Agenda Date: 10/30/24
Agenda Item: 8A

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 1st 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 NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ. SECOND TRIENNIUM	)	ORDER ADOPTING STIPULATION DOCKET NO. QO23120868

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Andrew K. Dembia, Esq., Regulatory Affairs Counsel, New Jersey Natural Gas Company
John Kolesnik, Esq., Counsel for the Energy Efficiency Alliance of New Jersey
Steven S. Goldenberg, Esq., Counsel for the New Jersey Large Energy Users Coalition
Kaitlin Morrison, Esq., Counsel for the New Jersey Progressive Equitable Energy Coalition, the Natural Resources Defense Council, and the Sierra Club

BY THE BOARD:[1]

On December 1, 2023, New Jersey Natural Gas Company ("NJNG" or "Petitioner") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of proposed energy efficiency ("EE"), building decarbonization start-up ("BD"), and demand response ("DR") programs (collectively, "EE programs") offered through SAVEGREEN ("SAVEGREEN"), NJNG's EE program, over a thirty (30)-month period from January 1, 2025 through June 30, 2027 ("Triennium 2") with a total budget of approximately $482.4 million ("Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by NJNG, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), the Energy Efficiency Alliance of New Jersey ("EEA-NJ"), and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively, "Signatory Parties") that disposes of all issues in controversy in this matter.

[1] Commissioner Marian Abdou abstained from voting on this matter.

BACKGROUND AND PROCEDURAL HISTORY

The New Jersey Clean Energy Act of 2018

On May 23, 2018, Governor Murphy signed the Clean Energy Act, N.J.S.A. 48:3-87.8, *et seq.* ("CEA") into law. The CEA mandates that New Jersey's electric and gas public utilities increase their role in delivering EE and peak demand reduction ("PDR") programs. The CEA further directs the Board to require the electric and gas utilities to reduce customer use of electricity and natural gas in their respective service territories.

Specifically, the CEA directs the Board to require:

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

Triennium 1

By Order dated June 10, 2020, the Board approved, pursuant to the CEA, utility programs that reduce the use of electricity and natural gas within the utilities' territories.[3] In the June 2020 Order, the Board directed the utilities to file three-year program petitions by September 25, 2020 for approval by the Board by May 1, 2021 and implementation from July 1, 2021 through June 30, 2024 ("Triennium 1").

By Order dated March 3, 2021, the Board approved a stipulation of settlement authorizing NJNG to implement its SAVEGREEN 2020 Program.[4]

On November 9, 2023, NJNG filed a letter petition with the Board, requesting approval to extend the term of the SAVEGREEN 2020 Program from July 1, 2024 through December 31, 2024. By Order dated April 30, 2024, the Board approved a stipulation of settlement to extend the term of the SAVEGREEN 2020 Program through December 31, 2024.[5]

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

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

[4] In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. GO20090622, Order dated March 3, 2021.

[5] In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. GO20090622, Order dated April 30, 2024.

Triennium 2

By Order dated May 24, 2023, the Board directed each electric and gas public utility to propose, for Board approval, EE programs for Triennium 2 on or before October 2, 2023, and addressed certain aspects of the Triennium 2 framework.[6] By Order dated July 26, 2023, the Board approved the remaining aspects of the Triennium 2 framework.[7] By Order dated October 25, 2023, the Board updated the energy savings targets for the Triennium 2 EE programs and extended the Triennium 1 period through December 31, 2024.[8] By the October 2023 Order, the Board also delayed the start of Triennium 2 by six (6) months, from July 1, 2024 to January 1, 2025, and ordered that Triennium 2 would be a thirty (30)-month period covering January 1 2025 through June 30, 2027.

By Order dated September 27, 2023, the Board extended the filing deadline for Triennium 2 petitions from October 2, 2023 to December 1, 2023 and directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by December 8, 2023 and that entities file with the Board any responses to those motions by December 14, 2023.[9] By the September 2023 Order, the Board retained this matter for hearing and, pursuant to N.J.S.A. 48:2-32, designated President Guhl-Sadovy as Presiding Commissioner.

By Order dated January 10, 2024, the Board redesignated President Guhl-Sadovy as the

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

[7] 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 ("July 2023 Order").

[8] 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").

[9] 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 September 27, 2023 ("September 2023 Order"). The September 2023 Order also directed that any entity wishing to file a motion for admission of counsel, *pro hac vice*, should do so concurrently with any motion to intervene or participate. No entity filed a motion for admission *pro hac vice* in this matter.

Presiding Commissioner for the Public Service Electric and Gas Company ("PSE&G") filing and designated Commissioner Abdou as the Presiding Commissioner in this matter, authorized to rule on all motions that arise during the pendency of this proceeding and modify schedules that may be set as necessary to secure a just and expeditious determination of all issues.[10]

DECEMBER 2023 PETITION

On December 1, 2023, NJNG filed the Petition with the Board. In the Petition, the Company proposed a total budget of approximately $482 million for its EE programs over a 30-month period from January 1, 2025 through June 30, 2027. The proposed programs and associated costs are summarized in the table below:

Category	Sector	Program	Total
Core	Residential	Whole Home	$47,909,532
		Income Qualified	$38,894,054
		EE Products	$133,543,299
		Behavioral	$5,636,832
	Commercial	Energy Solutions	$76,944,658
		Prescriptive and Custom	$14,876,085
		Direct Install	$56,910,813
	Multifamily	Multifamily	$34,424,692
Utility-Led		Building Decarbonization	$25,326,867
		Demand Response	$7,512,087
		Next Generation Savings	$5,189,583
Other Portfolio Costs		Workforce Development	$1,507,381
		Community Outreach	$750,000
Net Utility Transfers			$33,000,000
Total			**$482,425,883**

In addition to approval of the plan to implement the EE programs, the Company requested approval of a cost recovery mechanism. Specifically, NJNG requested the use of deferred accounting for all costs associated with the SAVEGREEN program (grant costs, customer incentives, operations and maintenance expenses, amortization expense, return on investment, and income taxes). NJNG proposed that the costs be recovered through a per-therm charge applicable to all jurisdictional volumes in NJNG's system. Investments associated with the SAVEGREEN program would be amortized over a ten (10)-year period for the direct investment and over seven (7)- or ten (10)- year periods for on-bill repayment from the month from which they were incurred. The Company proposed that the recovery be through the Rider F of the NJNG Tariff. NJNG proposed that any variance between costs and recoveries would accrue interest at a rate equal to the Company's monthly commercial paper rate. If commercial paper was not utilized by the Company in the preceding month, the last calculated rate would be used. The interest rate shall not exceed the Company's rate of return. Interest on over/under recovery

[10] 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 *et al.*, BPU Docket Nos. QO23030150, QO23120868, QO23120869, QO23120870, QO23120871, QO23120872, QO23120874, and QO23120875, Order dated January 10, 2024 ("January 2024 Order"). By the January 2024 Order, the Board also redesignated Commissioner Abdou as the Presiding Commissioner for the Elizabethtown Gas Company ("ETG") and South Jersey Gas Company ("SJG") filings, BPU Docket Nos. QO23120869 and QO23120870.

balances would be calculated using simple interest, based on the average recovery balances for the month, on a net-of-tax basis and shall be rolled into the EE balance at the end of each EE recovery year. NJNG requested that the rates be effective on January 1, 2025, the commencement date of the Triennium 2 programs.

Based upon the requests in the Petition, NJNG estimated that the rate impact of the EE programs for a typical residential heating customer using 1,000 therms of natural gas per year is expected to average $44.83 per year, or 3.0 percent, over the 2025-2037 period and is expected to peak at $77.80 in October 2026.

On December 26, 2023, Staff issued NJNG a letter of administrative deficiency ("Letter") identifying administratively incomplete portions of the Petition and requesting that the Company cure any deficiencies. On January 2, 2024, NJNG filed an update to the Petition to cure the deficiencies identified in the Letter ("Update"). On January 12, 2024, Staff issued a letter of administrative completeness, noting that the Update adequately cured the deficiencies identified in the Letter and that Staff therefore determined the Petition to be administratively complete. N.J.S.A. 48:3-98.1(b) provides the Board with 180 days to approve, modify, or deny the Company's requested recovery of costs for the Program. The 180-day period for the Board to review the Petition commenced on January 2, 2024.

By the January 2024 Order, the Board directed that any entity wishing to file a motion for leave to intervene or participate, or to update a previously-filed motion for leave to intervene or participate, in this proceeding had until seven (7) days following Staff's issuance of a letter of administrative completeness to the Company. The Board subsequently received no additional or updated motions seeking leave to intervene or participate.

By Order dated February 26, 2024, after considering all Motions to Intervene or Participate in this matter and responses to the Motions, Commissioner Abdou granted intervenor status to EEA-NJ, NJLEUC, NRDC, NJPEEC, and the Sierra Club, and participant status to Uplight, Inc. and the joint utilities: Atlantic City Electric Company, ETG, Jersey Central Power & Light Company, PSE&G, Rockland Electric Company, and SJG.[11]

On March 19, 2024, the parties to this proceeding submitted for approval a stipulation of settlement, proposing to extend the 180-day review period to October 15, 2024 ("180-Day Extension Stipulation"). By Order dated April 23, 2024, Commissioner Abdou approved the 180-Day Stipulation, extended the 180-day review period to October 15, 2024, and established a procedural schedule for this matter.[12]

[11] In re the Petition of New Jersey Natural Gas Company for Approval of the New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq, and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated February 26, 2024.

[12] In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated April 23, 2024.

Through a series of additional Orders, Commissioner Abdou further modified the procedural schedule in this matter, thereby granting multiple extensions of time for the filing of testimony in this matter, and fully suspended the procedural schedule to allow for the continuance of fruitful settlement discussions.[13]

Following proper notice in newspapers of general circulation and upon affected municipalities and counties within NJNG's service territory, NJNG held two (2) virtual public hearings at 4:30 p.m. and 5:30 p.m. on May 16, 2024. Six (6) members of the public made statements at the public hearings. Three (3) commented in support of the Petition and three (3) commented in opposition to the Petition, all during the 4:30 p.m. hearing. The Board received written comments dated June 5, 2024 indicating strong support for the Company's Triennium 2 program and expressing support for greater geothermal heat pump incentives.

On October 6, 2024, the parties to this matter submitted, for approval, a stipulation of settlement proposing to extend the 180-day review period to October 31, 2024 ("Second 180-Day Stipulation"). On October 15, 2024, Commissioner Abdou issued an Order approving the Second 180-Day Stipulation and extended the 180-day period for the Board to issue a decision pursuant to N.J.S.A. 48:3-98.1 to October 31, 2024.[14]

STIPULATION

Following discovery and settlement discussions, the Signatory Parties executed the Stipulation. The Stipulation provides, in relevant part, for the following:[15]

Triennium 2 Programs

24. The Signatory Parties agree that, subject to Board approval of the Stipulation, the Company may offer the following approved Triennium 2 Programs under the terms and conditions described herein for a term of two-and-one-half (2.5) years commencing January 1, 2025 and ending June 30, 2027. Triennium 2 will include implementation, administration, and investment in eight (8) EE core programs and one (1) other program: BD. The EE core programs are comprised of four (4) residential, three (3) commercial and industrial ("C&I"), and one (1) multifamily program.

[13] In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium – Order Modifying and Suspending Procedural Schedule, BPU Docket No. QO23120868, Order dated May 15, 2024; In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium – Order Suspending Procedural Schedule, BPU Docket No. QO23120868, Order dated June 4, 2024.

[14] In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated October 15, 2024.

[15] 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.

25. In addition to the programs above, the Company will also continue its workforce development ("WFD") program as required in the May 2023 Order and July 2023 Order. The Company shall develop a WFD implementation plan, community benefits plan, and evaluation plan, including performance metrics, before or within Program Year 5 of Triennium 2. The Company shall actively seek input and recommendations from the EE WFD Working Group established by the Board in the June 2020 Order and through monthly EE stakeholder meetings to develop and enhance these plans prior to implementation in coordination with the other New Jersey utilities.

26. Upon receipt of any monies received by the utility as direct funding from a State or federal governmental entity for the Company's WFD program, the Company agrees to reduce its WFD budget by the corresponding dollar amount.

27. Except as set forth below, the Company will not designate any funding in its WFD program toward wraparound services. Consistent with the May 2023 Order and Triennium 1, the Company will work with State and federal agencies to seek any opportunity to receive grants or funding specifically for the provision of wraparound services that may be available to the Company, partner community-based organizations ("CBOs"), and/or participants of the Company's WFD program for wraparound services. To the extent that programs or funding are not available or funding is insufficient, the Company may utilize Triennium 2 WFD dollars to provide these services up to the lesser of $100,000 or 3% of its approved WFD budget and will coordinate with overlapping utilities to minimize the costs to deliver these services. The utilities are encouraged to seek deeper coordination with CBOs for wraparound services in preparation for Triennium 3.

28. The Company will not utilize its WFD or operations and maintenance ("O&M") budget to provide contractors with WFD performance incentives.

29. WFD program funding shall not be utilized to provide training or development to the Company's own employees.

30. The Company agrees to withdraw its request to implement the Next Generation Savings program in Triennium 2.

31. The Company agrees to withdraw its request to implement the Demand Response program in Triennium 2.

32. The Company agrees to withdraw its request to include the Comfort Partners Program as a component of its Income Qualified Program. The Comfort Partners Program will continue to be managed by the Board. The Signatory Parties agree to coordinate to ensure that low-income customers can receive measures comparable to what is offered through the BD program, which may be accomplished through the Comfort Partners program during Triennium 2. The Company will continue to claim savings from the Comfort Partners Program towards its compliance with its quantitative performance indicators ("QPIs").

33. The Signatory Parties agree that the design for the Triennium 2 programs shall be as described in the Company's updated Triennium 2 Program Plan, including both the required core programs and Utility-led programs, which is Attachment 1 to the Stipulation and incorporated herein by reference. Attachment 1 is subject to modification as

permitted by the May 2023 Order and July 2023 Order or as otherwise approved by the Board.

34. The Signatory Parties anticipate that programs will continue to evolve. The Company shall continue to coordinate with the Division of Clean Energy and other utilities with whom the Company has overlapping service territories to achieve consistency where possible in the design and delivery of core programs. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement – as permissible under law, the Stipulation, and within approved budgets – consistent elements of the core programs concurrently with all electric and gas utilities in the state as follows:

    - 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) 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.

    To the extent the Company wishes to change programs in ways that conflict with the Stipulation, the Company will advise all Signatory Parties to the Stipulation and seek to modify the Stipulation and obtain Board approval for those changes.

35. The Company agrees to contribute to the design and coordinate on the scope of a one-stop shop website, a platform to provide customers and contractors with a simple and easy-to-understand application process to participate in utility and State EE, BD, and DR programs. The Signatory Parties agree to work together to develop a project plan and timeline by June 30, 2025 to launch the website during Triennium 2 if feasible. Key project development milestones include, but are not limited to: initial design phase, development phase, testing and quality assurance, launch, and training. This initiative will be funded at a value not to exceed 1 percent of the Company's administrative budget.

36. Incentive structures associated with the core programs are described in Attachment 1 to the Stipulation, consistent with the May 2023 Order and July 2023 Order, and include any additional updates to incentives that are agreed upon as part of the Stipulation.

37. The Signatory Parties agree that the Company is also authorized to offer up to $160.5 million of principal in the OBR Program to its customers which will be repaid by the

participants and shall not be charged to ratepayers. The Signatory Parties agree that financing shall continue to be offered at a 0% interest rate for the duration of Triennium 2. The Company intends to work with the other utilities throughout implementation to continue to provide comparable financing offerings to customers and deliver similar access across the coordinated programs. The Company plans to make this financing option available for customers participating across the residential, multifamily, and C&I sector programs where qualifying measures involve a sizeable cost to the customer, including major appliances, HVAC, home retrofit and multifamily projects, small business direct install projects, C&I prescriptive and custom measures, Energy Solutions projects, and BD. The Company agrees to coordinate with the other utilities on evaluation, measurement, and verification ("EM&V") studies to review the impact of financing offerings on program participation and identify potential modifications that may be implemented in future triennia.

38. The Signatory Parties acknowledge the important role played by rebates and incentive levels in customer adoption of EE measures and that the Signatory Parties have endeavored to identify a level of rebates and incentives that will allow utilities to achieve their required energy savings targets. During the Triennium 2 period, the Signatory Parties agree to revisit specific Triennium 2 EE Plan rebate/incentive levels if customer participation is inadequate or in excess of what is required to meet the Company's Triennium 2 savings targets and to adjust rebate/incentive levels to ensure that they facilitate appropriate customer participation that will allow the Company to meet its Triennium 2 energy savings targets. Any adjustments will be consistent with the requirements enumerated at page 19 of the May 2023 Order, and any requests to increase a rebate or incentive in excess of the maximum incentive range which is shown as the "up to" amount in Appendix H of Attachment 1 to the Stipulation, will require Staff's approval.

39. Customers in NJNG's gas service territory who meet the criteria for the respective Triennium 2 offerings will be eligible to participate.

Triennium 2 Budget by Program

40. The Signatory Parties agree to the Triennium 2 budget as follows:

Program	Budget ($M)
Res - Behavioral	$5.6
EE Products	$27.3
Income Qualified	$23.9
Whole House	$19.3
Multifamily	$12.9
Prescriptive/Custom	$2.0
Energy Solutions for Business	$53.9
Direct Install	$37.6
Building Decarbonization Start-Up	$7.25
Workforce Development	$1.5
CBO Outreach	$0.8

Total Programmatic Budget	**$192.0**
Net Transfers	$33.0
TOTAL Direct Budget*	**$225.0**

*Includes $20.1 million of incremental O&M expenses.

41. The Signatory Parties agree that the total direct budget for the Triennium 2 period shall not exceed $225 million, which includes a not to exceed value of $20.1 million in O&M expenses. The Signatory Parties agree that the budget includes $750,000 for the Company to conduct a study on geothermal networks. This study will identify potential sites and perform preliminary engineering for a network geothermal project.

42. The Signatory Parties also agree that the budget for net transfers in utility overlapping territories is approximately $33.0 million, resulting in a total direct budget of approximately $225 million. To the extent that the net transfer budget differs from the stipulated value, NJNG will manage any overage or shortfall within the approved total direct budget. The Company shall coordinate the exchange of energy savings and costs with any utility whose service territory overlaps with the Company's service territory ("Partner Utility") consistent with the net transfer process previously employed in Triennium 1, as it may be revised from time to time. The Company also agrees to report its gross inflows and outflows of transfers, the details of which will be determined by Staff, Rate Counsel, and the utilities via the group established by the Board in the June 2020 Order to facilitate and resolve issues impacting the EM&V of EE and PDR programs implemented pursuant to the CEA ("EM&V Working Group").

Triennium 2 Program Expenditures

43. The Signatory Parties agree that the total programmatic budget for Triennium 2 is $192.0 million, which includes investment and O&M expenses. Investments include all capital expenditures, direct incentives, incentive payment processing, program customer intake processing, direct marketing and outreach, health and safety, audit, installation labor, project quality assurance/quality control, administration and outside services for third-party program implementation, and EM&V. The budget for investments includes amounts that are spent or committed during Triennium 2, amounts reserved to fund projects and incentives for customers who have enrolled in programs during Triennium 2, and program EM&V costs that extend beyond the thirty (30)-month period. The Signatory Parties also agree that Triennium 2 funds may be utilized for a project that was enrolled during Triennium 1 and completed in the Triennium 2 program cycle.

44. The Signatory Parties agree that, in order to have programs, vendors, and systems in place to begin delivery on January 1, 2025, program spending may commence upon Board approval of the Stipulation. All Triennium 2 expenditures will be filed with the Board and submitted for prudency review in annual cost recovery filings by way of NJNG's annual cost recovery proceedings.

Budget Updates

45. The Company may shift the timing of investment spending between or among Program Years, programs, and sectors, including both core and utility-led programs, 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 limitations and procedures set forth in the May 2023 Order and July 2023 Order:

- NJNG may shift program budgets within or among the residential, C&I, multifamily, and other sectors. More specifically, within any 365-day period of time, NJNG may shift its budgets between individual program within the same sector up to and including 25% of the Company's total Triennium 2 budget with notification to Staff and Rate Counsel, greater than 25% and up to 50% with Staff approval, and greater than 50% with Board approval.
- Within any 365-day period of time, NJNG may also shift budgets out of a sector up to and including 10% of the Company's total Triennium 2 budget with notification to Staff and Rate Counsel, greater than 10% and up to 20% with Staff approval, and greater than 20% with Board approval.
- Requests for budget adjustments within the 2.5-year Triennium 2 period 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. Requests for budget transfers shall identify O&M spending associated with the program(s). Transferred O&M spending shall not be used as investment. Rate Counsel may object within thirty (30) days, in which case Staff shall review within thirty (30) days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within thirty (30) days of NJNG's requests, those requests shall be deemed granted.

46. The Signatory Parties agree that the Company may petition the Board to carry over energy savings in excess of annual compliance goals, from Triennium 1 into Triennium 2 and from any Triennium 2 program year to another Triennium 2 program year, in excess of the parameters established by the May 2023 Order and July 2023 Order. The Company shall notify Staff and Rate Counsel in its compliance reports the date of its waiver petition and the outcome.

47. The Signatory Parties agree that, for purposes of funds transfers among Triennium 2 programs and sectors, in addition to residential, C&I, and multifamily, there is an additional sector that includes BD, which will be reflected as "BD." For purposes of budget transfers permitted in Paragraph 45 of the Stipulation, the Signatory Parties agree that funds will not be transferred into the BD program.

48. The Signatory Parties agree that, for EE projects that commenced prior to Triennium 2 that require multiple years to complete, either between program cycles or within a program cycle, the Company will calculate energy savings based on the Technical Reference Manual ("TRM") in effect when the project commenced.

49. At the end of Triennium 1, the Company will provide a report to Staff and Rate Counsel detailing the committed and uncommitted funds left in the Triennium 1 budget, including any, and all, extensions. In the event that the Company expects to receive a return on equity ("ROE") reduction penalty as defined by the Triennium 2 Performance Incentive Mechanism, the Company may, upon notice to the Signatory Parties, utilize any Triennium 1 funding, including the funding associated with the Triennium 1 Extension period, not expended or committed in Triennium 1. If the Company elects to utilize uncommitted budget dollars from Triennium 1, it will not be permitted to earn an incentive under the established Triennium 2 Performance Incentive Mechanism within the program year or years when Triennium 1 funding is expended. During Triennium 2,

when applicable, the Company will provide quarterly reports that demonstrate how the Triennium 1 funding was allocated and spent among programs. During Triennium 2, if the Company requests shifts in budget among programs and sectors, Triennium 1 funds will be reported separately in that request or notice.

