherell@bpu.nj.gov

Division of Clean Energy

Veronique Oomen, Director veronique.oomen@bpu.nj.gov

Stacy Ho Richardson, Deputy Director

stacy.richardson@bpu.nj.gov

Earl Thomas Pierce, Administrative Analyst 3

earl.pierce@bpu.nj.gov

Kevin Nedza, Senior Project Manager

kevin.nedza@bpu.nj.gov

Alexis Trautman, Research Scientist 3

alexis.trautman@bpu.nj.gov

General Counsel's Office

Michael Beck, General Counsel michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel

carol.artale@bpu.nj.gov

Michael Hunter, Regulatory Officer

michael.beck@bpu.nj.gov

Division of Revenue and Rates

William Barkasy

william.barkasy@bpu.nj.gov

Dari Urban

dari.urban@bpu.nj.gov

New Jersey Division of Law

Department of Law and Public Safety R.J. Hughes Justice Complex, 7th Fl. West 25 Market Street P.O. Box 112 Trenton, NJ 08625-0112

Daren Eppley, Section Chief, DAG daren.eppley@law.njoag.gov

Pamela Owen, Assistant Section Chief, DAG pamela.owen@law,njoag.gov

Matko Ilic, DAG matko.ilic@law.njoag.gov

Steven Chaplar, DAG steven.chaplar@law.njoag.gov

Energy Efficiency of New Jersey

John M. Kolesnik, Esq., Policy Counsel 614 S. 4th Street #307 Philadelphia, PA 19147 jkolesnik@keealliance.org

Jersey Central Power & Light Company

Michael Martelo, Esq., Attorney 300 Madison Avenue P.O. Box 1911 Morristown, NJ 07962-1911 mmartelo@firstenergycorp.com

Atlantic City Electric Company

Philip J. Passanante, Esq., Assistant General Counsel 92DC42 500 North Wakefield Drive Newark, DE 19702 philip.passanante@pepcoholdings.com

Butler Electric Company

Robert H. Oostdyk, Jr., Esq. Murphy McKeon, P.C. 51 Route 23 South P.O. Box 70 Riverdale, NJ 07457 roostdyk@murphymckeonlaw.com

New Jersey Natural Gas Company

Andrew K. Dembia, Esq. Regulatory Affairs Counsel 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719 adembia@njng.com

South Jersey Gas Company Elizabethtown Gas Company

Sheree Kelly, Esq., Regulatory Affairs Counsel South Jersey Industries 520 Green Lane Union, NJ 07083 skelly@sjindustries.com

Public Service Electric and Gas Company

Stacey M. Mickles, Esq., Associate Counsel – Regulatory Law Department PSEG Services Corporation 80 Park Plaza – T10 Newark, New Jersey 07102-4194 stacey.mickles@pseg.com



Margaret Comes Associate Counsel Law Department

May 1, 2024

Sherri L. Golden, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor P.O. Box 350 Trenton, NJ 08625-0350

RE: In the Matter of the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs – Triennium One Docket No. EO20090623

Dear Secretary Golden:

On behalf of Rockland Electric Company, attached for filing in the above matter is fully executed Stipulation of Settlement.

Respectfully submitted,

Margaret Comes
Margaret Comes

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION)	STIPULATION OF SETTLEMENT FOR
OF ROCKLAND ELECTRIC COMPANY)	EXTENSION OF TRIENNIUM 1
FOR APPROVAL OF ITS ENERGY)	
EFFICIENCY AND PEAK DEMAND)	DOCKET NO. EO20090623
REDUCTION PROGRAMS)	

APPEARANCES:

Margaret Comes, Associate Counsel, Rockland Electric Company

Maura Caroselli, Esq., Managing Attorney – Gas, Sarah Steindel, Esq., Megan Lupo, Esq., Mamie W. Purnell, Esq., and Andrew H. Gold, Esq., Assistant Deputies Rate Counsel, for the New Jersey Division of Rate Counsel (Brian O. Lipman, Director)

Steven Chaplar, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Matthew J. Platkin, Attorney General of New Jersey)

John Kolesnik, Esq., Policy Counsel for the Energy Efficiency Alliance of New Jersey

TO: THE HONORABLE BOARD OF PUBLIC UTILITIES:

BACKGROUND

1. On September 25, 2020, Rockland Electric Company ("RECO" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") proposing a Clean Energy Program ("CEP") with a portfolio of energy efficiency ("EE") and peak demand reduction ("PDR") programs targeted at the Company's residential, commercial and industrial ("C&I"), and multi-family customer sectors.

- 2. By Order dated June 9, 2021, the New Jersey Board of Public Utilities approved a Stipulation of Settlement executed by RECO, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the Energy Efficiency Alliance of New Jersey ("EEA-NJ") (collectively, "Parties") thereby authorizing RECO to implement its energy efficiency ("EE") program for a three (3)-year term from July 1, 2021 through June 30 2024 ("Triennium 1").
- 3. Pursuant to the June 2021 Order, RECO implemented a modified CEP with an approved budget not to exceed \$18,081,625, with Operation and Maintenance expenses including administrative, labor, IT costs, inspection and quality control, evaluation and related research, and portfolio-level costs, such as program development, marketing, and jobs initiatives not to exceed \$2,395,441.
- 4. By Order dated May 24, 2023, the Board directed each electric and gas public utility ("Utilities") to propose EE programs for the second EE triennium period ("Triennium 2") on or before October 2, 2023 and addressed certain aspects of the Triennium 2 framework.² By Order dated July 26, 2023, the Board approved the remaining aspects of the Triennium 2 framework necessary for the Utilities to submit their Triennium 2 filings.³

¹ In re the Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, et al., Order Adopting Stipulation, BPU Docket, Nos. QO19010040 and EO20090623, Order dated June 9, 2021 ("June 2021 Order").