Quantitative Performance Indicators

50. The table below includes the Company's proposed QPIs that will be used to track and evaluate the Company's performance in Triennium 2.

QPI	Description	Weight	Unit	Target – Program Total
1. Annual Energy Savings	Verified first year energy savings from measured completed in the given program year	30%	Source MMBtu	891,165
2. Annual Demand Savings	Verified peak demand savings from measures completed in the given program year	10%	Peak-day therm	6,142
3. Lifetime Energy Savings	Verified lifetime energy savings from measures completed in the given program year	20%	Source MMBtu	7,694,998
4. LMI and OBC Lifetime Energy Savings	Verified lifetime energy savings from measures completed in the given program year from LMI and OBC customers	10%	Source MMBtu	358,600
5. Small paBusiness Lifetime Energy Savings	Verified lifetime energy savings from measures completed in the given program year for small business customers	10%	Source MMBtu	341,247
6. Cost to Achieve	Total EE portfolio costs divided by total portfolio verified lifetime energy savings	20%	Total EE Portfolio$/ Lifetime source MMBtu	$20.05

51. QPI performance periods shall be those set forth in the May 2023 Order and July 2023 Order. All energy savings from projects and measures from Triennium 1[16] and Triennium 2 programs, and Comfort Partners in the Company's territory completed after January 1, 2025 shall be reported separately in the Company's QPI performance measurement. For the purpose of determining the Company's compliance with the QPIs and achievement of the required energy savings targets, the Technical Reference Manual ("TRM") in effect as of January 1, 2024 shall be used during the term of Triennium 2, subject to any annual TRM updates or other relevant guidance adopted in the Triennium 2 Evaluation Framework, except as noted in Paragraph 53 of the Stipulation.

52. The Company will perform EM&V for Triennium 2 in accordance with the May 2023 Order, July 2023 Order, and any recommendations of the EM&V Working Group adopted by the Board, as well as for any additional energy savings claimed by the Company toward the annual energy savings QPI and Triennium 2 targets, subject to guidance adopted in the Triennium 2 Evaluation Framework. All Triennium 1 projects and measures completed after January 1, 2025 shall also be included in the Triennium 2 EM&V plan.

53. The Company acknowledges that the EM&V Working Group will update the Triennium 2 Evaluation Framework as needed approaching the commencement and performance of Triennium 2, with key elements including, but not limited to: 1) an annual update to the Program Year TRM, 2) removal of the distinction between Category 1 and Category 2 program metrics, 3) evaluation of financing offers, 4) enhancements of data governance and disclosure, 5) submission of EM&V milestone plans, 6) assurance of evaluability of programs, and 7) modifications to quarterly reporting. Updates to the Triennium 2 Evaluation Framework will be presented for comments at monthly EE stakeholder meetings. The Company agrees to comply with any changes resulting from the updated Triennium 2 Evaluation Framework, the terms of which shall apply throughout the whole of Triennium 2.

54. The Company further appreciates the need for enhanced evaluation rigor and shall dedicate the appropriate EM&V resources to conduct joint utility program evaluations where appropriate and to implement the EM&V implementation plans which will be developed in conjunction with New Jersey's Statewide Evaluator ("SWE") at the start of Triennium 2.

55. The Company shall continue to file required quarterly and annual reports and submit data regarding all the Triennium 2 programs, financing initiatives, and related expenses in accordance with the content, format, and timing dictated by the May 2023 Order, July 2023 Order, and any subsequent directives regarding the Triennium 2 programs from the Board, with any required adjustments from Triennium 1 to be developed by the EM&V Working Group.

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

56. The Signatory Parties agree that revised in-service rates, under performance of installed measures, changes in industry standard practices, building code updates, federal appliance standards, or other market events are some factors that could be reflected in the annual Program Year Update to the TRM. The TRM Committee will work collaboratively with the Company to ensure that TRM updates provide the Company with adequate time to adjust programmatic activities toward the achievement of performance targets. If a mutually agreeable outcome does not occur, the Company reserves the right to petition the Board for a waiver of the enforcement of any penalties in the event that performance targets are not achieved as a result of such changes. All parties reserve all rights to respond to any petition seeking a waiver of any penalties filed by the Company.

Customer Data and Data Sharing

57. 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 enforce privacy and data handling policies and procedures for the SAVEGREEN Program that are consistent with NJNG's customer data security protections, the May 2023 Order, July 2023 Order, and any applicable Board regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, NJNG 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 SAVEGREEN Program or to evaluate the 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.[17]

58. NJNG agrees that customer-specific data belongs to the customer, who may request or authorize NJNG to share it with suppliers, and that data gathered during the operation of these programs not specific to any customer belongs to the Company and will be used solely to support current or future regulated utility programs, including EM&V work. Such data may not be used for other purposes without Board approval, except as noted in Paragraph 59 of the Stipulation. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board. Customer specific data may be shared with the Board or its contractors for the purposes of program evaluation after the execution of Non-Disclosure Agreements and Company review and approval of the Board's and/or contractor's cyber and data security protocols.

59. The Signatory Parties also agree that NJNG may use customer-specific data or program data from other BPU-approved utility programs for Triennium 2, and that other utility BPU approved programs may use data from Triennium 2. The Company will not share or use customer-specific data for non-utility-specific BPU programs. Such data may not be used for other purposes without Board approval.

[17] In re Utility Cyber Security Program Requirements, BPU Docket No. AO16030196, Order dated March 18, 2016.

Recovery of Costs and Lost Revenue

60. The Signatory Parties agree that the Company is and shall be authorized to defer and seek recovery of all reasonable and prudent SAVEGREEN program costs, including a return on customer incentives, direct investment, and the OBR program. In addition, the Signatory Parties agree that the Company is and shall be authorized to defer and seek recovery of all reasonable and prudent O&M expenses. These costs shall be subject to recovery through rates in future periods pursuant to the terms of NJNG's Rider F and separately tracked through a sub-component of Rider F called Triennium 2. Annual true-up filings will separately break out the expenses, investments, unamortized investments, and revenue requirement calculations for the Program. The Triennium 2 Program costs shall be subject to the terms set forth in Rider F and shall be recovered through a per-therm EE charge relative to all applicable jurisdictional throughput on the NJNG distribution system as provided in Rider F.

61. The Signatory Parties also agree that the Company should be authorized to offer OBR financing in the amount of $160.5 million to program participants and recover the financing over time from these financing participants. As currently structured, the customer repayment periods for the OBR plans shall be five (5), seven (7), and ten (10) years, depending on the program and total OBR funds made available. NJNG will retain the full OBR investment for any project where NJNG is serving as the lead utility-- that is, where work is commissioned on behalf of a Partner Utility, who will ultimately pay for the EE measures installed. The Signatory Parties agree that the Company should be allowed to earn a return on the outstanding investment balance for financing expenditures where the Company is serving as the lead utility, through its revenue requirement and the administrative costs of providing financing consistent with the capital structure and ROE discussed below. In computing the return component of its costs, the Company shall, in addition to a reduction for the accumulated amortization of its investments, deduct the applicable deferred income taxes related to the amortization of program costs over a five (5)-year, seven (7)-year, and ten (10)-year period for book purposes and over one (1) year for tax purposes. The Company shall continue to calculate the monthly net investment balances by subtracting from the monthly net investment balances the current month-end accumulated amortization balances.

62. NJNG will earn a return on its net investment based upon the authorized ROE and capital structure approved by the Board in its last base rate case proceeding. Attachment 4 of the Stipulation reflects the settled revenue requirement.

63. The Signatory Parties agree that any change in the Weighted Average Cost of Capital authorized by the Board in a subsequent base rate case shall be reflected in the subsequent monthly revenue requirement calculations as of the date of the next scheduled annual true-up.

64. The calculation of the carrying costs on the average monthly balances of under-recovery or over-recovery of deferred costs shall be subject to the terms under Rider F (see Attachment 2 to the Stipulation) and as described in more detail in the Board's Order in BPU Docket Nos. EO09010056 and EO09010057, dated July 17, 2009. The Company shall accrue interest at a rate equal to the Company's monthly commercial paper rate. If commercial paper was not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest rate shall not exceed the overall rate of return

as authorized by the Board in NJNG's most recent base rate case, or as authorized in NJNG's subsequent base rate case.

65. The Signatory Parties further agree that the following expenditures will be collected from NJNG ratepayers:

- Rebates/Direct Investments and associated return on these investments;
- Return on outstanding balance of OBR expenditures;
- O&M expenses; and
- OBR bad debt expenses.

66. The Triennium 2 component will be filed annually with the June cost recovery filing, inclusive of actuals through April 30. NJNG has submitted proposed tariff sheets (both red-lined and clean) as Attachment 2 of the Stipulation to reflect the updated Rider F tariff.

67. The SAVEGREEN Program investments and operating costs shall be reconciled to actual recoveries from the EE rate in the SAVEGREEN Rate Recovery filings to be submitted no later than June 1 of each year, for which the Company may seek recovery. Any federal, state, or other benefits, if applicable, received by the Company and associated with these programs shall be used to reduce the revenue requirement to be collected from ratepayers.

68. NJNG agrees that the Triennium 2 Program investments shall be amortized over a ten (10)-year period, on a straight-line basis, with the return of the investment and return on the unamortized investments based upon the latest capital structure approved in a base rate case.

69. In computing the return component of its costs, NJNG shall, in addition to a reduction for the accumulated amortization of its investments, deduct the applicable deferred income taxes related to the amortization of SAVEGREEN Program costs over a ten (10)-year period for book purposes and over one (1) year for tax purposes. NJNG shall continue to calculate the monthly net investment balances by subtracting from the monthly net investment balances the current month-end accumulated amortization balances.

70. The Signatory Parties stipulate that the Company will file to adjust its gas Triennium 2 component, as part of the true-up petition ("True-Up Filing") for its Rider F, with copies provided to the Signatory Parties no later than June 1, 2025 and annually thereafter for the implementation of the proposed revised Triennium 2, on October 1 of each year. Each True-Up Filing will contain a reconciliation of its projected Triennium 2 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 twelve (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. The True-Up Filing will also provide information set forth in the MFRs (Attachment 3 of the Stipulation) as required in the May 2023 Order and July 2023 Order.

71. 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. The calculation methodology of revenue requirements and the over/under deferred balance is detailed in Attachment 4 to the Stipulation.

72. The initial recovery period for Triennium 2 will be January 1, 2025 through September 30, 2025. The expected Triennium 2 component for the initial Triennium 2 recovery period will be $0.0239 per therm without SUT ($0.0255 per therm with SUT).

73. NJNG will continue to recover lost sales revenue resulting from the decrease in customer energy usage resulting from Triennium 2 programs through its Conservation Incentive Program ("CIP") Surcharge.

Rate and Bill Impacts

74. NJNG's typical residential sales heating customer using 100 therms of gas per month, will see an increase in their monthly bill of $2.55, or 1.7%, from $151.62 to $154.17. A typical residential heating customer using 1,000 therms annually will see an increase in their annual bill of $25.50, or 1.7%, from $1,538.20 to $1,563.70. The cumulative charge to customers over the thirteen year recovery period is estimated to be $459.65, or 2.4%, for the typical residential gas heating customer using 961.4 therms annually. The maximum cumulative increase over the recovery period would occur in Year 3 and it is estimated to be $61.63, or 4.2% over the current annual bill of $1,483.92.

Triennium 3 Filing

75. The Signatory Parties anticipate that in 2026, NJNG will file a petition seeking approval of a Triennium 3 program on or before a date to be set by the Board. In anticipation of that filing, the Signatory Parties agree that any filing will include the following:

    a. NJNG agrees that, to include a more comprehensive set of data in its Triennium 3 petition, it will work with the other utilities, Staff, and Rate Counsel to develop the template reporting spreadsheet by June 30, 2025, using Attachment 5 to the Stipulation as a starting point. The Signatory Parties will schedule an initial meeting no later than December 15, 2024. Regardless of the reporting format, the Signatory Parties agree that all data will be made available in machine readable format with formulae intact, will be provided for all historical and forecasted years, will have clear units and (where appropriate) dollar years, and will use naming conventions that are common across utilities to the greatest extent possible to facilitate cross-utility comparisons. If the Signatory Parties are unable to agree upon the components of the template reporting spreadsheet by June 30, 2025, the Signatory Parties will submit, by July 15, 2025, their respective versions of the template reporting spreadsheet with supporting explanation to Staff for consideration and decision as soon as practicable.

    b. Consistent with the guidance from the May 2023 Order, the New Jersey Cost Test ("NJCT") should be updated prior to the start of each triennium through stakeholder input and with Board approval, including the initial vetting of technical concepts by the NJCT and EM&V Committees. The Company will submit the results of the NJCT with its Triennium 3 filing consistent with the updated NJCT. Nonetheless, the

Signatory Parties agree that the Company's workpapers supporting the T3 NJCT results that will include a separately identified item/column which includes, but is not limited to, the financial returns that are expected to arise from each individual energy efficiency program/measure.

c. NJNG agrees that loan principal will not appear within the NJCT but any administrative cost passed on to customers of servicing those loans will.

d. NJNG recognizes that the SWE has identified concerns regarding the level of savings from behavioral programs. NJNG commits to coordinate with the EM&V Working Group to evaluate the cost benefit of the Behavioral Program in advance of the Triennium 3 filings. The Signatory Parties agree that the Triennium 3 framework issued by the Board may provide budget guidance regarding the behavioral programs based on documentable evidence demonstrating casual influence over achieved impacts, acceptable cost-to-achieve metrics, and cost-effectiveness of behavioral programming under the NJCT.

e. NJNG agrees that incentive values proposed in its Triennium 3 petition will be filed together with clear information regarding how each incentive was calculated, its per unit savings values, and how it compares to similar incentives in other similar states.

76. The Company agrees to initiate discussion with the New Jersey Department of Banking and Insurance ("DOBI") on or before March 31, 2025 to determine DOBI's requirements, if any, for offering on-bill financing at an interest rate other than zero in advance of the Triennium 3 filing. Once all requirements are understood by the Company, including those of DOBI and those arising from other applicable laws and regulations, the Company agrees to schedule a joint meeting with all Signatory Parties and all other gas and electric utilities by December 1, 2025 regarding the Company's understanding of applicable laws and regulations concerning offering OBR for Triennium 3 at an interest rate other than zero. The Company reserves its right to determine to change its position on how financing may be offered, if at all, but will determine requirements to offer financing at a different interest rate. OBR may then be offered as part of the Company's Triennium 3 filings in accordance with the parameters set forth in any applicable Triennium 3 framework Order or Orders. The Company will copy and include Staff and Rate Counsel on all formal written communications with DOBI.

On October 9, 2024, EELC filed a letter of non-opposition to the Stipulation, indicating that they would not sign the Stipulation and neither join nor oppose its execution.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this matter, including the Petition, the Update and Stipulation, and comments received. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. The Board **FURTHER FINDS** that the Stipulation will benefit New Jersey's residents, energy users, and ratepayers and is consistent with the goals of the CEA and New Jersey's Energy Master Plan, as well as the requirements of the Board's Triennium 2 framework. The Board **FURTHER FINDS** that the Stipulation will bolster New Jersey's clean energy workforce and will continue to 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 set forth herein.

As such, the Board **HEREBY AUTHORIZES** NJNG to recover the costs associated with the EE programs through Rider F. As a result of the Stipulation, a typical residential customer using 100 therms in a winter month would experience an increase in their monthly winter bill of $2.55 or 1.7%. The Board also **HEREBY AUTHORIZES** NJNG to continue its previously approved CIP Program to account for lost revenue resulting from the potential decrease in customer energy usage.

The Board **HEREBY RATIFIES** the decisions made by Commissioner Abdou during the pendency of this proceeding for the reasons stated in her decisions and Orders.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets conforming to the terms of this Order by December 16, 2024.

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 October 30, 2024.

DATED: October 30, 2024

BOARD OF PUBLIC UTILITIES
BY:

CHRISTINE GUHL-SADOVY
PRESIDENT

DR. ZENON CHRISTODOULOU
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

ATTEST:

SHERRI L. GOLDEN
SECRETARY

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

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ. SECOND TRIENNIUM

DOCKET NO. QO23120868

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP AND DEMAND RESPONSE PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ. SECOND TRIENNIUM	STIPULATION OF SETTLEMENT BPU DOCKET NO. QO23120868

APPEARANCES:

Andrew K. Dembia, Esq., Regulatory Affairs Counsel for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Managing Attorney – Gas**, Megan C. 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**)**

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

Kaitlin Morrison, Esq. and **Maggie Broughton, Esq.,** Eastern Environmental Law Center for the Natural Resources Defense Council, New Jersey Progressive Equitable Energy Coalition, and Sierra Club

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

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, by and between New Jersey Natural Gas Company ("NJNG" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), the Keystone Energy Efficiency Alliance n/k/a Energy Efficiency Alliance of New Jersey ("EEA-NJ"), and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively, "Signatory Parties") to execute this Stipulation of Settlement ("Stipulation") resolving NJNG's petition in this docket and to join in

recommending that the New Jersey Board of Public Utilities ("BPU" or "Board") issue a Final Decision and Order approving this Stipulation.

BACKGROUND

1. Pursuant to the legislative authority set forth in the Regional Greenhouse Gas Initiative ("RGGI") Act, L. 2007, c. 340 ("RGGI Act"), by Order dated May 8, 2008, the Board authorized New Jersey's electric and gas public utilities to offer energy efficiency ("EE") and conservation programs on a regulated basis, provided that the respective utility file a petition and obtain BPU approval for such programs and the associated mechanism for program cost recovery.[1] By the May 2008 Order, the Board also established minimum filing requirements ("MFRs") that require the submission of certain information with each petition filed pursuant to the RGGI Act. The May 2008 Order also requires each utility to meet with Staff and Rate Counsel at least thirty (30) days prior to filing of a petition pursuant to the RGGI Act to discuss: (a) the nature of the program; (b) the program cost recovery mechanism to be proposed in the petition; and (c) the MFRs to be submitted along with the petition.

2. Pursuant to the Clean Energy Act, L. 2018, c. 17 ("CEA"), by Order dated June 10, 2020, the Board directed New Jersey's electric and gas utilities to establish EE and peak demand reduction ("PDR") programs.[2] By the June 2020 Framework Order, the Board revised the MFRs for EE filings and directed the State's electric and gas public utilities to file petitions proposing three (3)-year EE programs by September 25, 2020, for approval by the Board by May 1, 2021, and implementation beginning July 1, 2021 and concluding June 20, 2024 ("Triennium 1").

[1] 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, BPU Docket No. EO08030164, Order dated May 8, 2008 ("May 2008 Order").

[2] 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 2020 Framework Order").

3. On September 25, 2020, NJNG filed a petition seeking approval of its Triennium 1 EE program. By Order dated March 3, 2021, the Board approved a Stipulation of Settlement authorizing NJNG to implement its Triennium 1 EE program with a total budget of $258,939,928.[3] By the March 2021 Order, the Board also approved the Company's implementation of a cost recovery mechanism which allows for a full return on its EE investment as a component of the Company's Rider F.

4. By Orders dated May 24, 2023 and July 26, 2023, the Board set forth the framework for the second three (3)-year period of EE and conservation programs ("Triennium 2") and directed the State's public utilities to propose EE programs for Triennium 2 on or before October 2, 2023.[4] Additionally, by the 2023 Framework Orders, the Board further revised the MFRs for EE filings.

5. With respect to the instant petition, on August 29, 2023 and September 5, 2023, joint thirty (30)-day pre-filing meetings were conducted with Staff, Rate Counsel, and the other New Jersey utilities in accordance with the May 2008 Order.[5]

6. In addition, a meeting was conducted on September 15, 2023, with NJNG, Staff and Rate Counsel specifically in connection with this matter.

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

[4] In re the Implementation of P.L. 2018, c. 17, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150, Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, Order dated May 24, 2023 ("May 2023 Framework Order") and In re the Implementation of P.L. 2018, c. 17, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150, Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs July 26, 2023 ("July 2023 Framework Order").

[5] The New Jersey utilities that participated in the thirty (30)-day meeting were Atlantic City Electric Company ("ACE"), Elizabethtown Gas Company ("ETG"), Jersey Central Power & Light Company ("JCP&L"), NJNG, Public Service Electric and Gas Company ("PSE&G"), Rockland Electric Company ("RECO"), and South Jersey Gas Company ("SJG").

7. By Order dated September 27, 2023, the Board retained jurisdiction for the EE Triennium 2 petitions, designated presiding commissioners for each filing, and extended the Triennium 2 filing deadline until December 1, 2023.[6]

PROCEDURAL HISTORY

8. By Order dated October 25, 2023, the Board revised the Triennium 2 program period and delayed the start of Triennium 2 by six (6) months from July 1, 2024, to January 1, 2025.[7] By the October 2023 Order, the Board also updated the Triennium 2 energy savings targets for the Triennium 2 EE programs and ordered that Triennium 2 would be a thirty (30)-month period covering January 1, 2025 through June 30, 2027.

9. Under the RGGI Act, once a petition has been filed with the Board, Staff shall have thirty (30) days, commencing on the date the petition was filed, to determine whether the petition is administratively complete and to advise the corresponding utility in writing of any deficiency. Additionally, if Staff determines that the petition is not administratively complete, Staff shall set forth the deficiencies and the items required to remedy the deficiencies.

10. On December 26, 2023, Staff informed the Company via letter that it found the Petition to be administratively deficient with respect to the MFRs ("Deficiency Letter"). In response to the Deficiency Letter, the Company filed supplemental information on January 2, 2024 ("Supplemental Filing"). On January 12, 2024, Staff notified the Company that it reviewed the Petition for completeness and determined it to be administratively complete, thereby

[6] 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 September 27, 2023 ("September 2023 Order").

[7] In re the Implementation of P.L. 2018, c. 17, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150, Order dated October 25, 2023 ("October 2023 Order"). The May 2023 Framework Order, July 2023 Framework Order, and October 2023 Order are collectively referred to as the "2023 Framework Orders."

establishing the commencement of the Board's 180-day review period under N.J.S.A. 48:3-98.1 on January 2, 2024, with an expiration date of June 30, 2024.

11. By Order dated January 10, 2024, the Board designated Commissioner Marian Abdou as presiding Commissioner in this matter and extending the date for entities to file Motions seeking leave to intervene or participate.[8] NJLEUC, on December 7, 2023 and EEA-NJ and EELC, on December 8, 2023, filed motions to intervene in this matter. On December 8, 2023, ACE, JCP&L, NJNG, RECO, PSE&G, SJG, and Uplight, Inc. ("Uplight") each submitted motions to participate in the proceeding. On December 18, 2023, EELC supplemented their motion to intervene to include the Sierra Club.

12. On December 14, 2023, NJNG submitted a letter indicating that it had no opposition to the motions to participate filed by ACE, JCP&L, NJNG, RECO, PSE&G, SJG, and Uplight or to the intervention of NJLEUC, EEA-NJ, and EELC. Rate Counsel submitted a letter on December 14, 2023 indicating that it did not oppose the participation of by ACE, JCP&L, NJNG, RECO, PSE&G, SJG, and Uplight or to the intervention of NJLEUC or EELC in the proceeding. Rate Counsel opposed the intervention of EEA-NJ in the proceeding, arguing that EEA-NJ failed to demonstrate a legally protected right sufficient to permit intervention; however, Rate Counsel did not object to granting EEA-NJ participant status. EEA-NJ responded to Rate Counsel's opposition by letter dated December 20, 2023, arguing that it should be granted intervenor status, as it would be substantially, specifically, and directly affected by the outcome of the case, and that its interest differed from those of any other party in the proceeding.

13. NJNG provided public notice of the Petition including the date, time, and place of public hearings, in newspapers having a circulation within the Company's service territory and was served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's service territory. Following

[8] 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 *et al.*, BPU Docket Nos. QO23030150, QO23120868, QO23120869, QO23120870, QO23120871, QO23120872, QO23120874, and QO23120875, Order dated January 10, 2024.

Proper notice, the Company held two (2) public hearings on the Petition on May 20, 2024. Six (6) members of the public made statements at the public hearings. Three (3) commented in support of the Petition and three (3) commented in opposition of the Petition, all during the 4:30 p.m. hearing. One commenter, in favor of the Petition, representing contractors and equipment suppliers, fully supported zero percent (0%) financing and robust rebate programs. Another commenter, in favor of the Petition, Geo-Exchange, a non-profit entity, advocated in favor of ground sourced heat pumps and fully supported NJNG's geo-thermal program. Another commenter, in favor of the Petition, spoke on behalf of BC Express, a contractor in NJNG's service territory and stated that without the rebates and financing with OBRP, contractors would install 80% efficient equipment and fully supported NJNG's program. A commenter, opposed to the Petition, fully supported solar and creative renewable energy and opposed all gas incentives. Another commenter, opposed to the Petition, supported rebates for electric appliances, not gas appliances. Another commenter, opposed to the Petition, stated that the Company should be incentivizing electric appliance and only supported gas furnaces as a back-up to electric heat pumps. No members of the public provided oral comment during the 5:30 p.m. hearing.

14. On April 23, 2024, Commissioner Abdou issued an Order setting a procedural schedule and approving the Parties' Stipulation to Extend the 180-Day Period for the Board to issue a decision pursuant to N.J.S.A. 48:3-98.1 to October 15, 2024.[9]

15. During the course of settlement discussions, on May 13, 2024, Commissioner Abdou approved the Company's initial request to suspend the procedural schedule for two (2) weeks and also approved the Company's second request to suspend the procedural schedule for an additional two (2) weeks until May 28, 2024. On May 28, 2024, Commissioner Abdou

[9] In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated February 26, 2024.

approved the Parties request to completely suspend the procedural schedule to allow for further settlement discussions.

16. On October 9, 2024, the Eastern Environmental Law Center filed a letter of non-opposition to this Stipulation, indicating that they will not sign the Stipulation and neither join nor oppose its execution. On October 15, 2024, Commissioner Abdou issued an Order approving the Parties' Stipulation to Extend the 180-Day Period for the Board to issue a decision pursuant to N.J.S.A. 48:3-98.1 to October 31, 2024.[10]

NJNG TRIENNIUM 2 FILING

17. On December 1, 2023, NJNG filed a petition with the Board requesting approval to continue and expand its EE Programs offered through its SAVEGREEN® Program ("SAVEGREEN") ("Petition").

18. By the Petition, the Company sought approval to implement EE, Building Decarbonization Start-Up ("BD"), and Demand Response ("DR") programs offered through SAVEGREEN for two-and-one-half years. NJNG also requested that projects committed and/or started (defined as NJNG's receipt of an application or agreement for participation in the program) prior to June 30, 2027, may continue for close-out and completion activities and for permission to incur costs prior to January 1, 2025, to facilitate timely start-up of the programs. NJNG sought recovery of implementation costs of $482.4 million associated with the programs. The proposed programs and associated costs as originally proposed are summarized in the table below:

Program	Proposed Budget (2.5-Year Program)
Behavioral	$5,636,832
EE Products	$133,543,299

[10] In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. SecondTriennium, BPU Docket No. QO23120868, Order dated October 15, 2024.

Income Qualified	$38,894,054
Whole Home	$47,909,532
Demand Response	$7,512,087
Building Decarbonization	$25,326,867
Next Generation Savings	$5,189,583
Multifamily	$34,424,692
Prescriptive/Custom	$14,876,085
Energy Solutions for Business	$76,944,658
Direct Install	$56,910,813
Workforce Development	$1,507,381
Portfolio	$750,000
TOTAL NJNG Expenditures	$449,425,883
Net Transfers to/from electric distribution companies ("EDCs")	$30,018,374
GRAND TOTAL	$482,444,257

19. In addition to approval of the plan to implement the programs associated with Triennium 2, the Company requested approval of a cost recovery mechanism. Specifically, NJNG requested authority to recover the revenue requirement associated with the costs to implement the programs through Triennium 2, including funds for customer incentives and the associated incremental program investments and expenses and a return on those investments. The investments associated with the Triennium 2 programs will be amortized over a ten (10)-year period for the direct investments and over seven (7)- or ten (10)-year periods for on-bill repayment ("OBR") plans from the month in which they are incurred. The Company proposed to recover Triennium 2 costs through the previously approved Rider F of its tariff. The revenue requirement recovered through Rider F would be designed to recover the annual costs of Triennium 2, as well as true-up for any prior period over/under recovery.

20. The Company proposed a change to the Rider F EE rate, effective January 1, 2025, coincident with the beginning of the effective date of the proposed Triennium 2. Additionally, as with the current Board-approved cost recovery mechanism, NJNG indicated that it would submit, for approval by the Board, an annual filing to establish future rates for Rider F. In those

filings the Company will provide a reconciliation of the Triennium 2 recoveries to actual investments and operating costs incurred.

21. NJNG estimated that the initial annual bill impact for a typical residential customer using 1,000 therms annually would be an increase of $27.30 or 1.8%.

22. Based upon further discussions, the Signatory Parties have reached an agreement to enter into this stipulation of settlement ("Stipulation") finalizing the Triennium 2 Program and resolving all issues raised in or related to the Petition.

23. Specifically, based upon and subject to the terms and conditions set forth herein, the Signatory Parties **STIPULATE AND AGREE** as follows:

STIPULATED ISSUES

Triennium 2 Programs

24. The Parties agree that, subject to Board approval of this Stipulation, the Company may offer the following approved Triennium 2 Programs under the terms and conditions described herein for a term of two-and-one-half (2.5) years commencing January 1, 2025 and ending June 30, 2027. Triennium 2 will include implementation, administration, and investment in eight (8) EE core programs and one (1) other program: BD. The EE core programs are comprised of four (4) residential, three (3) commercial and industrial ("C&I"), and one (1) multifamily program.

25. In addition to the programs above, the Company will also continue its workforce development ("WFD") program as required in the 2023 Framework Orders. The Company shall develop a WFD implementation plan, community benefits plan, and evaluation plan, including performance metrics, before or within Program Year 5 of Triennium 2. The Company shall actively seek input and recommendations from the EE WFD Working Group established by the Board in the June 2020 Framework Order and through monthly EE stakeholder meetings to develop and enhance these plans prior to implementation in coordination with the other New Jersey utilities.

26. Upon receipt of any monies received by the utility as direct funding from a State or federal governmental entity for the Company's WFD program, the Company agrees to reduce its WFD budget by the corresponding dollar amount.

27. Except as set forth below, the Company will not designate any funding in its WFD program toward wraparound services. Consistent with the May 2023 Framework Order and Triennium 1, the Company will work with State and federal agencies to seek any opportunity to receive grants or funding specifically for the provision of wraparound services that may be available to the Company, partner community-based organizations ("CBOs"), and/or participants of the Company's WFD program for wraparound services. To the extent that programs or funding are not available or funding is insufficient, the Company may utilize Triennium 2 WFD dollars to provide these services up to the lesser of $100,000 or 3% of its approved WFD budget and will coordinate with overlapping utilities to minimize the costs to deliver these services. The utilities are encouraged to seek deeper coordination with CBOs for wraparound services in preparation for Triennium 3.

28. The Company will not utilize its WFD or O&M budget to provide contractors with WFD performance incentives.

29. WFD program funding shall not be utilized to provide training or development to the Company's own employees.

30. The Company agrees to withdraw its request to implement the Next Generation Savings program in Triennium 2.

31. The Company agrees to withdraw its request to implement the Demand Response program in Triennium 2.

32. The Company agrees to withdraw its request to include the Comfort Partners Program as a component of its Income Qualified Program. The Comfort Partners Program will continue to be managed by the Board. The Signatory Parties agree to coordinate to ensure that low-income customers can receive measures comparable to what is offered through the BD

program, which may be accomplished through the Comfort Partners program during Triennium 2. The Company will continue to claim savings from the Comfort Partners Program towards its compliance with its quantitative performance indicators ("QPIs").

33. The Signatory Parties agree that the design for the Triennium 2 programs shall be as described in the Company's updated Triennium 2 Program Plan, including both the required core programs and Utility-led programs, which is Attachment 1 to this Stipulation and incorporated herein by reference. Attachment 1 is subject to modification as permitted by the 2023 Framework Orders or as otherwise approved by the Board.

34. The Signatory Parties anticipate that programs will continue to evolve. The Company shall continue to coordinate with the Division of Clean Energy and other utilities with whom the Company has overlapping service territories to achieve consistency where possible in the design and delivery of core programs. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement – as permissible under law, this Stipulation, and within approved budgets – consistent elements of the core programs concurrently with all electric and gas utilities in the state as follows:

- 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) 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.

To the extent the Company wishes to change programs in ways that conflict with this Stipulation, the Company will advise all Signatory Parties to this Stipulation and seek to modify the Stipulation and obtain Board approval for those changes.

35. The Company agrees to contribute to the design and coordinate on the scope of a one-stop shop website, a platform to provide customers and contractors with a simple and easy-to-understand application process to participate in utility and State EE, BD, and DR programs. The Signatory Parties agree to work together to develop a project plan and timeline by June 30, 2025 to launch the website during Triennium 2 if feasible. Key project development milestones include, but are not limited to: initial design phase, development phase, testing and quality assurance, launch, and training. This initiative will be funded at a value not to exceed 1 percent of the Company's administrative budget.

36. Incentive structures associated with the core programs are described in Attachment 1 to this Stipulation, consistent with the 2023 Framework Orders, and include any additional updates to incentives that are agreed upon as part of this Stipulation.

37. The Signatory Parties agree that the Company is also authorized to offer up to $160.5 million of principal in the OBR Program to its customers which will be repaid by the participants and shall not be charged to ratepayers. The Signatory Parties agree that financing shall continue to be offered at a 0% interest rate for the duration of Triennium 2. The Company intends to work with the other utilities throughout implementation to continue to provide comparable financing offerings to customers and deliver similar access across the coordinated programs. The Company plans to make this financing option available for customers participating across the residential, multifamily, and C&I sector programs where qualifying measures involve a sizeable cost to the customer, including major appliances, HVAC, home

retrofit and multifamily projects, small business direct install projects, C&I prescriptive and custom measures, Energy Solutions projects, and BD. The Company agrees to coordinate with the other utilities on evaluation, measurement, and verification ("EM&V") studies to review the impact of financing offerings on program participation and identify potential modifications that may be implemented in future triennia.

38. The Signatory Parties acknowledge the important role played by rebates and incentive levels in customer adoption of EE measures and that the Signatory Parties have endeavored to identify a level of rebates and incentives that will allow utilities to achieve their required energy savings targets. During the Triennium 2 period, the Signatory Parties agree to revisit specific Triennium 2 EE Plan rebate/incentive levels if customer participation is inadequate or in excess of what is required to meet the Company's Triennium 2 savings targets and to adjust rebate/incentive levels to ensure that they facilitate appropriate customer participation that will allow the Company to meet its Triennium 2 energy savings targets. Any adjustments will be consistent with the requirements enumerated at page 19 of the May 2023 Framework Order, and any requests to increase a rebate or incentive in excess of the maximum incentive range which is shown as the "up to" amount in Appendix H of Attachment 1 to this Stipulation, will require Staff's approval.

39. Customers in NJNG's gas service territory who meet the criteria for the respective Triennium 2 offerings will be eligible to participate.

Triennium 2 Budget by Program

40. The Signatory Parties agree to the Triennium 2 budget as follows:

Program	Budget ($M)
Res - Behavioral	$5.6
EE Products	$27.3
Income Qualified	$23.9

Whole House	$19.3
Multifamily	$12.9
Prescriptive/Custom	$2.0
Energy Solutions for Business	$53.9
Direct Install	$37.6
Building Decarbonization Start-Up	$7.25
Workforce Development	$1.5
CBO Outreach	$0.8
Total Programmatic Budget	**$192.0**
Net Transfers	$33.0
TOTAL Direct Budget*	**$225.0**

**Includes $20.1 million of incremental Operations and Maintenance ("O&M") expenses.*

41. The Signatory Parties agree that the total direct budget for the Triennium 2 period shall not exceed $225 million, which includes a not to exceed value of $20.1 million in O&M expenses. The Signatory Parties agree that the budget includes $750,000 for the Company to conduct a study on geothermal networks. This study will identify potential sites and perform preliminary engineering for a network geothermal project.

42. The Signatory Parties also agree that the budget for net transfers in utility overlapping territories is approximately $33.0 million, resulting in a total direct budget of approximately $225 million. To the extent that the net transfer budget differs from the stipulated value, NJNG will manage any overage or shortfall within the approved total direct budget. The Company shall coordinate the exchange of energy savings and costs with any utility whose service territory overlaps with the Company's service territory ("Partner Utility") consistent with the net transfer process previously employed in Triennium 1, as it may be revised from time to time. The Company also agrees to report its gross inflows and outflows of transfers, the details of which will be determined by Staff, Rate Counsel, and the utilities via the group established

by the Board in the June 2020 Framework Order to facilitate and resolve issues impacting the EM&V of EE and PDR programs implemented pursuant to the CEA ("EM&V Working Group").

Triennium 2 Program Expenditures

43. The Signatory Parties agree that the total programmatic budget for Triennium 2 is $192.0 million, which includes investment and O&M expenses. Investments include all capital expenditures, direct incentives, incentive payment processing, program customer intake processing, direct marketing and outreach, health and safety, audit, installation labor, project quality assurance/quality control, administration and outside services for third-party program implementation, and EM&V. The budget for investments includes amounts that are spent or committed during Triennium 2, amounts reserved to fund projects and incentives for customers who have enrolled in programs during Triennium 2, and program EM&V costs that extend beyond the thirty (30)-month period. The Signatory Parties also agree that Triennium 2 funds may be utilized for a project that was enrolled during Triennium 1 and completed in the Triennium 2 program cycle.

44. The Signatory Parties agree that, in order to have programs, vendors, and systems in place to begin delivery on January 1, 2025, program spending may commence upon Board approval of the Stipulation. All Triennium 2 expenditures will be filed with the Board and submitted for prudency review in annual cost recovery filings by way of NJNG's annual cost recovery proceedings.

Budget Updates

45. The Company may shift the timing of investment spending between or among Program Years, programs, and sectors, including both core and utility-led programs, 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 limitations and procedures set forth in the 2023 Framework Orders:

- NJNG may shift program budgets within or among the residential, C&I, multifamily,

and other sectors. More specifically, within any 365-day period of time, NJNG may shift its budgets between individual program within the same sector up to and including 25% of the Company's total Triennium 2 budget with notification to Staff and Rate Counsel, greater than 25% and up to 50% with Staff approval, and greater than 50% with Board approval.

- Within any 365-day period of time, NJNG may also shift budgets out of a sector up to and including 10% of the Company's total Triennium 2 budget with notification to Staff and Rate Counsel, greater than 10% and up to 20% with Staff approval, and greater than 20% with Board approval.
- Requests for budget adjustments within the 2.5-year Triennium 2 period 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. Requests for budget transfers shall identify O&M spending associated with the program(s). Transferred O&M spending shall not be used as investment. Rate Counsel may object within 30 days, in which case Staff shall review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of NJNG's requests, those requests shall be deemed granted.

46. The Signatory Parties agree that the Company may petition the Board to carry over energy savings in excess of annual compliance goals, from Triennium 1 into Triennium 2 and from any Triennium 2 program year to another Triennium 2 program year, in excess of the parameters established by the 2023 Framework Orders. The Company shall notify Staff and Rate Counsel in its compliance reports the date of its waiver petition and the outcome.

47. The Signatory Parties agree that, for purposes of funds transfers among Triennium 2 programs and sectors, in addition to residential, C&I, and multifamily, there is an additional sector that includes BD, which will be reflected as "BD." For purposes of budget transfers permitted in Paragraph 45 of this Stipulation, the Signatory Parties agree that funds will

not be transferred into the BD program.

48. The Signatory Parties agree that, for EE projects that commenced prior to Triennium 2 that require multiple years to complete, either between program cycles or within a program cycle, the Company will calculate energy savings based on the Technical Reference Manual ("TRM") in effect when the project commenced.

49. At the end of Triennium 1, the Company will provide a report to Staff and Rate Counsel detailing the committed and uncommitted funds left in the Triennium 1 budget, including any, and all, extensions. In the event that the Company expects to receive a return on equity ("ROE") reduction penalty as defined by the Triennium 2 Performance Incentive Mechanism, the Company may, upon notice to the Signatory Parties, utilize any Triennium 1 funding, including the funding associated with the Triennium 1 Extension period, not expended or committed in Triennium 1. If the Company elects to utilize uncommitted budget dollars from Triennium 1, it will not be permitted to earn an incentive under the established Triennium 2 Performance Incentive Mechanism within the program year or years when Triennium 1 funding is expended. During Triennium 2, when applicable, the Company will provide quarterly reports that demonstrate how the Triennium 1 funding was allocated and spent among programs. During Triennium 2, if the Company requests shifts in budget among programs and sectors, Triennium 1 funds will be reported separately in that request or notice.

Quantitative Performance Indicators

50. The table below includes the Company's proposed QPIs that will be used to track and evaluate the Company's performance in Triennium 2.

QPI	Description	Weight	Unit	Target – Program Total
1. Annual Energy Savings	Verified first year energy savings from measured completed in the given program year	30%	Source MMBtu	891,165

2. Annual Demand Savings	Verified peak demand savings from measures completed in the given program year	10%	Peak-day therm	6,142
3. Lifetime Energy Savings	Verified lifetime energy savings from measures completed in the given program year	20%	Source MMBtu	7,694,998
4. LMI and OBC Lifetime Energy Savings	Verified lifetime energy savings from measures completed in the given program year from LMI and OBC customers	10%	Source MMBtu	358,600
5. Small Business Lifetime Energy Savings	Verified lifetime energy savings from measures completed in the given program year for small business customers	10%	Source MMBtu	341,247
6. Cost to Achieve	Total EE portfolio costs divided by total portfolio verified lifetime energy savings	20%	Total EE Portfolio$/ Lifetime source MMBtu	$20.05

51. QPI performance periods shall be those set forth in the 2023 Framework Orders. All energy savings from projects and measures from Triennium 1[11] and Triennium 2 programs, and Comfort Partners in the Company's territory completed after January 1, 2025 shall be reported separately in the Company's QPI performance measurement. For the purpose of determining the Company's compliance with the QPIs and achievement of the required energy savings targets, the Technical Reference Manual ("TRM") in effect as of January 1, 2024 shall be used during the term of Triennium 2, subject to any annual TRM updates or other relevant guidance adopted in the Triennium 2 Evaluation Framework, except as noted in Paragraph 48 of this Stipulation.

52. The Company will perform EM&V for Triennium 2 in accordance with the 2023

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

Framework Orders and any recommendations of the EM&V Working Group adopted by the Board, as well as for any additional energy savings claimed by the Company toward the annual energy savings QPI and Triennium 2 targets, subject to guidance adopted in the Triennium 2 Evaluation Framework. All Triennium 1 projects and measures completed after January 1, 2025 shall also be included in the Triennium 2 EM&V plan.

53. The Company acknowledges that the EM&V Working Group will update the Triennium 2 Evaluation Framework as needed approaching the commencement and performance of Triennium 2, with key elements including, but not limited to: 1) an annual update to the Program Year Technical Reference Manual, 2) removal of the distinction between Category 1 and Category 2 program metrics, 3) evaluation of financing offers, 4) enhancements of data governance and disclosure, 5) submission of EM&V milestone plans, 6) assurance of evaluability of programs, and 7) modifications to quarterly reporting. Updates to the Triennium 2 Evaluation Framework will be presented for comments at monthly EE stakeholder meetings. The Company agrees to comply with any changes resulting from the updated Triennium 2 Evaluation Framework, the terms of which shall apply throughout the whole of Triennium 2.

54. The Company further appreciates the need for enhanced evaluation rigor and shall dedicate the appropriate EM&V resources to conduct joint utility program evaluations where appropriate and to implement the EM&V implementation plans which will be developed in conjunction with New Jersey's Statewide Evaluator ("SWE") at the start of Triennium 2.

55. The Company shall continue to file required quarterly and annual reports and submit data regarding all the Triennium 2 programs, financing initiatives, and related expenses in accordance with the content, format, and timing dictated by the 2023 Framework Orders and any subsequent directives regarding the Triennium 2 programs from the Board, with any required adjustments from Triennium 1 to be developed by the EM&V Working Group.