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

³ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in

- 5. By Order dated September 27, 2023, the Board established a December 1, 2023 deadline for EE program filings to be submitted by New Jersey's electric and gas public Utilities for Triennium 2 implemented pursuant to the Clean Energy Act ("CEA").⁴
- 6. By Order dated October 25, 2023, the Board found that it was reasonable, prudent, and in the public interest to provide additional time for Staff and Rate Counsel to conduct a thorough and diligent concurrent review of the Triennium 2 filings, as well as to provide Parties and interested stakeholders with additional time to review, analyze, and discuss the filings.⁵ By the October 2023 Order, the Board ordered that Triennium 2 shall commence on January 1, 2025 and conclude on June 30, 2027, for a total term of 2.5 years. The Board further directed the Utilities to submit filings in accordance with the new Triennium 2 term.

<u>Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated July 26, 2023 ("July 2023 Order").</u>

⁴ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 — Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated September 27, 2023 ("September 2023 Order").

⁵ In re the Implementation of P.L. 2018, c. 17 the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150 ("October 2023 Order").

- Also by the October 2023 Order, the Board directed the Utilities to file petitions to extend their respective Triennium 1 programs, without changes, by six (6) months for the Board's approval. The Board ordered that each Utility's Triennium 1 extension budget should not exceed 50% of the Utility's third program year ("Program Year 3" or "PY3") budget to align with the progress and ramping of the EE programs.⁶ Further, the Board ordered that, as part of the Triennium 1 extension, each Utility shall meet energy savings targets equivalent to 50% of its PY3 energy savings targets in order to align with the progress and ramping of the EE programs. The Board further authorized the Utilities to shift program budgets within the same sector or among sectors during the Triennium 1 extension according to the parameters applicable to Triennium 2.⁷
- 8. Pursuant to the October 2023 Order, on December 5, 2023, the Company filed a letter petition with the Board seeking approval to extend its CEP by a period of six (6) months ("Extension Period"), to December 31, 2024, with a budget of \$5,587,466 ("Extension Petition").
- 9. Further, and consistent with the October 2023 Order, the Company set its energy savings target for the six (6)-month extension period of 50% of its PY3 energy savings target, or an estimated 7,310 megawatt-hours ("MWh") in annual savings and 80,410 MWh in lifetime savings, for the Extension Period.
- 10. By the Extension Petition, the Company noted that it would submit its PY3 annual progress report no later than 150 days following the end of PY3, that is, on or about May 31, 2025.
- 11. A public hearing in this matter was held on March 14, 2024. No members of the public appeared, and the Board received no written comments on this matter.
- 12. Upon review of the Extension Petition and responses to discovery, the Parties to this

⁶ Ibid.

<u>1010.</u>

⁷See the October 2023 Order and the May 2023 Order at 18-19.

proceeding hereby stipulate and agree as follows:

STIPULATED ISSUES

- 1. The Parties agree that the Company's previously Board-approved CEP shall be extended six (6) months beyond the current termination date of June 30, 2024 and RECO is fully authorized to implement and administer its CEP on a regulated basis for an additional six (6)-month term through December 31, 2024 under the terms and conditions set forth in the Board's Order approving the CEP, except as otherwise set forth herein.
- 2. The Parties agree that the budget for the Extension Period shall not exceed \$5,587,466, which includes \$726,371 of incremental O&M, and associated cost recovery. The Parties agree that RECO is authorized to utilize deferred accounting for all prudently incurred costs associated with its CEP and recover all reasonably incurred costs associated with its CEP through its CEA surcharge.
- 3. The Parties agree that any projects committed and/or started prior to December 31, 2024 may continue for close-out and completion activities.
- 4. The Parties agree that the PY3 goal shall be 50% of the original goal established for PY3 from the June 2020 Order, or an estimated 7,310 MWh of annual savings for the Extension Period.
- 5. The Parties further agree:
 - a. The Company may shift program budgets within the same sector or among sectors during the Extension Period consistent with the Staff recommendations adopted by the Board in the May 2023 Order. Specifically, during the Extension Period, the Company may shift budgets between programs within the same sector up to and including 25% with notification to Staff and Rate Counsel, and up to 50% with Staff approval, and greater than 50 percent with Board approval. In addition, the Company may also shift budgets out of a

sector up to and including 10% of the total Triennium 1 budget with notification to Staff and Rate Counsel, greater than 10% and up to 20% with Staff approval, and over 20% with Board approval.

- b. The Company will submit its Program Year 3 annual progress report no later than 150 days following the end of Program Year 3, that is, on or about May 31, 2025.
- 6. 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 any 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, if 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.
- 7. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
- 8. 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, RECO, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, 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.
- 9. The Parties further acknowledge that a Board Order approving this Stipulation will become

effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto respectfully request that the Board issue a Decision and Order approving this Stipulation in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

ROCKLAND ELECTRIC COMPANY

Dated: April 29, 2024	By: Margaret Comes
·	Margaret Comes
	Associate Counsel

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

New Jersey Board of Public Utilities

0.11

Dated: April 30, 2024	By:
• ==	Texteven Chaplar
	Deputy Attorney General

DIVISION OF RATE COUNSEL BRIAN O. LIPMAN, DIRECTOR

Dated: May 1, 2024	By: _	Manio of Paral
• /	, <u> </u>	Mamie W. Purnell, Esq.
		Assistant Deputy Rate Counsel

ENERGY EFFICIENCY ALLIANCE OF NJ

Dated: May 1 , 2024 By: John Kolesnik, Esq.