56. The Signatory Parties agree that revised in-service rates, under performance of installed measures, changes in industry standard practices, building code updates, federal

appliance standards, or other market events are some factors that could be reflected in the annual Program Year Update to the TRM. The TRM Committee will work collaboratively with the Company to ensure that TRM updates provide the Company with adequate time to adjust programmatic activities toward the achievement of performance targets. If a mutually agreeable outcome does not occur, the Company reserves the right to petition the Board for a waiver of the enforcement of any penalties in the event that performance targets are not achieved as a result of such changes. All Parties reserve all rights to respond to any petition seeking a waiver of any penalties filed by the Company.

Customer Data and Data Sharing

57. 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 enforce privacy and data handling policies and procedures for the SAVEGREEN Program that are consistent with NJNG's customer data security protections, the 2023 Framework Orders, and any applicable Board regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, NJNG 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 SAVEGREEN Program or to evaluate the 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. [12]

58. NJNG agrees that customer-specific data belongs to the customer, who may request or authorize NJNG to share it with suppliers, and that data gathered during the operation of these programs not specific to any customer belongs to the Company and will be used solely

[12] In re Utility Cyber Security Program Requirements, BPU Docket No. AO16030196, Order dated March 18, 2016.

to support current or future regulated utility programs, including EM&V work. Such data may not be used for other purposes without Board approval, except as noted in Paragraph 59 of this Stipulation. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board. Customer specific data may be shared with the Board or its contractors for the purposes of program evaluation after the execution of Non-Disclosure Agreements ("NDAs") and Company review and approval of the Board's and/or contractor's cyber and data security protocols.

59. The Signatory Parties also agree that NJNG may use customer-specific data or program data from other BPU-approved utility programs for Triennium 2, and that other utility BPU approved programs may use data from Triennium 2. The Company will not share or use customer-specific data for non-utility-specific BPU programs. Such data may not be used for other purposes without Board approval.

Recovery of Costs and Lost Revenue

60. The Signatory Parties agree that the Company is and shall be authorized to defer and seek recovery of all reasonable and prudent SAVEGREEN program costs, including a return on customer incentives, direct investment, and the OBR program. In addition, the Signatory Parties agree that the Company is and shall be authorized to defer and seek recovery of all reasonable and prudent O&M expenses. These costs shall be subject to recovery through rates in future periods pursuant to the terms of NJNG's Rider F and separately tracked through a sub-component of Rider F called Triennium 2. Annual true-up filings will separately break out the expenses, investments, unamortized investments, and revenue requirement calculations for the Program. The Triennium 2 Program costs shall be subject to the terms set forth in Rider F and shall be recovered through a per-therm EE charge relative to all applicable jurisdictional throughput on the NJNG distribution system as provided in Rider F.

61. The Signatory Parties also agree that the Company should be authorized to offer OBR financing in the amount of $160.5 million to program participants and recover the financing

over time from these financing participants. As currently structured, the customer repayment periods for the OBR plans shall be five (5), seven (7), and ten (10) years, depending on the program and total OBR funds made available. NJNG will retain the full OBR investment for any project where NJNG is serving as the lead utility-- that is, where work is commissioned on behalf of a Partner Utility, who will ultimately pay for the EE measures installed. The Signatory Parties agree that the Company should be allowed to earn a return on the outstanding investment balance for financing expenditures where the Company is serving as the lead utility, through its revenue requirement and the administrative costs of providing financing consistent with the capital structure and ROE discussed below. In computing the return component of its costs, the Company shall, in addition to a reduction for the accumulated amortization of its investments, deduct the applicable deferred income taxes related to the amortization of program costs over a five (5)-year, seven (7)-year, and ten (10)-year period for book purposes and over one (1) year for tax purposes. The Company shall continue to calculate the monthly net investment balances by subtracting from the monthly net investment balances the current month-end accumulated amortization balances.

62. NJNG will earn a return on its net investment based upon the authorized ROE and capital structure approved by the Board in its last base rate case proceeding. Attachment 4 reflects the settled revenue requirement.

63. The Signatory Parties agree that any change in the Weighted Average Cost of Capital authorized by the Board in a subsequent base rate case shall be reflected in the subsequent monthly revenue requirement calculations as of the date of the next scheduled annual true-up.

64. The calculation of the carrying costs on the average monthly balances of under-recovery or over-recovery of deferred costs shall be subject to the terms under Rider F (see Attachment 2 to this Stipulation) and as described in more detail in the Board's Order in BPU Docket Nos. EO09010056 and EO09010057, dated July 17, 2009. The Company shall accrue interest at a rate equal to the Company's monthly commercial paper rate. If commercial paper

was not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest rate shall not exceed the overall rate of return as authorized by the Board in NJNG's most recent base rate case, or as authorized in NJNG's subsequent base rate case.

65. The Signatory Parties further agree that the following expenditures will be collected from NJNG ratepayers:

- Rebates/Direct Investments and associated return on these investments;
- Return on outstanding balance of OBR expenditures;
- O&M expenses; and
- OBR bad debt expenses.

66. The Triennium 2 component will be filed annually with the June cost recovery filing, inclusive of actuals through April 30. NJNG has submitted proposed tariff sheets (both red-lined and clean) as Attachment 2 of the Stipulation to reflect the updated Rider F tariff.

67. The SAVEGREEN Program investments and operating costs shall be reconciled to actual recoveries from the EE rate in the SAVEGREEN Rate Recovery filings to be submitted no later than June 1 of each year, for which the Company may seek recovery. Any federal, state, or other benefits, if applicable, received by the Company and associated with these programs shall be used to reduce the revenue requirement to be collected from ratepayers.

68. NJNG agrees that the Triennium 2 Program investments shall be amortized over a ten (10)-year period, on a straight-line basis, with the return of the investment and return on the unamortized investments based upon the latest capital structure approved in a base rate case.

69. In computing the return component of its costs, NJNG shall, in addition to a reduction for the accumulated amortization of its investments, deduct the applicable deferred income taxes related to the amortization of SAVEGREEN Program costs over a ten (10)-year period for book purposes and over one (1) year for tax purposes. NJNG shall continue to calculate the monthly net investment balances by subtracting from the monthly net investment balances the current month-end accumulated amortization balances.

70. The Signatory Parties stipulate that the Company will file to adjust its gas Triennium 2 component, as part of the true-up petition ("True-Up Filing") for its Rider F, with copies provided to the Signatory Parties no later than June 1, 2025 and annually thereafter for the implementation of the proposed revised Triennium 2, on October 1 of each year. Each True-Up Filing will contain a reconciliation of its projected Triennium 2 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 twelve (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. The True-Up Filing will also provide information set forth in the MFRs (Attachment 3) as required in the 2023 Framework Orders.

71. 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. The calculation methodology of revenue requirements and the over/under deferred balance is detailed in Attachment 4 to this Stipulation.

72. The initial recovery period for Triennium 2 will be January 1, 2025 through September 30, 2025. The expected Triennium 2 component for the initial Triennium 2 recovery period will be $0.0239 per therm without SUT ($0.0255 per therm with SUT).

73. NJNG will continue to recover lost sales revenue resulting from the decrease in customer energy usage resulting from Triennium 2 programs through its Conservation Incentive Program ("CIP") Surcharge.

Rate and Bill Impacts

74. NJNG's typical residential sales heating customer using 100 therms of gas per month, will see an increase in their monthly bill of $2.55 or 1.7%, from $151.62 to $154.17. A

typical residential heating customer using 1,000 therms annually will see an increase in their annual bill of $25.50 or 1.7%, from $1,538.20 to $1,563.70. The cumulative charge to customers over the thirteen year recovery period is estimated to be $459.65 or 2.4% for the typical residential gas heating customer using 961.4 therms annually. The maximum cumulative increase over the recovery period would occur in Year 3 and it is estimated to be $61.63 or 4.2% over the current annual bill of $1,483.92.

Triennium 3 Filing

75. The Signatory Parties anticipate that in 2026, NJNG will file a petition seeking approval of a Triennium 3 program on or before a date to be set by the Board. In anticipation of that filing, the Signatory Parties agree that any filing will include the following:

a. NJNG agrees that, to include a more comprehensive set of data in its Triennium 3 petition, it will work with the other utilities, Staff, and Rate Counsel to develop the template reporting spreadsheet by June 30, 2025, using Attachment 5 to this Stipulation as a starting point. The Signatory Parties will schedule an initial meeting no later than December 15, 2024. Regardless of the reporting format, the Signatory Parties agree that all data will be made available in machine readable format with formulae intact, will be provided for all historical and forecasted years, will have clear units and (where appropriate) dollar years, and will use naming conventions that are common across utilities to the greatest extent possible to facilitate cross-utility comparisons. If the Signatory Parties are unable to agree upon the components of the template reporting spreadsheet by June 30, 2025, the Signatory Parties will submit, by July 15, 2025, their respective versions of the template reporting spreadsheet with supporting explanation to Staff for consideration and decision as soon as practicable.

b. Consistent with the guidance from the May 2023 Framework Order, the New Jersey Cost Test ("NJCT") should be updated prior to the start of each triennium through

stakeholder input and with Board approval, including the initial vetting of technical concepts by the NJCT and EM&V Committees. The Company will submit the results of the NJCT with its Triennium 3 filing consistent with the updated NJCT. Nonetheless, the Signatory Parties agree that the Company's workpapers supporting the T3 NJCT results that will include a separately identified item/column which includes, but is not limited to, the financial returns that are expected to arise from each individual energy efficiency program/measure.

c. NJNG agrees that loan principal will not appear within the NJCT but any administrative cost passed on to customers of servicing those loans will.

d. NJNG recognizes that the SWE has identified concerns regarding the level of savings from behavioral programs. NJNG commits to coordinate with the EM&V Working Group to evaluate the cost benefit of the Behavioral Program in advance of the Triennium 3 filings. The Signatory Parties agree that the Triennium 3 framework issued by the Board may provide budget guidance regarding the behavioral programs based on documentable evidence demonstrating casual influence over achieved impacts, acceptable cost-to-achieve metrics, and cost-effectiveness of behavioral programming under the NJCT.

e. NJNG agrees that incentive values proposed in its Triennium 3 petition will be filed together with clear information regarding how each incentive was calculated, its per unit savings values, and how it compares to similar incentives in other similar states.

76. The Company agrees to initiate discussion with the New Jersey Department of Banking and Insurance ("DOBI") on or before March 31, 2025 to determine DOBI's requirements, if any, for offering on-bill financing at an interest rate other than zero in advance of the Triennium 3 filing. Once all requirements are understood by the Company, including those of DOBI and those arising from other applicable laws and regulations, the Company agrees to schedule a joint meeting with all Signatory Parties and all other gas and electric utilities by

December 1, 2025 regarding the Company's understanding of applicable laws and regulations concerning offering OBR for Triennium 3 at an interest rate other than zero. The Company reserves its right to determine to change its position on how financing may be offered, if at all, but will determine requirements to offer financing at a different interest rate. OBR may then be offered as part of the Company's Triennium 3 filings in accordance with the parameters set forth in any applicable Triennium 3 framework Order or Orders. The Company will copy and include Staff and Rate Counsel on all formal written communications with DOBI.

Further Provisions

77. 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.

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

79. 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 Signatory 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 Signatory 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.

NEW JERSEY NATURAL GAS COMPANY
PETITIONER

By: _____
ANDREW K. DEMBIA, ESQ.
New Jersey Natural Gas

BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

By: Maura Caroselli 10/16/24 QO23120868
MAURA CAROSELLI, ESQ.
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DEPUTY ATTORNEY GENERAL

NEW JERSEY LARGE ENERGY USERS COALITION

By: _____
STEVE GOLDENBERG, ESQ.
GIORDANO HALLERAN & CIESLA, P.A.

ENERGY EFICIENCY ALLIANCE OF NEW JERSEY

By: _____
JOHN M. KOLESNIK, ESQ.

Date: October 16, 2024

NEW JERSEY NATURAL GAS COMPANY
PETITIONER

By: _____
ANDREW K. DEMBIA, ESQ.
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BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

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Date: October 16, 2024

DEPUTY ATTORNEY GENERAL

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ENERGY EFICIENCY ALLIANCE OF NEW JERSEY

By: _____
JOHN M. KOLESNIK, ESQ.

Date: October 16, 2024

October 9, 2024

Sherri Golden
Secretary of the Board
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of New Jersey Natural Gas Company for Approval of New Jersey - Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium (BPU Docket # QO23120868)

STATEMENT OF NON-OPPOSITION TO THE STIPULATION OF SETTLEMENT BY ENVIRONMENTAL INTERVENORS

Dear Commissioner Abdou and Secretary Golden:

Environmental Intervenors New Jersey Progressive Equitable Energy Coalition ("NJPEEC"), Natural Resources Defense Council ("NRDC"), and the Sierra Club do not oppose the Stipulation of Settlement ("Stipulation") and respectfully submit this statement expressing our views on the Stipulation. The proposed Stipulation is a mixed bag for NJNG's customers and for the State's clean energy transition. We support the implementation of robust programs to reduce energy use, transition to clean energy sources, and electrify buildings; and the utility's proposed plans have improved through the settlement process, including through the reduction of gas equipment incentives. Environmental Intervenors nevertheless cannot join the Stipulation, as it continues to promote the installation of new gas combustion equipment, and does not maximally incentivize electrification and decarbonization. Approving new incentives that extend the life of the gas system undermines New Jersey's clean energy goals and risks

jeopardizing an equitable and affordable transition to clean energy. Therefore, Environmental Intervenors have decided neither to join nor oppose the Stipulation.

BACKGROUND

The Clean Energy Act of 2018 ("CEA") mandates a significant overhaul of New Jersey's energy systems and directs the Board of Public Utilities ("Board") to require each utility to implement energy efficiency measures to achieve annual reductions in electricity usage of at least 2% and natural gas usage of at least 0.75%. N.J.S.A. 48:3-87.9(a). The CEA directs the Board to adopt programs that "ensure universal access to energy efficiency measures, and serve the needs of low-income communities." N.J.S.A. 48:3-87(g)–(h).

In January 2020, pursuant to Executive Order 28,[1] the Board released the 2019 Energy Master Plan ("EMP"), which provides for the transition from reliance on fossil fuels to 100% clean energy sources on or before January 1, 2050.[2] In 2023, this target was moved up to 2035.[3] The 2019 EMP identifies maximizing energy efficiency, reducing peak demand, and maximizing decarbonization and electrification of buildings as necessary and cost-effective strategies to combat climate change and protect public health.

On February 15, 2023, Governor Murphy signed Executive Order 316 ("EO 316"), establishing the State's goal to electrify "400,000 additional dwelling units and 20,000 additional commercial spaces and/or public facilities" by 2030, and prepare low-income households for electrification "through the completion of necessary electrical repairs and upgrades."[4]

Together, these State laws and orders express New Jersey's policies to reduce energy usage, transition to 100% clean energy sources by 2035, electrify buildings, and ensure that low-income

[1] Exec. Order No. 28 (May 23, 2018), 50 N.J.R. 1394(b) (June 18, 2018), ¶ 3, available at https://nj.gov/infobank/eo/056murphy/pdf/EO-28.pdf.
[2] Energy Master Plan at 13, https://www.nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.
[3] Exec. Order No. 315 (Feb. 15, 2023), 55 N.J.R. 509(a) (Mar. 20, 2023), ¶ 26, available at https://www.nj.gov/infobank/eo/056murphy/pdf/EO-315.pdf.
[4] Exec. Order No. 316 (Feb. 15, 2023), 55 N.J.R. 510(a) (Mar. 20, 2023), ¶ 17, available at https://nj.gov/infobank/eo/056murphy/pdf/EO-316.pdf.

households are prioritized during the transition. Whenever the Board acts to approve programs, including in this proceeding, they must do so in accordance with these policies.

On May 24 and July 26, 2023, the Board issued the Energy Efficiency Second Triennium ("EE Triennium 2") Framework Orders, directing the utility companies to file their energy efficiency, peak demand reduction, and building decarbonization programs. On December 1, 2023, the utilities, including NJNG, filed their EE Triennium 2 petitions with the Board. Subsequently, NJPEEC, NRDC, and Sierra Club moved to intervene in the proceeding, seeking to bring their experience and expertise to maximize building electrification and energy efficiency, reduce peak demand, foster a just transition for workers, and ensure that low-income and environmental justice communities are prioritized. The motions were granted on February 26, 2024.

COMMENTS IN SUPPORT OF THE STIPULATION OF SETTLEMENT

Environmental Intervenors have participated extensively in the settlement discussions leading up to this Stipulation and appreciate all parties' open and fair discussions as part of that process. In particular, we appreciate the efforts of Board Staff to thoroughly investigate the issues and improve the programs during the course of these discussions. We support several improvements that have been made through the settlement process between the initially proposed programs and the agreements contained in the Stipulations.

Reduction of Gas Incentives. The incentives for gas equipment are generally lower than initially proposed by NJNG. For example, the proposed incentive for a residential gas furnace was $1500 and the Stipulation reduces that to $900. Additionally, the Stipulation eliminates incentives to replace an existing residential high-efficiency furnace with another high-efficiency furnace, in recognition that a customer is unlikely to revert to a lower-efficiency, non-condensing furnace in the absence of incentives. Reducing the incentives for residential gas furnaces lowers overall program costs, frees up resources for more effective decarbonization efforts, and helps prevent consumers from being locked into costly long-term investments in pollution-intensive appliances.

Comfort Partners retained and Moderate-Income program budget preserved. Comfort Partners will remain a joint program between the State and utilities, rather than switching to utility control as initially proposed. Environmental Intervenors believe that this is a better approach than devolving the program to the utilities and thereby losing economies of scale. A state-wide Comfort Partners program is best situated to ensure that areas with a disproportionate need are prioritized and served. The budget for income-qualified programs for moderate-income customers that remain with the utilities has also not been reduced, which Environmental Intervenors support.

Geothermal. While Environmental Intervenors supported a full geothermal pilot with specific guardrails, we recognize the value of the study that is proposed in the Stipulation, particularly with regard to its focus on studying geothermal systems that do not rely on fossil fuel in their design.

One-Stop Shop. Environmental Intervenors support the build-out of a one-stop shop website for customers and contractors to participate in and deliver programs throughout Triennium 2 so that it is fully in place as soon as is practicable and no later than Triennium 3. A one-stop shop should help provide consistent and clear information about the programs and incentives, and save customers and contractors money and time.

COMMENTS IN OPPOSITION TO THE STIPULATION OF SETTLEMENT

Environmental Intervenors cannot join the Stipulation for the following reasons.

Overall Budgets. Environmental Intervenors support a significantly larger overall budget, specifically to support building decarbonization through electrification of end uses. NJNG's proposed total budget was $482 million for the 30-month Triennium 2 implementation period, which has been reduced to $258 million in the Stipulation. Environmental Intervenors recognize that budgets as proposed were not as cost-efficient as they could have been, and we support the reduction in gas equipment incentives and the resultant customer cost savings. But while Environmental Intervenors strongly support the attention to cost-efficiency improvements in the settlement, a commitment of significant funds towards the goals of the CEA, Energy Master Plan, and EO 316 cannot be deferred, and the Stipulation fails to require or allow NJNG to maximize its decarbonization efforts. Much more could be done in

support of the State's climate objectives through utility-funded programs with greater participation targets and larger budgets, specifically regarding building decarbonization. In the proposed Stipulation, these important programs are simply too small to create the scale of building decarbonization called for by the Energy Master Plan and EO 316.

Further, NJNG's continued reliance on gas equipment incentives to achieve savings undermines the State's goals to electrify and decarbonize. Spending of customer dollars should instead focus on comprehensive whole home efficiency, electrification, and electrification "make-ready" programs (including abatement and remediation where needed), workforce development, and strong education, marketing, and communication for contractors and customers.

Gas Combustion Equipment Incentives. The Stipulation still contains substantial incentives for gas combustion equipment for heating and hot water, such as the above-mentioned $900 incentive for gas furnaces, which Intervenors oppose for several reasons. Gas incentives at this level are intended to and will encourage customers to install new gas equipment, and Intervenors cannot support this. Put simply, providing incentives that cause the installation of new gas equipment will effectively commit customers to using gas for the next 15–20 years. This will undercut the State's efforts to reduce reliance on fossil fuels, and, in turn, its public health and climate change goals. The settling parties' assumptions also do not reflect the risk of much higher future gas costs for customers who are locked into gas heating for the next 15–20 years as a result of purchasing a new furnace.

Building Decarbonization. NJNG has retained its Building Decarbonization ("BD") programs that encourage partial electrification in which heat pumps reduce customers' reliance on their existing gas furnaces. Environmental Intervenors believe that full electrification programs would be more aligned with New Jersey policy goals expressed in the EMP and EO 316. The electrification of buildings is critical to achieve the State's clean energy goals.

In addition, in order to receive incentives through the BD program, a dual-fuel electrification project should require a cold climate air source heat pump ("ccASHP") that is sized to meet the full heating load, rather than allowing partial displacement and non-ccASHP as contemplated in the

Stipulation. The Stipulation would allow incentives for partial load standard heat pumps that would lock in long-term reliance on gas backup, thus undermining movement away from fossil fuel systems in the State. If the program supported only a ccASHP sized for the full heating load, a customer would not have to replace the gas furnace when it fails and could simply switch over to full reliance on the efficient heat pump that would not default to electric resistance backup heating in cold temperatures.

Additionally, while there is no incentive in the BD budget for the gas furnace portion of a dual fuel/partial electrification project, there is no prohibition on contractors/customers simply receiving an incentive for the gas furnace through the EE program. Customers who utilize funds through BD for partial electrification should not also be able to receive a gas furnace incentive through the EE program.

For customers who pursue the incentivized hybrid approach under BD and elect to install a new furnace as part of the project, full electrification would become impractical and uneconomic until the new gas equipment reaches the end of its life, decades from now. This will undermine the State's BD goals.

Workforce development. Environmental Intervenors recognize how important workforce development will be if the State is to reach its climate goals. Workforce development implementation would be better served with an integrated state-wide approach across the utilities. The proposals for distinct training efforts from each utility create the risk of inconsistent or unequal opportunities depending on which utility sponsors the training. What is more, this approach will lead to redundant program expenditures, thus driving up costs for customers unnecessarily. Because the Company proposes to amortize these costs and earn a return over a ten-year period, customers will pay even more for these duplicative program costs.

Marketing and communication. The utilities have agreed to develop a one-stop shop website during Triennium 2, but clear and comprehensive marketing and communication plans should have been in place for this Triennium. Failing to provide clear and uniform guidance when customers have to choose between full electrification, hybrid electrification, or continued use of gas equipment will undermine the effectiveness of the incentives, and thus, the State's goals. Indeed, the failure to develop and adopt a

consistent state-wide education and messaging strategy for Triennium 2 could lead to competition between electric and gas programs and impede the State's progress toward decarbonization.

IRA funds. The Board should clarify that NJNG should leverage any available IRA funds to increase participation and benefits for its customers, rather than rely on IRA funds to supplant program funding.

CONCLUSION

Environmental Intervenors appreciate the many productive discussions in the settlement process but do not believe that the proposed Stipulation is consistent with New Jersey's policies to transition to 100% clean energy sources by 2035, and to maximize energy efficiency and building electrification. Environmental Intervenors look forward to continuing to participate in stakeholder processes to strengthen NJNG programs that support New Jersey's climate objectives.

Date: October 9, 2024

Respectfully Submitted,

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SAVEGREEN
Program Plan

New Jersey Natural Gas

10/08/2024

1. Table of Contents

2. Introduction

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

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

The program templates for the Additional Utility-Led Initiatives (Section 3b of this program plan) follow a consistent format but contain Utility-specific proposals.,
The graphic below demonstrates the organization of the programs. As discussed above, all programs noted in blue as core have consistent Program Descriptions within each Utility's program plan. The descriptions for all other programs are Utility-specific.

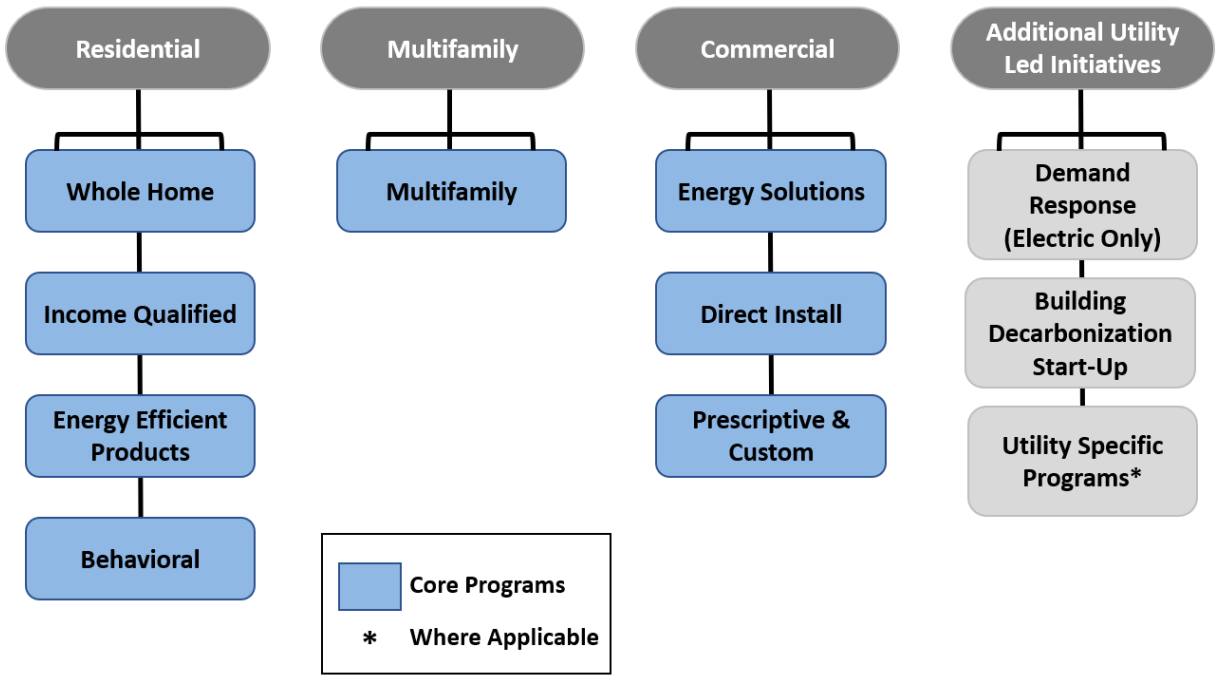
In addition, some information contained in the Portfolio Information section (Section 4) is consistent, while the remaining subsections are Utility-specific. The following subsections contain consistent information across all of the Utilities:

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

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

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

As noted above, all of the appendices are formatted similarly and in the same order, but present Utility-specific information. Appendix H: Incentive Ranges is formatted similarly but has some variation due to differences in Utility-specific program proposals.



3. Program Descriptions

3a. Core Programs

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

3a.i Residential Sector

The core Residential Sector programs are described below and include:

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

3a.i.1 Whole Home Program

Program Description (MFR II.a.i)

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

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

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

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

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

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

During the visit, the assessor will perform a walk-through of the customer's home with the customer to identify opportunities to save energy. The assessors may identify health and safety issues observed and may perform more detailed diagnostic tests on the home. The program will offer energy education to participants to better understand usage patterns and practices, along with behavioral suggestions to improve the way they use energy in their home. The assessment will prioritize deeper energy saving opportunities such as weatherization and space heating over lower cost upgrades. Other opportunities for energy savings may also be offered including making referrals to other energy efficiency programs and for program opportunities based on the needs for that premise and the customer's interest in pursuing additional upgrades. This may also include directly proceeding to address weatherization needs and other opportunities, referring to trade allies who are able to support measures offered in other programs, including Additional Utility-Led Initiatives, or sharing information about the products and incentives available under other programs. In addition, customers will be informed of relevant federal tax credits.

Although the program may provide a variety of types of assessment options and additional opportunities in order to best suit the varying needs of its customers, it will promote a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this program must have an initial home energy assessment. To ensure the upgrades are accessible to customers, there will be financing available to eligible customers through either an On-Bill Repayment ("OBR") or access to financing with similar terms.

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

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

The Whole Home program will be available to all single-family and single-family attached (1 - 4 unit properties) electric and/or natural gas customers served by at least one of the participating investor-owned Utilities in New Jersey. Utilities will focus marketing efforts on homes that may have a greater opportunity for energy savings, including both annual and lifetime energy savings. The program will seek to use metered data to target homes where there is potential to save 20% and more in energy.

Standard energy efficiency measures installed during that visit may include, but not be limited to, LED bulbs, energy and water saving showerheads, kitchen faucet aerators, bathroom faucet aerators, gaskets, power strips and other energy saving measures. All participants will receive a report that outlines the findings during the appointment and summarizes the measures received, the recommendations made, and the incentives available.

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

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

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

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

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

Refer to Appendix H for the Summary of the Existing and Proposed Incentive Ranges for this program. The Utilities and/or third-party implementation contractors will strive to complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork and completion of program requirements such as necessary field inspections (if required).

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

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

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

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

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

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

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

The Utilities will encourage all participating trade allies to also look for opportunities to promote measures from the Residential Efficient Products program, such as home appliances (e.g., clothes washers) and other Utility programs to increase energy savings and leverage those incentives. Contractor outreach and training will also include information on the availability of financing and tax credits.

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3a.i.2 Income Qualified Program

Program Description (MFR II.a.i.)

The Income Qualified Program provides an opportunity for moderate-income customers to receive energy efficiency measures and upgrades at no cost to participate.

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

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

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

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

The Income Qualified Program will be available to income-qualified customers served by at least one (1) investor-owned Utility in New Jersey. Eligibility for these enhanced incentives may be determined based on screening an individual customer, categorical eligibility for moderate-income customers or special screening if the physical location is within the boundaries of a Low or Moderate Income census tract, an Overburdened Community ("OBC"), or any other agreed upon designation by the Board. Please refer to Section 4g of this Program Plan, for more information on special treatment for OBC customers. Qualifying guidelines may be adjusted based on updates to federal or state guidelines. Utilities will focus marketing efforts on homes that may have a greater opportunity for energy savings, including both annual and lifetime energy savings. Where possible, the program will seek to use metered data to target homes where there is potential to save 20% and more in energy.

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

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

The customer may receive no-cost energy efficiency measures and upgrades with a per project guideline and health and safety expense protocol. The program may include design components that provide benefits to low-income customers where participation or services are deferred by the NJ Comfort Partners Program. Refer to Appendix H, for the Summary of Proposed Incentive Ranges for this program.

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

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

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

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

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

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

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3a.i.3 Energy Efficient Products Program

Program Description (MFR II.a.i.)

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

The program may:

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

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

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

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

- **Midstream or Upstream Rebates:** The Utilities may pursue a midstream or upstream rebate component to encourage the purchase of certain efficient equipment. The Utilities may work with retail partners (such as Home Depot, Lowes, etc.), distributors, or manufacturers to ensure that measures are available throughout the State.
- **Point of Sale Rebates**: Prescriptive rebates made available at the point of sale for select products.
- **Online Marketplace:** The online marketplace is an easy-to-use source for the purchase of efficient products and services. Participants can browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant rebates. The marketplace may also include non-incentivized items that can help drive traffic, increase uptake in incentivized measures, and expose customers to other Utility and/or State offered clean energy programs.
- **Appliance Recycling:** Rebates will be provided to customers for recycling qualifying, inefficient, operating appliances.[1] Offering an incentive for the drop-off or pick-up and removal of an appliance prevents the appliance from being maintained as a second unit or transferred to another customer. In addition, periodic events may be offered at centralized drop-off locations where customers can drop off qualified inefficient operating appliances. The program may also target appliance retailers for participation or offer bulk appliance recycling.
- **Trade Allies:** A network of trade allies created to promote the program. The trade ally network may consist of qualified installation contractors, plumbers, electricians, and other trade service professionals who meet all applicable statewide requirements for performing the respective service (e.g., HVAC license, insurance requirements). Trade allies will be able to leverage the program and offer customers rebates through their normal course of business.
- **Efficient Product Kits:** Kits to introduce and promote energy efficiency technologies with high in-service rates that can be easily installed in a customers' home. Similar to the Online Marketplace, the kits can act as a gateway to other programs by including energy efficiency and conservation education and promotional materials for other program opportunities. Where appropriate, the Utilities may partner with foodbanks, schools, and community organizations and participate in energy assistance outreach events to offer the kits. Kits may be requested or physically picked up by the customer. No unsolicited kits will be sent to new or existing customers.

Regardless of the delivery mechanism, the Utilities will take steps to ensure customers are made aware of Utility engagement in helping to offset upfront costs of the efficient products, including relevant federal tax credits.

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

The target market for this program will be all electric and/or natural gas customers served by at least one investor-owned Utility in New Jersey. The program focuses on promoting the sale and installation of efficient electric and natural gas equipment across all major residential end-use categories, and can be easily promoted to program allies, trade allies, and customers via rebates.

[1] Appliance recycling program only applies to electric distribution companies ("EDC") at this time.

Examples of technologies incentivized through this program include heating/cooling equipment, water heating equipment, electronics, appliances, smart thermostats, water saving measures, weatherization items, pre-packaged kits, and other efficient products. The program will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances.

The Utilities may offer enhanced incentives for LMI customers. Eligibility for these enhanced incentives may be determined based on screening an individual customer, categorical eligibility (which may vary for low- and moderate-income customers), or special screening if the physical location is within the boundaries of a low-income or moderate-income census tract, an OBC, or any other agreed upon designation by the Board. Please refer to Section 4g of this Program Plan for more information on special treatment for OBC customers. Qualifying guidelines may be adjusted based on updates to federal or state guidelines.

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

The Utilities propose to provide a range of incentives depending on the measure, subject to changes based upon customer response and marketplace changes over the plan period. Incentives will vary depending on the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace. Refer to Appendix H for the Summary of Existing and Proposed Incentive Ranges for this program.

Incentives will be available in several ways. Strategies may include:

- Mail-in applications available from the retailer, the program website, or directly from contractors;
- Online rebate forms;
- Point of Sale, Marketplace, or In-Store at the time of purchase;
- Special sale events in retail stores;
- Manufacturer buy down to retailer;
- Midstream or upstream incentives to retailers, distributors, or manufacturers; and
- Partnerships with community groups, schools, and/or non-profit organizations.

In instances where incentives are not immediate, the Utilities will strive to complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements, such as necessary field inspections (if required).

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

OBR or access to financing with similar terms will be available to eligible customers for select measures.

Refer to Section 4h of this Program Plan for the Summary of Proposed Financing for this program.

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

The Utilities and/or third-party implementation contractors will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the program vision, eligible efficient products, rebates, and ways to participate. Additionally, the Utility and/or third-party implementation contractors may engage trade allies, including local HVAC, electrical, plumbing, and other contractors to educate them on program benefits and build a trade ally network which will install energy efficient equipment for participating customers. The electric Utility and/or third-party implementation contractors may engage with transportation services to pick-up and provide recycling services for old, working appliances. The Utility and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and both program ally and trade ally availability. The Utility and/or third-party implementation contractors will be responsible for the management of the online marketplace.

By allowing participants to select a trade ally they are comfortable with for select products, the program reduces barriers to entry related to knowledge of energy efficiency confidence in assessments and measure installation. The Utilities will perform customer satisfaction and other quality assurance and quality control activities to monitor and verify that quality standards are met.

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3a.i.4 Behavioral Program

Program Description (MFR II.a.i.)

The Residential Behavioral program educates and provides customers with easy-to-understand information about their energy use, the usage of their peers, and suggested actionable steps to generate awareness and motivate customers to achieve energy savings through behavioral changes and engagement with other energy efficiency programs. Direct mailed and/or Electronic Home Energy Reports ("HERs" and "eHERs," collectively "HERs") will be the cornerstone of the program and will provide participants with customized, easy to implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. Depending upon the availability of metering data and their program design, the Utilities may issue usage and/or other bill alerts by email or other means.

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

An online portal may be used to provide customers with usage information, recommendations, tips, and links to other available energy efficiency programs. The Utilities may utilize the information gathered from various program offerings to not only gain a better understanding of the residential customer base, but also assist in making smart decisions moving forward with the energy efficiency programs.

The Utilities may share other energy efficiency program participation information with their respective Behavioral vendor. Incorporating participation feedback into the program on a prospective basis can improve the customer experience and potentially lead to higher engagement (e.g., build higher confidence in relevance of energy saving advice) and participation in other energy saving programs.

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

The program will provide HERs to residential customers to whom sufficient usage data is available and the vendor can cost effectively provide the service and maintain an appropriate control group. This number will be reviewed periodically and may be modified to enhance cost-effective energy savings. The online energy audit may be available to all residential customers per Utility. The HERs and online audit may offer tailored recommendations to reduce their energy consumption.

The program targets residential customers potentially including market rate, LMI, and multifamily customers. These customers receive customized energy saving tips and other program opportunities available to them, including income qualified programs.

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

There is no cost to participate for customers. Customer incentives to increase engagement may be explored by some Utilities.

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

Since there is no cost for participating customers, there is no need for a financing component.

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

The Utilities will utilize a third-party provider and/or Utility staff to provide the services under this program. The Utilities' HERs vendors will distribute HERs to residential customers at no-cost to the participants. Customers will also have access to online functionality provided under the program that all customers can easily utilize to update their profile, see additional tips on how to save energy, complete the online audit tool, and review their usage over a period of time.

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3.a.ii Commercial & Industrial Sector

The core Commercial & Industrial Sector programs are described below and include:

- Energy Solutions;
- Prescriptive & Custom; and
- Direct Install.

3.a.ii.1 Energy Solutions Program

Program Description (MFR II.a.i.)

The Energy Solutions Program is designed to address the needs of commercial or industrial customers that are interested in comprehensive energy efficiency solutions. This program recognizes that a broad range of approaches is needed to help commercial and industrial customers identify, develop and complete multiple measures to comprehensive projects to save energy and meet other business objectives based on their unique circumstances. Accordingly, this program will include three distinct pathways to help the customers assess their opportunities, provide financial incentives and provide technical assistance services to encourage and support them to take actions. These three pathways include:

1. Engineered Solutions Tier 1 will provide tailored comprehensive energy efficiency support on projects that require significant auditing, technical support, and engineering work. Incentives will be offered to encourage these customers to invest in energy efficiency. Engineered Solutions Tier 1 will provide guided consultative service throughout delivery to support customers in identifying and undertaking large energy efficiency projects, while requiring no up-front funding from the customer.

   Through Tier 1, customers will be provided with an in-depth audit of their facilities as well as a detailed assessment and recommendation of energy efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through a repayment plan. Through this pathway, larger participants in market segments that have typically been underserved – such as, but not limited to, Municipal, University, School, and Hospital ("MUSH") customers – are able to achieve greater energy savings.

2. The Engineered Solutions Tier 2 pathway will provide tailored energy efficiency assistance to commercial and industrial customers in identifying and undertaking larger energy efficiency projects.

   Through Tier 2, customers may be provided with an in-depth audit of their facilities to identify cost effective energy efficiency measures that could be economically installed. Customers would also have the option of using contractors who are familiar with the facilities to initiate projects. Under Tier 2, customers have the option to utilize their own engineering & installation contractors. This program will also be open to approved trade allies that meet the program participation requirements. Utilities or their implementor will complete a detailed review of the project to ensure it meets program requirements. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through a repayment plan.

   Tailored assistance services may include audits and additional technical support which will be made available and included in the project cost on an as needed basis.

3. The Energy Management pathway will target energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance through maintenance, tune-up, retro-commissioning, monitoring-based commissioning, and virtual commissioning services and through the implementation of energy savings measures and strategies that improve the overall operation and energy performance of buildings and building systems. Strategic energy management engagement may be utilized to establish ongoing relationships with customers that can be leveraged to introduce other applicable energy efficiency programs in order to achieve more energy savings for the customer. This pathway complements the Prescriptive and Custom program and the other pathways within this program which target capital equipment replacement or process improvement investments by improving the energy performance of a building through maintenance, tune-up, adjustment, and optimization of the systems within the building and the implementation of complementary energy savings measures. This pathway supports ongoing building energy performance by using retro-commissioning and strategic energy management strategies, which supports continued energy performance. By implementing these measures, customers also receive ancillary benefits, including improved occupant comfort, lower maintenance costs, and extended equipment life. This pathway includes focus on specific energy efficiency measures and management practices that can be categorized as follows:

Building Operations

Building Operations measures provide multiple services for a customer to implement building tune-up and maintenance services. These measures are designed to focus on midsize commercial and industrial customers and include the following:

- HVAC Tune-Up: Provides for a tune-up of HVAC systems and includes but is not limited to the following services:
    - Refrigeration charge correction (if needed);
    - Cleaning evaporator and condenser coils;
    - Filter changes;
    - Boiler tune-up;
    - Furnace tune-up;
    - Verification of proper operation of fans and motors; and
    - Other minor repairs to refrigerant lines and coils.

- Building Tune-Up: Provides a path for customers to implement a Building Tune-Up that will focus on the adjustment and calibration of building systems and controls, diagnostic testing, and the installation of other complementary measures that enhance building energy performance and savings. Also includes application of controls to optimize operation of building systems and building operation training for applicable personnel.

Retro-Commissioning ("RCx")

RCx measures provide a comprehensive assessment of a customer's commercial/industrial building by using a prescribed planning process that includes a building audit, development of an action plan for the building, and development of a Measurement and Verification ("M&V") plan to ensure the optimum ongoing performance of the building and building systems. The comprehensive assessment of a commercial/industrial building using a prescribed planning and implementation process will include:

1. Audit Phase – Customer confirms intent to participate in the pathway and registers with one of the Utilities. Customer and/or the customer's consultant completes the required level of an American Society of Heating, Refrigerating and Air Conditioning Engineers ("ASHRAE") audit based on the complexity of the facility and develops a retro-commissioning implementation plan, including project timelines and plan to implement audit-identified operation and maintenance measures. There may be opportunities to complete this phase without a full ASHRAE-level audit.
2. Setup Phase - Contracted services to implement the plan are verified, long-term monitoring and reporting is developed and initiated, and a project plan is implemented by the customer.
3. M&V Phase - Savings verification and rebate payment from implementation of the plan is completed.

Typical RCx services include, but are not limited to:

- Optimizing chiller and boiler operations to better match building load conditions;
- Reducing ventilation in over-ventilated areas;
- Fixing ventilation dampers that are open when they should be closed or vice versa;
- Decreasing supply air pressure setpoint and system rebalancing; and
- Aligning zone temperature setpoints to match the building's actual operating schedule.

Monitoring Based Commissioning ("MBCx")

MBCx offers monitoring software paired with a building's energy management system to identify energy savings opportunities and optimize building performance and energy efficiency. Contracted services will alert the customer when equipment is not operating as expected using fault parameters and will work with the customer to correct ongoing issues and make improvements wherever possible. Planning and implementation typically includes, but is not limited to:

1. Assessment and qualification of a building energy management system. Assess Utility bills and facility to recognize potential for energy savings.
2. Customer agrees to have contracted services utilize eligible software with diagnostics and other functionality through a monitoring service contract.

3. MBCx is designed to:

    - Maximize potential incentives with a deeper dive into a building's overall performance.
    - Monitor and identify cost savings opportunities.
    - Benefit from a continuous process to improve comfort and optimize energy usage.
    - Maximize the operational efficiency of buildings.

Virtual Commissioning ("VCx")

VCx provides eligible customers with an initial analysis of their building's energy performance by using interval meter and or advanced metering infrastructure ("AMI") usage data, and modeling to identify and recommend potential energy efficiency measures and behavioral and/or operational changes to improve a building's overall energy performance. A unique benefit of VCx is the ability to perform analytical prospecting and target customers remotely using data driven analysis, modelling, and/or artificial intelligence ("AI"). Targeted customers are engaged and individually reviewed to verify the opportunity, develop customized recommendations and quantify savings potential. The analysis can also foster participation in the Utility's other programs by identifying and encouraging customers to implement other energy efficiency opportunities. The VCx process can also utilize benchmarking and peer comparison metrics to help determine energy performance to identify facilities that are underperforming. This offering uses continuous engagement, monitoring, reporting, and periodic reviews of customer's energy usage to ensure that implemented measures or changes have been successfully completed.

Strategic Energy Management ("SEM")

The SEM component of this program is designed to optimize energy consumption for larger C&I customers through long-term management of major energy using systems. SEM provides a holistic approach that is focused on management of existing systems and processes (including behavior), as well as tracking and benchmarking performance to identify and evaluate energy optimization efforts. SEM is a long-term effort typically focused on developing and executing an energy management strategy. This strategy is formulated through a series of site and/or remote visits and interviews with building owners and staff to specifically develop a Strategic Energy Management Plan ("SEMP") for the customer's facility. The SEMP will be reviewed with the customer by the Utility and/or its third-party implementation contractor on a scheduled basis. This plan may include:

- Revisions or improvements to an existing Building Automation System or the addition and initiation of the use of a Building Automation System to monitor and control the buildings components and systems. The implementation or improvements to a system or the review of an existing system can include the proper training for building operators to achieve maximum efficiency.

- Development of a maintenance plan for existing building components and/or systems to identify best practices in building performance and an interactive monitoring of system components by both staff and sponsoring Utilities.
- Ongoing engagement to track energy usage and performance, assist with planning energy efficiency projects, and interact with facility personnel to adopt energy efficiency strategies and behaviors.
- Utilizing other program offerings, including Prescriptive/Custom measures, Building Operations, RCx, and VCx.
- Using building modeling and benchmarking to compare customer's usage and performance to cohort of similar facilities and VCx to track energy usage and performance over time.
- Application of whole building energy modeling tools that can model buildings for both operational and capital improvements.
- Scheduling of attendance of customer personnel to attend educational workshops, webinars, and group/individual training sessions with cohorts of facility managers (e.g., building operations training).

Customers can participate by application to the program or may be contacted directly by program personnel. Customers can participate individually or in a cohort with other customers in the same industry. The cohort would allow customers to share best practices amongst each other as each customer goes through the SEM program lifecycle. A customer would still be treated as an individual unique project within the cohort. The program will retrieve customer demographics and obtain customer agreement for the services to be provided and facilitate ongoing customer engagement. The Utilities and/or a third-party implementation contractor will develop application forms for this program that will guide applicants through eligibility guidelines, terms and conditions, and general program information requirements. In addition, the program will provide applications in web-ready formats to ensure participants and potential customers have easy access to the forms.

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

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

C&I customers who are seeking comprehensive advisory, operational, technical, and data analysis engagement-based energy solutions located within the Utilities' service territories are eligible to participate in this program. The measures included in this program may include, but are not limited to, HVAC, building envelope, lighting, controls, and other building systems, energy efficiency, and energy consuming equipment.

Engineered Solutions, Tier 1 and 2 targets customers who need tailored energy efficiency support to help identify, develop, and undertake energy efficiency projects.

Regarding the Energy Management pathway, these strategies are generally appropriate for specific segments as described below:

- Building Operations and VCx measures target existing commercial buildings and may be particularly relevant for small to medium building types that utilize traditional building systems and controls.
- RCx and MBCx target existing commercial buildings and are particularly relevant for medium to large building types utilizing a building energy management system.
- SEM targets existing large to very large commercial and industrial customers and building types and is particularly relevant to customers with significant energy use who commit to on-going participation and engagement across the organization including various levels of management and decision making.

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

Incentives for the Engineered Solutions Tier 1 pathway will provide a 100% incentive for an up-front audit; the specific audit level will be determined on a project-by-project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, the Utilities will buy-down the simple payback of the recommended energy efficiency project cost for approved measures by up to six (6) years, with the resulting payback not less than three (3) years. After the project incentive buy-down, the remaining project costs may be funded by the program with participants repaying the balance of the project costs through a repayment plan.

Incentives for the Engineered Solutions Tier 2 pathway will provide incentives for both technical assistance services and other project costs determined on a project-by-project basis using a cost effectiveness tool up to 60% of project cost.

In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through a repayment plan.

Tailored assistance support services may include Design, Construction Administration, Commissioning, M&V and other technical support which will be made available and included in the project cost on an as needed basis.

Incentives for the Energy Management pathway are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows:

- **HVAC Tune-Up:** Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units.
- **Building Tune-Up:** Incentives that cover up to 80% of the project cost and up to 70% of the cost to attend qualified BOC training up to $1000 per person.
- **Retro-Commissioning:** Incentives to cover up to 100% of the initial cost to perform the required ASHRAE level audit. The total project incentive will be capped at up to 70% of the project cost. The customer may also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit.
- **Monitoring-based Commissioning, Virtual Commissioning:** Incentives to cover up to 100% of the cost of integration of third-party hardware and software. Utilities may also implement a performance-based model with an implementation contractor where the Utility only pays for delivered and verified energy savings.

- **Strategic Energy Management**: The Utility or third-party implementation contractor may perform an engineering assessment of the customer's facility to develop a SEMP, or the customer may choose to utilize a consultant of their choosing to perform an engineering assessment to develop the SEMP. Customers who utilize a consultant will receive an incentive to cover up to 100% of the initial cost of the engineering assessment. A tiered incentive structure for customer engineering assessment may be utilized based upon square footage of a customer's facility. The SEMP will identify short, medium, and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering to which the measures are attributed.

Refer to Appendix H for the Summary of the Existing and Proposed Incentive Ranges for this program.

The Utilities will strive to complete customer contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements, such as necessary field inspections (if required).

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

Refer to Section 4h of this Program Plan for the Summary of Proposed Repayment for this program.

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

The Utilities will administer the Energy Solutions program and may also choose to select a third-party to manage delivery of this program. The Utilities will oversee and coordinate on the program offering. The Utilities may utilize qualified trade allies and/or contractors to undertake the services required to deliver this program. The Utilities may also utilize the qualified trade allies to assist in the outreach, marketing and trade ally coordination. Participants may contract with the installation trade allies selected through a competitive solicitation process, or their own preferred contractors if allowed by the pathway, to provide program services.

The Engineered Solutions pathway delivery will typically occur in the following steps (the Engineered Solutions Tier 2 pathway may provide selected services, but not all, as determined on a project-by-project basis):

- **Audit:** The Utilities shall assess the required level of an ASHRAE audit to perform, based on the complexity of the facility and the potential energy efficiency measures; an investment grade audit may not be required for all facilities. The Utilities will then select a program trade ally to perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. The lead Utility will then review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project.
- **Engineering Analysis of Project:** Based on the audit results and customer feedback, an engineering analysis may be required. The lead Utility will conduct a screening of the

payback and project cost effectiveness and recommend the selected energy efficiency measures for the project. The lead Utility will review the project with the customer for customer agreement on the approved project and coordinate as necessary.

- **Engineering Design and Bid Package Preparation:** The engineering trade ally hired by the lead Utility will initiate the design of the selected energy efficiency measures for the approved project. In addition, this trade ally will also prepare a Scope of Work and bid package documents which the customer could use to put out a Request for Proposal ("RFP") to obtain installation cost estimates for the approved project.
- **Scope of Work/Contractor Bids:** The customer will issue a Scope of Work and the bid package documents to obtain competitive bids to install selected energy efficiency measures for the approved project. The lead Utility, the program engineering trade ally, and the customer will review and evaluate the bids/costs received, and the customer will make the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness.
- **Measures Installation and Inspections:** The partnering Utilities and the program engineering trade ally, acting as construction administration agent, will monitor project progress and will release project funds based on the following payment structure:
    - **Stage 1: Project Contracting Stage -** The first progress payment of up to 30% of the installation cost can be issued to the customer to initiate the project.
    - **Stage 2: Construction Stage -** A pre-defined series of monthly progress payments totaling up to 50% of total project commitment can be issued.
    - **Stage 3: Project Completion and Commissioning -** When the project is 100% complete, a final inspection and final project true-up will be performed; remaining progress payments will be issued.

The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.

The progress payment schedule described above is designed to ensure that customers can pay their installation contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by the lead Utility and the trade ally engineering firm with updates to the partner Utility as appropriate.

The Utilities will select qualified program trade allies to undertake all services associated with the program. The Utilities will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and program trade ally and installation contractor availability and provide suggestions for improvement. The installation contractor(s) will adhere to the project specifications recommended by the Utilities and the program engineering trade ally and set forth between the installation contractor and the customer.

For Energy Management, the Utilities will perform overall administration and oversight of the pathway and may also choose to select third-party implementation contractors to manage delivery of this pathway. The Utilities' staff and/or third-party implementation contractors will oversee all aspects of the pathway. The Utilities and/or third-party implementation contractors will be

responsible for administering, promoting, and providing the pathway to customers, including staffing, processes ensuring quality, and other controls supporting successful program implementation. The Utilities' staff and/or third-party implementation contractors will conduct the marketing, management, and implementation aspects of this pathway.

The Utilities' staff and/or third-party implementation contractors will select qualified program trade ally and/or contractors to undertake all program services, as required. Installation and maintenance trade allies must adhere to the project specifications developed by the Utility and/or third-party implementation contractors. The Utilities will leverage their existing and/or develop a network of engaged trade allies, including local construction, electrical, plumbing, and other contractors, to educate them on program benefits and assist with building an approved trade ally network which will reliably maintain and install energy efficient equipment for participating customers.

The Utilities' staff and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and program trade ally availability and provide suggestions for improvement.

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3a.ii.2 Prescriptive & Custom Program

Program Description (MFR II.a.i.)

The Prescriptive and Custom Measures program will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities' commercial and industrial ("C&I") customers, either via the installation of prescriptive or custom measures or projects. The program provides prescriptive-based incentives to C&I customers to purchase and install energy efficient products. The program will continue to support and/or provide downstream approaches to ensure the market is properly supported. The program may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incentivize energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs, and some purchases may qualify for a repayment plan to further reduce upfront costs. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

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

Prescriptive incentives will increase adoption of energy efficient equipment by harnessing the Utilities' unique customer relationships to positively impact the entire sales process surrounding efficient equipment. The process includes education and awareness with customers, engagement with trade ally contractors and equipment distributors, and repayment plan opportunities for the high efficiency equipment.

The program also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard, variable, or not captured by prescriptive incentives. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment to retrofit or upgrade specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in variable or specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency measures are more variable or complex than prescriptive equipment.

Potential participants may be required to submit an application for pre-approval to confirm measure or project eligibility and reserve funding. The Utilities and/or implementation contractors

will develop electronic rebate application forms that will guide applicants through eligibility guidelines, program requirements, terms and conditions, and general information. In addition, the Utilities and/or implementation contractors will provide applications in web-ready formats to ensure participants have easy access to the forms. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports the Utilities' program management because it communicates projects that are in the pipeline. If accepted and pre-approved by the Utilities, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre- and post-inspection to validate energy savings. Approved measures or projects may also be eligible for a repayment plan.

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

The Prescriptive and Custom Measures program will be available to all C & I and other non-residential customers located within the Utilities' service territories. This program is focused on promoting the sale and installation of efficient electric and/or natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates or more complex custom rebates. Potential technologies incentivized through prescriptive measures include energy efficient lighting, appliances, heating and cooling equipment and food service equipment, among other efficiency measures. Customers pursuing custom incentives will generally be customers with more complex needs and non-standard or variable efficiency opportunities and typically include building types such as light/heavy industrial, manufacturing, and data and distribution centers, among others.

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

The Utilities propose to provide a range of incentives depending on the measure type, subject to changes based upon customer response and economic and market conditions over the plan period. Incentives will vary depending on factors including, but not limited to, the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace.

Refer to Appendix H for the Summary of the Existing and Proposed Incentive Ranges for this program.

In instances where incentives are not immediate, the Utilities will strive to complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements such as necessary field inspections (if required).

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

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a repayment plan. Refer to Section 4h of this Program Plan for the Summary of Proposed Repayment for this program.

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

The Utilities may outsource some or all of the implementation of this program to an implementation contractor who would be responsible for defined functions, which could include administration, marketing, application processing and documentation regarding purchased products, and processing incentives and rebates. The Utilities will perform overall administration and oversight of the program. To maximize customer participation and streamline the customer experience, the Utilities will use their strong customer and marketplace relationships to support multiple implementation strategies to achieve program goals.

- **Trade Allies:** The Utilities and/or the implementation contractor will target trade allies to promote the energy efficiency opportunities and incentives to their clients. Preserving this downstream approach will ensure that customers and trade allies are properly supported. Trade allies will be able to leverage the program and offer customers rebates through their normal course of business. By developing relationships with trade allies, the program will develop a broad reach across the marketplace and solicit feedback to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms may include:
    - Design, engineering, and controls firms;
    - Building energy managers;
    - HVAC distributors, contractors, and retail providers;
    - Food service retailers and service providers;
    - Commercial lighting retailers, distributors, and wholesalers; and
    - Electricians and electrical contractors.

- **Retail:** The Utilities' program staff and/or the implementation contractor field representatives may work with retailers and distributors that directly target C&I customers to inform them of the participation process and available equipment incentives. The Utilities and/or implementation contractor may also provide support and assistance to retailers or distributors to support identification and promotion of qualifying energy efficient products. This may also include training and instruction to participating retailers and distributors about the Utilities' application forms. The Utilities may provide opportunities for commercial customers to purchase energy efficient equipment through an online marketplace.
- **Midstream:** The Utilities and/or the implementation contractors may promote a midstream component for specific equipment types to encourage purchase of efficient equipment via directly marking down the cost of the efficient equipment at the point of sale. Midstream rebates encourage market transformation and wider availability of efficient equipment. The Utilities anticipate offering midstream point of sale discounts across numerous equipment types, which may include, but are not limited to, LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream approach will not be eligible for incentives in any other Utility energy efficiency program. The Utilities and/or implementation contractor will also provide support and assistance to distributors to support identification and promotion of qualifying energy efficient products. This will also include training and instruction to

participating distributors, as well as enrollment of distributors to participate in midstream program offerings.

- **Digital:** The program will be marketed directly to C&I customers on the Utilities' websites where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, rebate applications, and incentives across all efficient equipment types and end-uses. The Utility may also offer the direct purchase of eligible equipment through their website or an online marketplace.
- **Targeted Customer Outreach:** Utility staff may choose to reach out directly to large business and commercial customers to develop relationships with energy and facilities managers, operations staff and procurement personnel. Program staff can help facilitate completion of rebate applications and serve as a direct resource to these customers, providing technical support and assisting customers in identifying efficiency opportunities.
- **Technical Customer Assistance:** An important element of the Prescriptive and Custom program is the availability of technical support. The Utilities and/or implementation contractor will provide technical support to customers on the application of the energy efficiency measures and technologies included in this program, including supporting measure or project identification, developing energy savings calculations and assessing measure or project economics as required.

M&V for measures or projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after measure or project implementation to determine savings and incentive amounts.

A comprehensive contractor agreement, containing information about equipment certification (such as DLC lighting, etc.), licensing, insurance requirements, etc. will be developed and provided to all participating contractors.

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3a.ii.3 Direct Install Program

Program Description (MFR II.a.i.)

The Direct Install program is focused on providing the installation of efficiency measures for small to medium-sized businesses, non-profit organizations, municipalities, schools, and faith-based organizations ("eligible customers") that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The program is designed to provide eligible customers with easy investment decisions for the direct installation of multiple measures to comprehensive energy efficiency projects. The program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The program will also provide a repayment plan to the customer. The no-cost energy assessment mitigates the time constraints and knowledge barriers while the reduced project costs and repayment options mitigate cost barriers and assist participants in making decisions which otherwise would be time-consuming and potentially difficult to justify. The Direct Install program plays an important role in the marketplace because private providers of energy efficiency services typically do not target smaller customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small to medium-sized businesses, non-profit organizations, municipalities, schools, and faith-based organizations are often underserved, and the program fills an important gap by targeting, promoting, and delivering efficiency services to these customers directly.

The energy assessment will be provided to customers at no-cost and will offer recommendations on energy efficiency measures to reduce the customer's energy usage and costs. Standard energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

The program will also focus on the smaller customers within the eligible customer segments. The Utilities anticipate portions of the program to be directed at restaurants, small offices, convenience stores, and other small independent businesses that often are left behind in energy efficiency programs. Through a number of delivery mechanisms, the Utilities will ensure that all eligible business types are able to participate in this program.

The Utilities recognize that public entities have unique procurement requirements which could result in barriers to participation. The Utilities will work with the State to develop and implement an approach that offers a streamlined experience for these entities that meets their unique requirements. More specifically, the Utilities will offer a Public Sector Direct Install program pathway for public entities subject to Local Public Contracts Law at N.J.S.A. 40A:11-5(1)(f) and Public School Contracts Law at N.J.S.A. 18A:18A-5a(7) that employs a direct contracting model and includes a standardized approach to and pricing for assessments, recommendations, and installations. The Utilities will work with the State to ensure that this program pathway includes minimum requirements for contractors and subcontractors, includes local and diverse hiring requirements, and encourages participation by union labor.

The Utilities will also work with the State to offer a Direct Install program pathway for all eligible customers that employs a trade ally model and includes a standardized approach to assessments, recommendations, and installations.

The Utilities will work with the State to develop and implement an approach to serve State facilities.

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

Utilities will seek to address the most cost-effective measures but will also address all measure retrofits that would comprise a cost-effective project. Examples of end-use categories covered by the program include lighting, HVAC, controls, refrigeration, food service, motors, low-flow devices, building envelope improvements, pipe wrap and domestic hot water equipment. The program will be divided into three tiers of eligibility, determined by the customer's individual facility peak electrical demand over the last 12 months.

- Tier 1
    - Will serve the smallest of the eligible customer base: all customers with an average annual individual facility peak electrical demand of up to 100 kW and an average annual natural gas load of up to 5,000 therms;
- Tier 2
    - All customers with an average annual individual facility peak demand of up to 300 kW or average annual natural gas load of 40,000 therms that are located within an Urban Enterprise Zone ("UEZ"), Opportunity Zone, OBC; or
    - All customers with an average annual individual facility peak demand of up to 300 kW or an average annual natural gas load of 40,000 therms that are owned or operated by a local government, K-12 public schools, or that are non-profits categorized as 501(c)3; and
- Tier 3
    - All customers with an average annual individual facility peak electrical demand of 101 - 300 kW or an average annual natural gas load of 5,001 therms to 40,000 therms.

The eligibility requirements listed above may be adjusted in coordination among the Utilities to improve customer access, participation and program performance based on economic and market conditions.

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

Each tier of the program will encompass many of the same benefits, including a turnkey solution for eligible customers, which requires no up-front investment. The initial site visit, energy assessment, and installation of recommended energy efficiency measures are provided at no initial cost to participants. The Utilities propose to provide an incentive level of up to 80% of the project costs to promote the completion of comprehensive projects while maintaining overall program cost effectiveness.

For Tier 1 customers, the program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan.

For Tier 2 customers, program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan. Customers located in an UEZ, Opportunity Zone, OBC, or other geographic area as designated by the BPU may also qualify, as will those owned or operated by a local government, K-12 public school, or non-profit categorized as 501(c) 3 or 501(c) 19.

Tier 3 will serve the larger segment of eligible customers, with an individual facility average annual peak electrical demand of 101 - 300 kW or 5,001 therms to 40,000 therms over the past 12 months. Incentives up to 70% of the total project cost will be offered with the participating customer repaying the balance not covered through the incentive either in a lump sum or through a repayment plan.

Utilities may impose a dollar cap on the incentives for all tiers.

Refer to Appendix H for the Summary of Existing and Proposed Incentives for this program.

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

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a repayment plan.

Refer to Section 4h of this Program Plan for the Summary of Proposed Repayment for this program.

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

The Direct Install program interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site energy assessment to identify energy efficiency retrofit opportunities. Standard energy savings measures may also be installed at no cost at the time of the energy assessment for eligible Tier 1 customers, to support customer engagement, participation, and energy savings. Following the energy assessment, participants are provided with a report assessing the site and recommending additional measures that could further improve the energy efficiency of the facility.

Based on the results of the energy assessment report, the program will offer to pay a percentage of the project cost to install the recommended energy efficiency measures. The program may also provide a repayment plan to the customer (and/or landlord) for their portion of the project cost. Utility staff and/or third-party implementation contractors will provide turnkey solutions to eligible customers with the initial site visit, energy assessment, and installation of recommended efficiency measures at no initial cost to participants. The Utility will ensure this is completed on time and to specifications. This approach frees up the participant, who may not have the time or resources to dedicate to project identification, development, and implementation. The distinction

between Tier 1, 2, and 3 eligibility criteria will ensure that eligible customers, even those that are the smallest and often overlooked, receive ample focus.

The participating contractors will perform the energy assessments and installations, working with the Utilities' and/or the implementation contractors' oversight to undertake all construction and installation work identified in the energy assessment process.

To support public entity participation in the Public Sector Direct Install pathway, the Utilities will work with the State to establish minimum requirements for contractors and subcontractors, including the following:

- Compliance with public work project requirements
- Public Works Contractor registration (with the NJ Department of Labor and Workforce Development)
- Submission of certified payroll records
- Affirmation that none is debarred, suspended, or disqualified by the NJ Department of the Treasury or Federal agencies
- Confirmation of no business with State prohibited entities
- Division of Property Management and Construction (DPMC) classifications (with the NJ Department of the Treasury)

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3a.iii Multifamily Sector

The core Multifamily sector program is described below and includes:

- Multifamily

3a.iii.1 Multifamily Program

Program Description (MFR II.a.i.)

This program addresses multifamily structures with three or more units. As such, there can be significant variation in the types of structures served under this program, ranging from residential-type dwellings with three units to large garden apartment complexes to multi-story high rise buildings. To meet the specific needs of each customer, the Multifamily program will provide, in conjunction with the customer, a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments and a suite of efficiency and building decarbonization offerings ranging from simple to deep energy retrofits targeting all end uses. In addition, the Multifamily program may provide OBR or access to financing with similar terms and enhanced incentives for income-qualified customers and affordable housing properties.

The Multifamily program will seek to work with each customer to determine and package the best energy savings opportunities based on the needs and interests of the customer, with an emphasis on encouraging more comprehensive projects wherever possible. Customers will begin participation in the Multifamily program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy savings measures where possible to help encourage program participation. The assessment will also identify additional energy savings opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy savings in a cost-effective manner. Examples of these factors include, but are not limited to:

- Building size;
- Number of units;
- If the facility is being served by a central plant;
- If there are individual heating and cooling units;
- If there are building envelope/weatherization opportunities;
- Application review with a potential virtual site inspection or telephone interview with property management; and
- An on-site pre-scoping audit may be performed.

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard and comprehensive energy saving measures, comprehensive building wide efficiency, and other possible measures. The measures within the project plan may align with the terms and conditions of the Utilities' respective applicable residential and/or commercial and industrial program offerings, where appropriate, and may include multifamily-specific terms, conditions, incentives, and offerings. Therefore, the project plan can include prescriptive measures with set energy savings and/or custom projects with savings on a project basis. The incentives for the measures may not match the incentives in other programs, as the multifamily sector has higher barriers to overcome. Discussions with customers may also target

the identification of specific opportunities that may align with other Utility programs, including measures provided in Additional Utility-Led Initiatives.

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

All multifamily buildings with three (3) or more units that are served by at least one (1) investor-owned Utility are eligible to participate. The program targets multifamily property owners, property managers, and residents who, because of the building owner-tenant relationship, have always had difficulty investing in energy efficiency equipment. The Utilities will also target outreach to income qualified occupants and owners of multifamily buildings who are eligible for enhanced incentives.

Eligibility for these enhanced incentives can be automatic based upon the type of property that can be identified as serving income qualified customers, such as those with an affordable housing designation (e.g., New Jersey Housing and Mortgage Financing Agency qualified, Housing Authorities) or identifiable by a physical location (e.g., census tract, Overburdened Communities with a low-income characteristic). The Utilities reserve the right to align with categorical eligibility of federal and state energy efficiency programs for income eligibility. The program may refer prospective customers to income qualified program(s) as appropriate.

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

The measures of the Multifamily program are a comprehensive combination of potential program components. Depending on the needs of the customer, different program components may be provided to them. Incentives for some measures may align with the existing incentive offerings for other program offerings; however, the program has the flexibility to offer different incentive levels.

See Appendix H for existing and proposed incentive ranges for each of the potential program components that Utilities may offer as part of their Multifamily Program.

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

Refer to Section 4h of this Program Plan for the Summary of Proposed Financing.

The Multifamily program may provide OBR or access to financing with similar terms and enhanced incentives for income qualified customers and affordable housing properties.

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

The Multifamily program will be delivered in coordination between both the Lead Utility and the Partner Utility (where applicable) and/or qualified third-party implementation contractor(s) with experience delivering similar programs. Because of the unique and varied nature of the multifamily market, program representatives will build relationships with property management companies, owners, associations, and their members to recruit participation in the program. The program will assist customers as necessary to coordinate scheduling of the energy assessment and direct installations and will provide program and technical support to complete program and rebate application requirements.

Delivery of energy-saving measures will depend on the project plan and may include direct installation of standard and comprehensive energy savings measures, installation of prescriptive measures, and/or custom projects. It may be necessary to schedule appointments for the installation of energy saving measures in the individual living units and common areas. In-unit HVAC tune-ups may also be offered to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the measures installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.

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

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

3b. Additional Utility-Led Initiatives

In addition to core programming, Utilities will also administer Additional Utility-Led Initiatives to further engage customers and promote energy efficiency projects. These initiatives will complement and expand upon core programs to ensure that Utilities reach a diverse customer base and that customers receive adequate support in applying for and completing energy efficiency upgrades.

As discussed in the Introduction, Additional Utility-Led Initiatives follow a consistent format but contain Utility specific proposals, which provide consistent information across the Utilities.

The Additional Utility-Led Initiative for NJNG is:

- Building Decarbonization.

3b.ii Building Decarbonization Start-Up

This program will include two distinct components- a Heat Pump solution for residential customers and District Geothermal Heating feasibility study. These represent innovative approaches to building decarbonization that can provide significant insights for the state during this start up period that can help make a meaningful difference within this triennium and support consideration of plans for broader decarbonization efforts in future triennia.

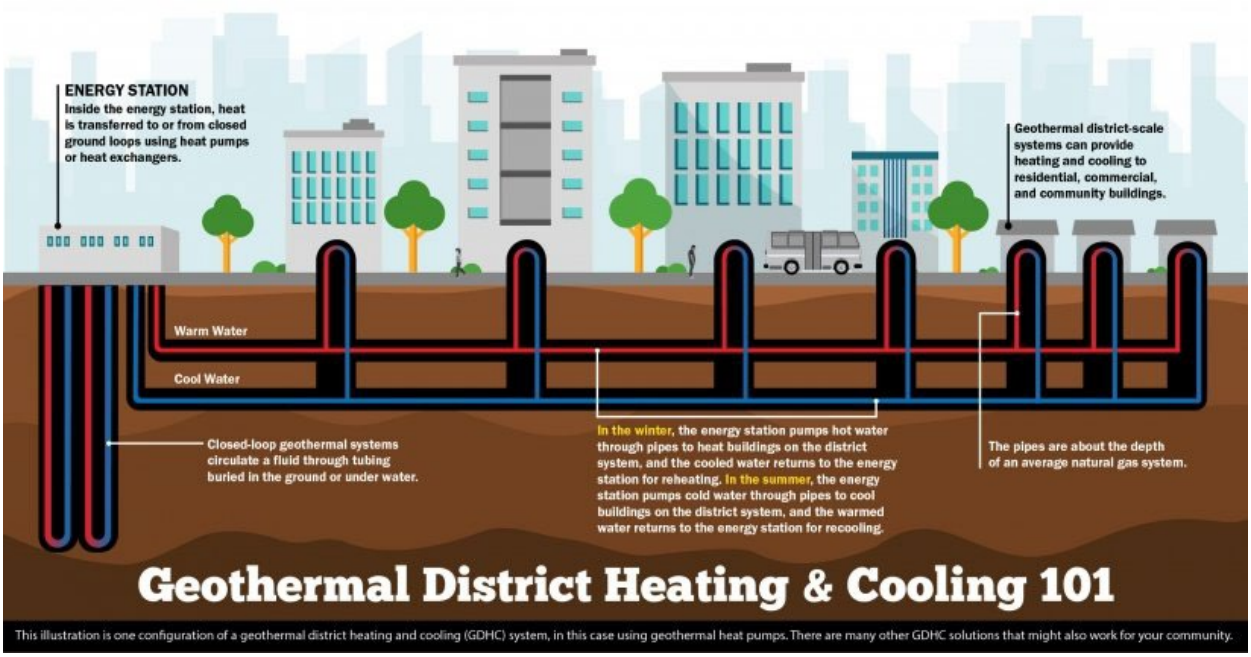
Program Description (MFR II.a.i.)

Heat Pump

NJNG would encourage customers to install high efficiency electric heat pumps that would partially displace the usage of natural gas fired equipment. This program would not fund the installation of any new natural gas fired equipment. Together the equipment would allow the electric heat pump to work in summer and shoulder months, as well as milder periods during the winter months, but allow the natural gas equipment to meet the customer's heating needs in colder periods when the electric heat pump would not work as efficiently. To achieve optimal comfort and efficiency, for equipment installed through this program, NJNG will require all projects to start with an accurate Air Conditioning Contractors of America ("ACCA") Manual J load calculation of the house. Once the loads are understood, the contractor will be required to select new equipment (furnace and heat pump) utilizing the ACCA Manual S equipment selection process. This program would support the partial displacement of natural gas usage and may require a specific thermostat switchover temperature point. If a customer seeks full displacement of a natural gas furnace with a heat pump, i.e., full electrification, they will be referred to their electric utility. NJNG will conduct EM&V to evaluate the impacts of the program, the interactions between the two heating systems, and customer and contractor behavior related to operation of the equipment.

District Geothermal Heating

District Geothermal Heating is a centrally located geothermal heating system to deliver highly efficient heating to multiple end users through a connected network of piping. This graphic from the United States Department of Energy helps to illustrate how this type of system can work.



There are significant advantages to deploying these systems to serve a diverse type of load. Therefore, NJNG plans to pursue a study to identify and scope plans to deploy a geothermal loop system to reduce the need for conventional cooling and natural gas heating. NJNG will retain a consultant to evaluate options within our service territory and attempt to identify a willing partner and/or location suited for such a system. The system will be designed to utilize water-source heat pumps to serve interior spaces with a closed geothermal loop that utilizes the thermal stability of the ground as a heat sink. NJNG will work with a third-party entity to design a system that will have the ability to share heating and cooling loads. This load sharing can reduce energy consumption by allowing excess heat to be shared from room-to-room, floor-to-floor, and building-to-building.

The feasibility study would evaluate network configurations, equipment standards, proper piping and material use and size, proper customer incentives, system costs, and other project needs. NJNG would fully fund the cost of the study. NJNG would prioritize sites that serve the needs of LMI customers or customers residing in OBC.

The initial feasibility study will be used to inform future potential projects, including the potential to develop standards for thermal energy network design, construction and evaluation. These insights may include information related to:

- Understand the cost of constructing such a system and properly maintaining it over time.
- Better data to support longer term approaches to rate design.
- Projections for the number of boreholes that may be needed to be used as needed to return water in the delivery loop to temperature.
- Determine whether a supplemental heater and cooler on the shared loop of water is needed as backup in case the system needs a temperature boost in unusual heating or cooling events.

- Project whether the sites can be later interconnected to serve additional customers.
- Understand what impacts systems will have on the use or negating the use of grid energy.
- Identify what physical, economic, and informational barriers will be present and what can be done to overcome those barriers.
- Prepare and develop training for technicians and decision-makers to provide the technical background necessary to approve and support projects.
- Quantify the exergy, a measure of energy quality or work potential, that can be consumed from the system.

Collectively this information can support future deployments of district geothermal systems and support broader policy discussions.

Target Market or Segment/Efficiency Targeted (MFR II.a.ii.)

Heat Pump
This primary target for this program will be residential customers with functioning gas furnaces seeking to replace existing central air conditioners.

District Geothermal Heating
The independently conducted feasibility study would identify a target market. As noted above, NJNG will prioritize sites would including diverse type of load and serving the needs of LMI and/or OBC customers.

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

Refer to Appendix H, for the Summary of the Proposed Incentive Ranges for this program. Since Building Decarbonization programs do not currently exist, there is no comparison for existing incentive ranges.

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

OBR will be available to eligible customers for the heat pumps. Refer to Section 4h of this Program Plan, for the Summary of Proposed Financing for this program.

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

Heat Pumps
NJNG would require all participating contractors to attend a class to ensure they understand the importance of matching the heating and cooling system components, as well as the proper application of ACCA Manual J and Manual S calculations. Contractors would also be expected to fully cooperate with all survey and interview work pursued as part of the evaluation of this program. Contractors may be required to use a specific thermostat switchover temperature point. The Utilities agree to collaborate on a list of criteria for requirements for contractor participation in a contractor network.

District Geothermal Heating
NJNG would retain a consultant with experience performing District Geothermal heating evaluations to perform the initial feasibility study.

Methodology, Processes, and Strategies for Monitoring and Improving Performance (MFR VI)

NJNG will conduct EM&V to evaluate the impacts of the program, the interactions between the two heating systems, and customer and contractor behavior related to operation of the equipment. NJNG will ensure that our independent evaluators develop a scope of work that recognizes the importance of real-time feedback that can enhance the implementation during this start-up period. NJNG assumes that, similar to the current structure, this scope of work will be reviewed and approved by the Statewide Evaluator Team retained directly by the BPU. To the extent recommended modifications can be accommodated within the Board approved framework for this program and its related budget, NJNG will strive to implement changes as quickly as possible to help improve performance during this start-up period. This assumes collecting feedback from participating customers and contractors as well as NJNG program staff.

Data Transparency

NJNG recognizes that the Board is interested in timely information regarding the development and rollout of the BD Start-Up program. To the extent the requested information is available, NJNG will respond to all on-going data requests and routine reporting obligations to be established within the specified timeframe using appropriate, secure delivery systems.

Projected Participants (MFR II.a.vii.)

Refer to Appendix A for the information on these MFRs.

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

Refer to Appendix B for the information on these MFRs.

Program Metrics by year (MFR VII)

Refer to Appendix G for more information on this MFR.

4. Portfolio Information

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

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

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

4a. Quality Control and Customer Complaint Resolution

NJNG recognizes the important of strong Quality Control ("QC") procedures to ensure all of the Clean Energy Act programs are achieving their objectives, in addition to ensuring installations are following applicable industry standards. NJNG will also continue to maintain a clear process for the timely resolution of customer complaints.

Quality Control

NJNG employs a variety of strategies that include a mix of both internal review processes, including site visits for larger commercial projects, and external reviews through the use of a third-party implementer for all our residential and small commercial programs. NJNG requires this third-party entity to meet industry standards for inspections. NJNG will continue to direct this entity to identify any concerns with installations but to also look for opportunities where we may be able to coach contractors to improve their performance or may need to host additional technical training classes. Further, under a consistent contractor remediation policy, the Utilities share information regarding contractors that are not meeting quality standards to ensure remediation.

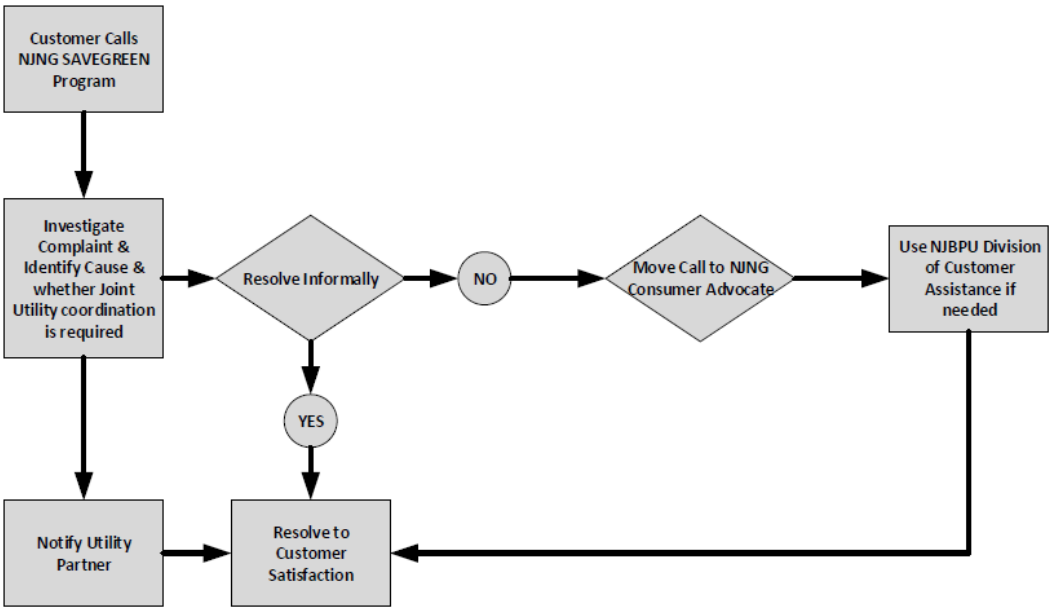
Larger Energy Solutions projects that are similar in scope to the current Engineered Solutions projects will all have detailed oversight during the design and installation phase from the Engineering teams and the final Commissioning Phase ensures that all equipment installed is operating as designed.

NJNG's EM&V Contractor provides an additional layer of review on top of these procedures through a variety of means depending upon the program (e.g., desk reviews, field visits, customer interviews).

Complaint Resolution

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

Complaint Resolution Diagram



4b. Workforce Development and Job Training

NJNG recognizes the importance of developing and supporting strong Workforce Development ("WFD") Programs. There needs to be a strong pool of qualified candidates ready for companies to hire to meet the increased demand for the energy efficiency programs and projects as the Utilities implement programs to strive to meet the new energy savings targets required by the Clean Energy Act. NJNG will continue to be an active participant in the Workforce Development Working Group ("WFDWG") in an effort to understand the interests, feedback, and concerns of the other stakeholders who participate in that effort and share our own experiences regarding WFD.

Assumptions regarding Wraparound Services

Consistent with the WFDWG discussions to date, NJNG is assuming that the State intends to offer funding to Non-Governmental Organizations ("NGOs") to establish and administer wrap-around support services for candidates. If and when a State solicitation for such services becomes available, NJNG will actively promote the opportunity to NGOs active within our service territory. Once NGOs are under contract to fill this role and have programs available to potential candidates, NJNG will actively promote these services to prospective candidates and to community organizations within our service territory.

Additionally, NJNG has an Equity and Outreach Specialist on staff member who is actively recruiting for our existing WFD program. This Specialist will continue to help recruit for our program and build relationships with local community organizations and educational institutions who may know candidates in need of such services.

Training Needs and Career Paths

In order for the Utilities to reach the aggressive energy efficiency goals established by the Clean Energy Act, as well as new Building Decarbonization Start-Up Programs,[2] New Jersey will need to significantly increase the number of trained professionals and skilled trade persons who are proficient in meeting the needs of residential, commercial and multi-family projects, such as:

- Auditors;
- HVAC technicians;
- Plumbers;
- Electricians;
- Seal-up and insulation contractors;
- Engineers;
- Analysts (energy modeling and evaluation, customer service, financial tracking, benefit-cost analysis, demographic analysis);
- Program staff with a strong understanding of the approved energy efficiency programs and supporting administrative staff;
- Outreach Specialists; and

[2] At this time the company does not anticipate any significant workforce development and training needs for Demand Response program.

- Facility Managers.

NJNG recognizes that these positions require a broad range of technical training and educational experience and that it is in our interest to partner with New Jersey based vocational institutions, community colleges, universities, community-based organizations, and non-profits. Consistent with the discussions of the WDWG to date regarding the role of Utilities, NJNG will focus our direct WFD funding on technical training. The primary focus to date has been on helping candidates take advantage of a mix of online and hybrid experiences to learn the fundamentals of the energy efficiency industry, as well as more robust topics including building inspection, energy modeling, enhanced in-field management. The courses are designed to help candidates secure the following certifications from the Building Performance Institute ("BPI").[3]

Course	Prerequisite	Level	Description	Assessment
Building Science Principles ("BSP") Certificate Training	None	Beginner	This course provides an overview of the energy efficiency industry, residential construction and building systems, the field of Building Science and the basics of energy conservation.	100-question BPI test
Building Analyst Technician ("BAT") Certification Training	BSP certificate	Intermediate	This course provides detailed learning and practice of building inspection, data gathering, diagnostic testing, energy conservation measures, HVAC systems and health and safety concerns.	4-hour proctored field exam
Building Analyst Professional ("BAP") Certification Training	BAT certificate	Advanced	This course will upskill existing professionals with work scope development, energy modeling, greater depth of HVAC systems, best practices and on-site management.	2-hour online exam

NJNG also recognizes the need to improve the skill set of existing professionals in the energy efficiency industry and intends to offer some training through this WFD program to ensure they understand and are properly applying key standards from ACCA and are knowledgeable about the

[3] NJNG reserves the right to expand and/or modify the potential certifications and certifying organizations supported by this WFD program.

proper installation techniques for newer technologies, and other best practices. This can be a critically important component in ensuring energy efficiency equipment is properly installed as we seek to engage more HVAC contractors who may have traditionally promoted the installation of standard efficiency equipment as their core business.

Trade Ally Needs

While ensuring there is trained staff available is a critical path, the Utilities also recognize there must be a pool of employers interested in hiring these individuals. While the Utilities will be hiring some individuals directly and will expect to see strong interest from trade allies under direct contracts with the Utilities, we recognize that we must also engage the open market to understand the needs of contractors and other firms. Organizations like the New Jersey Air Conditioning Contractors Association ("NJACCA"), the New Jersey Association of Plumbing, Heating, and Cooling Contractors ("NJPHCC") and the New Jersey Association of Energy Engineers ("NJAEE") provide industry leadership and guidance to energy businesses. NJNG plans to engage directly with statewide leadership from these organizations to reach their members, in addition to directly communicating with the thousands of contractors who have participated in our programs over the years.

In addition to providing support for trade allies by making more trained candidates available as noted above, NJNG also recognizes that some trade allies may face financial barriers or be reluctant to invest in additional equipment or resources that could improve their ability to deliver energy-efficient installations or through maintenance approaches. NJNG included funding to develop a program that could help defray the cost of these types of investments for contractors that meet certain performance targets. Supporting these types of investments can help trade allies consider expanding their business into more comprehensive services or new offerings for customers that can reduce their energy usage.

Contracting Provisions

NJNG will continue to follow internal procurement protocols for the services that will be secured to implement this program. programs. We are all willing to include the amount of business placed with MWVBEs as part of our rating criteria when evaluating contract proposals. NJNG is currently working with one vendor who has a facility that was designed to and is approved for the compliance with BPI certification requirements. It is currently the only facility we are aware of that meets this criterion in Monmouth County. NJNG has included some funding within our budget to explore the potential to work with another training vendor who has the proper credentials to establish a second location within our service territory in Monmouth or Ocean County.

Budget Considerations for Workforce Development Programs

NJNG included a proposed budget of approximately $1.5 million for the Second Triennial for our Workforce Development Programs. Consistent with the May 24th Board order, these costs are not included within the BCA but are separately identified. This budget is established to ensure that there is adequate funding to expand the programs during the Second Triennial.

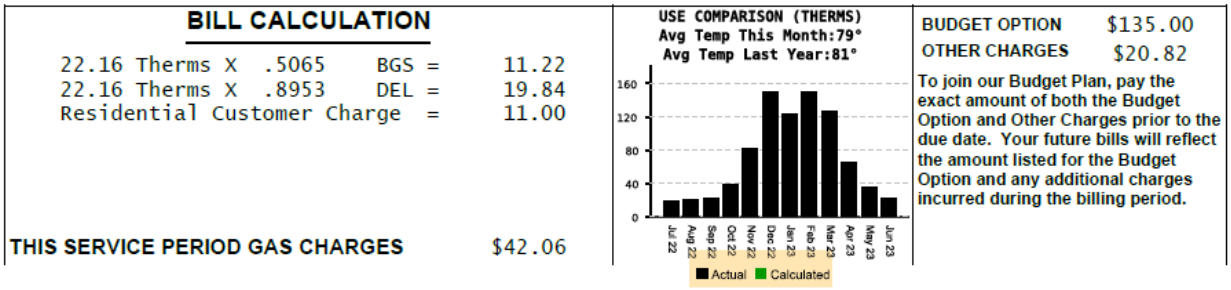
4c. Customer Access to Usage Data

NJNG recognizes the importance of easy customer access to both their current and historical energy usage. We know it's a critical piece of information for budgeting household or business expenses and understanding the potential energy savings by following particular energy conservation tips. It's also important when customers consider investing in energy-saving appliances, equipment, and projects.

Current Availability

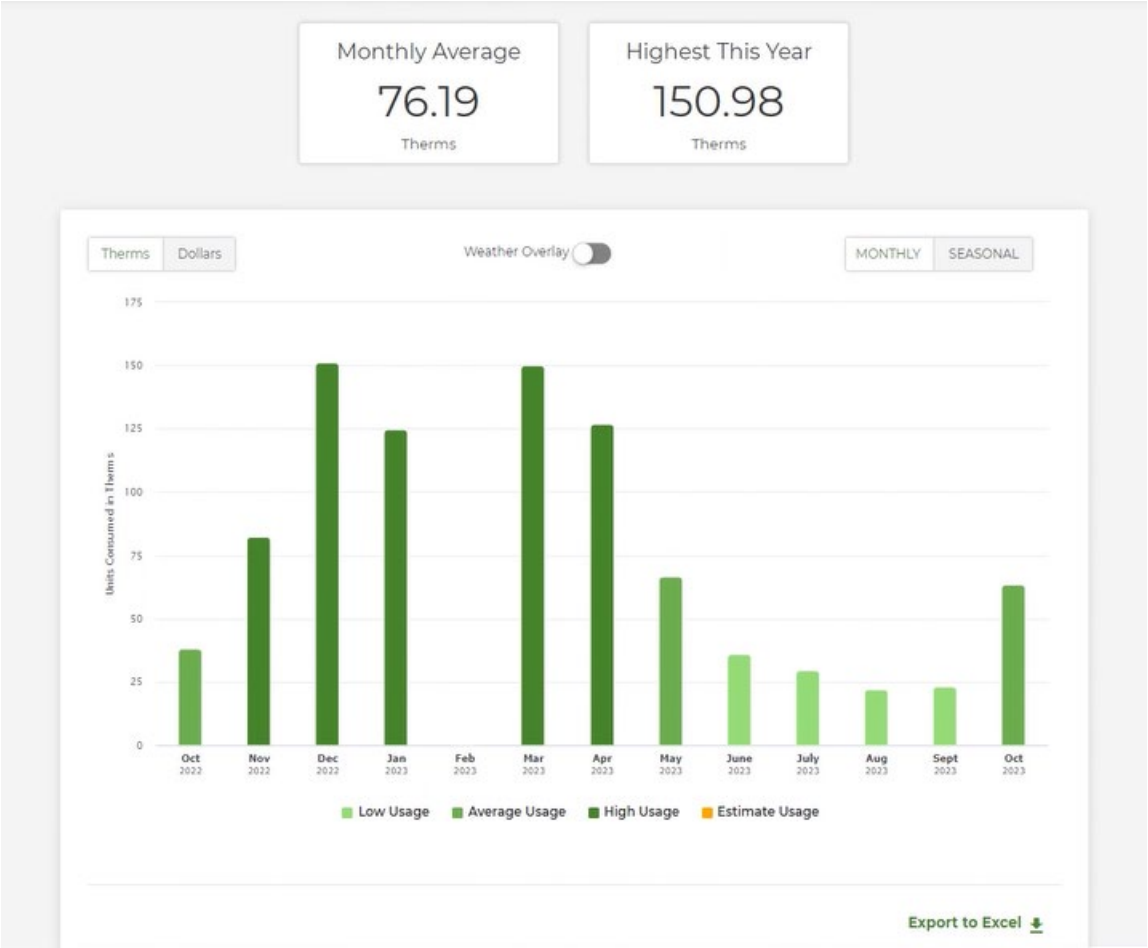
All customers currently have some insight into their current and historical energy usage through a graphic depiction shown on their printed bill.

Printed Bill Usage - Figure 1

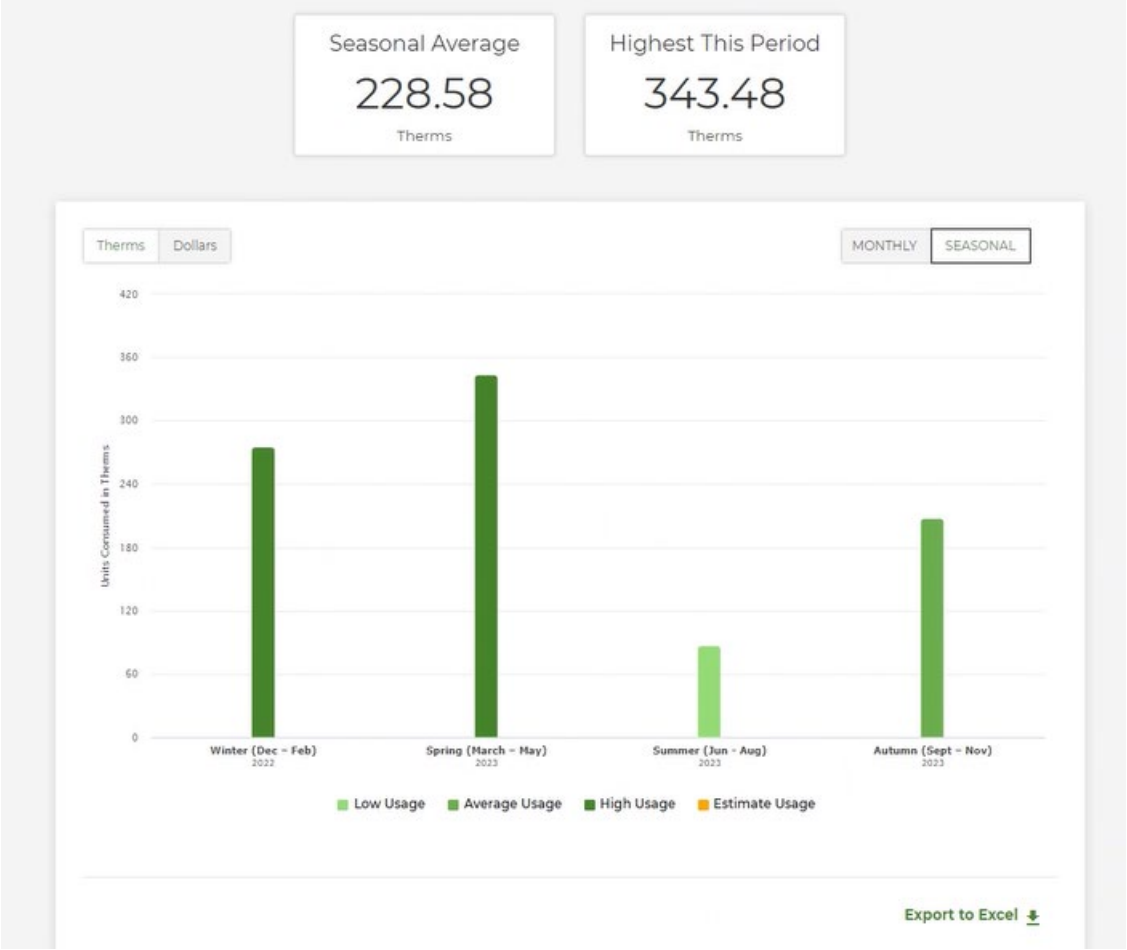


Customers who prefer to receive their bill electronically are still able to view the data (Figure 1) since they can also view an image of their printed bill. These customers are more likely to be engaged in our My Account portal where they would also have access to this graph shown at the left. This graph shows similar data but also includes more contextual information like billing days and temperature. Customers also have access to information about their bill through NJNG's recently enhanced My Account service- available through our website and on an app. These customers are able to access monthly data and comparisons (Figure 2) and seasonal data and comparisons (Figure 3) on the following pages. As you can see in the right-hand corner of these images, customers also have the ability to easily download this information into an Excel spreadsheet.

My Account Usage - Figure 2

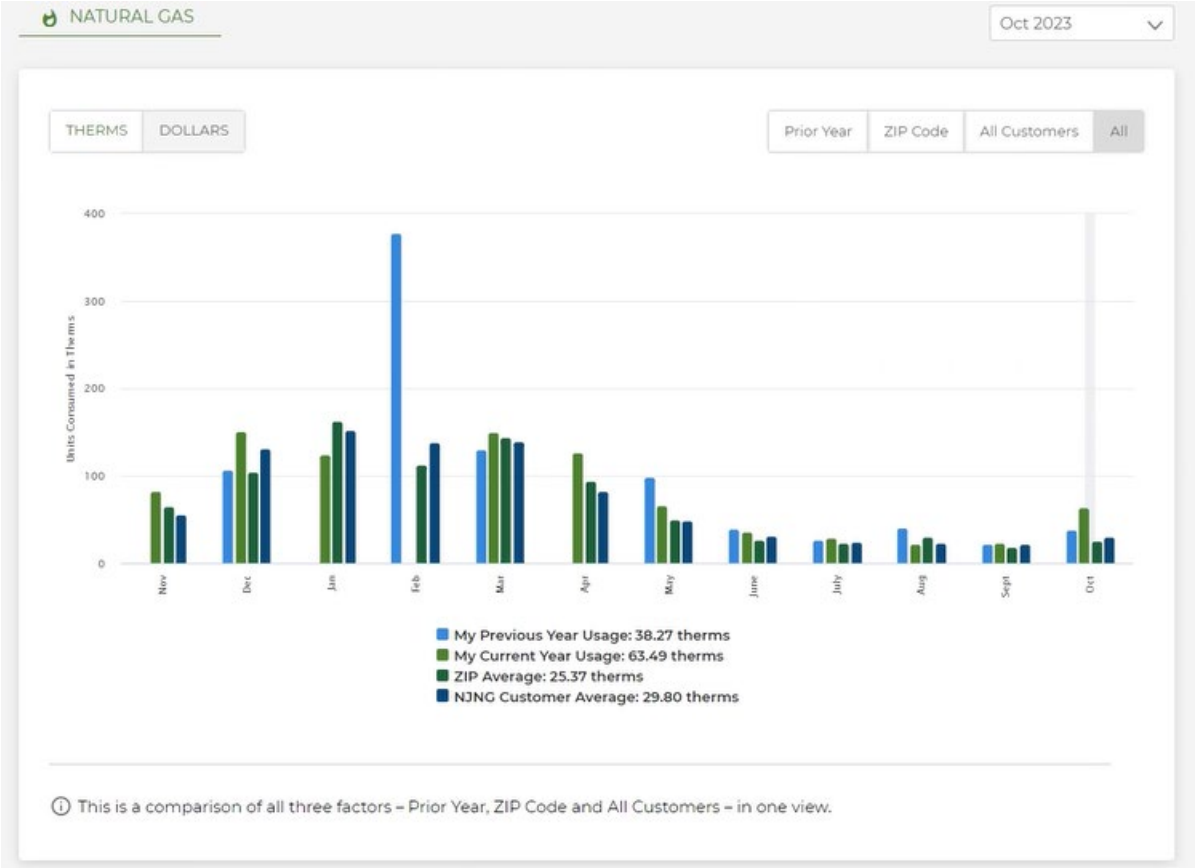


My Account Usage - Figure 3



Behavioral Program Usage - Figure 4

All residential customers, including those who are not recipients of Home Energy Reports, are able to access their usage through the Behavioral Program. Customers can use the Green Button (seen below) to download their information into either a CSV format for spreadsheet analysis or an XML version to upload for usage within another software or application. The Green Button initiative is an industry-led effort to provide Utility customers with easy and secure access to their energy usage information in a consumer-friendly and computer-friendly format. Customers are able to securely download their own detailed energy usage with a simple click of a literal "Green Button" on a Utility website.



New Functionality to Support Commercial Customers

As part of the effort to support commercial customer compliance with the benchmarking requirements of the Clean Energy Act, NJNG contracted with EnergyCAP software. This software helps building managers and owners manage their energy portfolios. Customers can access interval, daily and monthly consumption data. Additional information regarding this service can be found in this section of the NJNG website.

Budget Consideration for Access to Energy Usage Data

NJNG is not including any incremental costs for these data access tools as part of this filing. The current Green Button functionality is included within the cost of the current Behavioral Program.

4d. Marketing Plan

NJNG will continue to implement a multi-pronged direct and indirect marketing campaign to promote the residential and non-residential programs to all eligible customers across NJNG's natural gas territory. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, email, direct mail, and hard-copy materials to promote awareness, as well as tie-ins with other NJNG programs. Additionally, retailers and trade allies will be contacted directly, through trade associations and emails to develop networks and promote involvement in the programs. Point-of-purchase signage may be placed near discounted/rebated products in participating physical and online retail stores.

NJNG will also continue to engage community partners, chambers of commerce, and other local organizations including those comprised of underrepresented and socially or economically disadvantaged individuals. Educating building owners and operators about the benefits of energy efficiency improvements and improved systems performance, including educational brochures, program promotional materials and website content will be key to promoting the programs. NJNG will also leverage existing relationships with municipalities, universities, schools and other public agencies to promote programs relevant to those facilities.

Further, NJNG will work closely with foodbanks and other community organizations serving customers in need to help reduce the energy burden of those customers with no-cost energy efficient products and to raise the awareness of other energy efficiency and energy assistance programs available to help. Dedicated outreach to community groups and outreach funding will also be allocated to better engage with local community groups serving OBCs and connect customers in need with available programs.

NJNG's programs are designed to minimize barriers to participation, including addressing issues of customer awareness, split incentives resulting from landlord/tenant arrangements, the availability of energy efficient products, the upfront costs of energy efficiency upgrades, and health and safety barriers, among others.

Primary market barriers that impact these programs include:

Barrier	**Context**
Initial cost of energy efficient equipment and projects	Relative to the market baseline, efficient equipment often carries a higher upfront cost but a lower lifetime operating cost. Customers may not fully value the lifetime operating cost advantage of efficient equipment and, as a result, higher upfront cost is a barrier to purchasing efficient equipment or adopting energy efficient improvements. Similarly, home retrofits are more expensive and involved than purchasing efficient equipment and therefore, require more participant investment and commitment. Customers must be willing and able to invest in more expensive energy efficient projects. To address this barrier, incentives are provided to the

	customer to reduce the initial cost. An OBR will also help mitigate the up-front cost barrier.
Customer awareness and engagement	Both residential and commercial customers may not be aware of the benefits of participating in energy efficient initiatives, such as installing high-efficiency equipment or completing "whole house" improvements. Customers may also lack the time and resources to pursue such upgrades. To address this barrier, NJNG will educate customers on the benefits of undertaking energy efficient improvements through targeted marketing, ensure that incentives are easily accessible and encourage market transformation and stocking of efficient equipment through midstream initiatives. Through outreach efforts, NJNG will seek to partner with retail and wholesale entities to promote program offerings, and also focus marketing, education, and outreach efforts on trade ally and community partner networks to ensure these entities are aware of available incentives and prepared to serve customers. To increase awareness among customers with English as a second language, NJNG may develop and provide outreach materials in additional languages, such as Spanish. NJNG intends to be an active participant in both the Equity and Marketing Working Groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.
Market sentiment/customer skepticism	Customers may be skeptical of the motivation behind energy efficiency programs. To address this skepticism, NJNG will provide outreach and messaging from credible sources, including community groups and local leaders, particularly in low-to-moderate income areas.
Trade ally and community partner awareness and training	Participating NJNG program contractors must be available to undertake available work. NJNG will address this barrier by actively recruiting more contractors to secure the additional certification necessary to participate in its programs, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, underrepresented and disadvantaged workers.
Landlord/tenant arrangements	Split incentives between landlord/tenants with respect to who pays for energy use versus who owns the energy-using equipment is a challenge for investment decisions. To address this barrier, the program will be marketed to both landlords and tenants to assure that those exposed to energy costs are able to participate in the program. NJNG may also provide technical and outreach assistance

	to property owners and managers in developing and marketing green properties to attract tenants.
Sufficient stocking and availability of high-efficiency products	To support a robust marketplace for efficient equipment, NJNG may promote midstream initiatives for specific equipment types to encourage participation via incentives for distributors or retailers to stock and promote the purchase of or for directly marking down the cost of the efficient equipment at the point of sale.
Traditional credit screenings when applicable	Many customers interested in pursuing comprehensive energy efficient projects may not be able to pass traditional credit screening (e.g., requirements for debt-to-equity ratio) despite having a proven track record for paying their Utility bills on time. NJNG will explore solutions to help more customers access this incentive through either an OBR approach or access to repayment options with similar terms that relies on a review of Utility payment history and bankruptcy check to ensure customers who have a proven track record have the opportunity to participate or through innovative approaches.
Business/operational constraints	For specific properties, such as multifamily, there are often unique operational and time constraints that act as a barrier to implement energy efficiency projects. This barrier will be addressed by ensuring the program operates cooperatively with participants, provides program participation and technical assistance and offers timely incentives and repayment support.
Cost effectiveness	Some efficiency upgrades require an initial investment that is recovered by lower, long-run operating costs and non-energy benefits, as is the case with multifamily projects. These projects may carry longer payback periods than traditional energy efficiency projects due to the unique needs of the segment. To address this barrier, incentives and access to OBR or similar repayment options will be provided to the customer to reduce the initial cost. NJNG will also communicate the non-energy benefits offered by many efficiency upgrades that may not be captured in the benefit-cost analysis to further promote efficiency upgrades to customers.
Complex process	There can be a broad range of potential energy efficiency investments but it can be challenging to identify which strategies may be the most beneficial. These programs address this barrier by providing free installation of easy-to-implement measures, and technical guidance and support in implementing more extensive and costly measures.

On an ongoing basis the program implementation teams continue to identify barriers to participation and the marketing team works closely to align marketing strategies in order to increase access to the programs; This may include strategies such as producing and utilizing marketing materials in different languages or targeted marketing campaigns. The marketing approach will support increasing access to programs by conducting outreach to a wide variety of potentially eligible customers and building awareness of programs and energy-saving opportunities. NJNG is committed to overcoming barriers to program access by applying best practices in program design, delivery, outreach, customer experience, and marketing/advertising.

NJNG's established customer communication channels, data and brand in the marketplace will all be leveraged to deliver programs that identify and confront market barriers on an ongoing basis. Leveraging business-specific data and integrating internal customer database and sales and marketing systems, NJNG will provide tailored program information to customers and continue to leverage customer-dedicated communications to increase program awareness and drive participation among various audience segments and their unique needs. NJNG will continue to engage with the BPU Marketing Working Group and the Joint Utilities to strategize about evolving approaches to marketing and to employ best practices, consistent messaging, and brand experience where applicable. To the extent possible, NJNG will cross-promote programs to spread awareness of the range of energy efficiency opportunities proposed in this plan and eliminate barriers to participation.

4e. Evaluation, Measurement, and Verification ("EM&V")

EM&V (MFR VI.a.)

The Utilities recognize the importance of incorporating EM&V into the energy efficiency, demand response, building decarbonization start-up, and other programs. EM&V can help assess whether program objectives are being achieved, document energy and non-energy benefits, and inform both future program modifications and development. PJM Interconnection, L.L.C. ("PJM") specific EM&V will also be needed to support Utility EE Offers into PJM's Capacity Market.[4]

The Utilities will continue to work with the Statewide Evaluator ("SWE") and contribute to the EM&V Working Group. Evaluation activities, products, and processes will be completed consistent with the New Jersey Energy Efficiency Triennium 2 Evaluation Framework and subsequent guidance documents by Staff and the SWE. Further, each Company has included funding to support the anticipated evaluation work within their respective filings. Proposed budgets for evaluation are reflected in Appendix B.

Common Definitions and Objectives

The State and Local Energy Efficiency Action Network ("SEE Action") offers resources, discussion forums, and technical assistance to state and local policymakers as they seek to advance energy efficiency. Their EE Program Impact Evaluation Guide from December 2012 identified three primary objectives for evaluations:

- **Document the benefits** (i.e., impacts) of a program and determine whether the subject program (or portfolio of programs) met its goals.
- **Identify ways to improve current and future programs** through determining why program-induced impacts occurred.
- **Support energy demand forecasting and resource planning** by understanding the historical and future resource contributions of EE as compared to other energy resources.

That same guide provides the following standard categories of evaluations:

- **Impact evaluations:** Assessments that determine and document the direct and indirect benefits of an energy efficiency program. Impact evaluation involves real-time and/or retrospective assessments of the performance and implementation of an efficiency program or portfolio of programs. Program benefits, or impacts, can include energy and demand savings and non-energy benefits (sometimes called co-benefits or non-energy impacts, with examples being avoided emissions and water savings). Impact evaluations can also include cost-effectiveness analyses aimed at identifying relative program costs and benefits of EE as compared to other energy resources, including both demand- and supply-side options.
- **Process evaluations:** Formative, systematic assessments of an EE program from both

[4] Does not apply to GDCs.

a customer and program administrator viewpoint. Process evaluations document program operations and identify and recommend improvements that are likely to increase the program's efficiency or effectiveness for acquiring EE resources and improve the customer experience with the program.

- **Market evaluations:** Assessments of structure or functioning of a market, the behavior of market participants and/or market changes that result from one or more program efforts. Market evaluation studies may include estimates of the current market role of energy efficiency (market baselines), as well as the potential role of efficiency in a local, state, regional, or national market (potential studies). Market evaluation studies indicate how the overall supply chain and market for EE products works and how they have been affected by a program(s). These evaluations can also include assessments of other societal, customer, or Utility benefits of EE programs, such as the economic and job creation impacts of the programs, health benefits to society, or T&D benefits to Utilities. And finally, these studies can also be used to inform changes to the portfolio of efficiency measures to be offered to customers, or the savings achieved by the measures.

Monitoring and Improving Program and Portfolio Performance

There is a feedback loop among program design and implementation, impact evaluation, and process evaluation. Program design and implementation, and evaluation are elements in a cyclical feedback process. Initial program design is informed by prior baseline and market potential studies. Ongoing impact evaluation quantifies whether a program is meeting its goals and may raise questions related to program processes and design. Process evaluation tells the story behind how the impact was achieved and points the way toward improving program impacts by providing insight into program operations. Thus, the three elements work together to create a better, more effective program.

Budget Considerations for EM&V Work

As noted, proposed budgets for EM&V are reflected in Appendix B. These budgets were established at or below the industry standard for this type of work,[5] excluding the cost of financing and any anticipated costs associated with additional studies performed at direction of the BPU Staff or the EM&V Working Group.

TRM Considerations

The Utilities will utilize the TRM applicable to determining CEA savings compliance at the time when a project is committed to calculate energy savings for that project, regardless of when the project is complete.

[5] https://www.aceee.org/toolkit/2017/06/evaluation-measurement-verification

4f. Reporting Plan

Reporting (MFR VIII.)

The Utilities will continue to comply with the reporting requirements for energy efficiency, demand response, and building decarbonization programs as outlined in the BPU's May 24th and July 26th Energy Efficiency Framework Orders, as well as related guidance by Staff and the BPU. In particular, the Utilities will work with Staff and the EM&V Working Group to develop new metrics to track net budget transfers and financing/OBR performance.

If the impact of interactive effects would cause a Utility to miss a QPI target due to a change in the measure mix implemented by customers when compared to Plan assumptions, the Utility should not be penalized. If the overall QPI would result in a Return on Equity ("ROE") penalty under this scenario, the Utility reserves the right to remove negative savings in order to avoid incurring a penalty.

4g. Overburdened Community ("OBC") Standardization

Utilities will focus their efforts to provide equitable access to energy efficiency for residential customers residing in an OBC that is defined by a low-income designation. In accordance with treatment during the First Triennial and guidance from BPU Staff, only customers in the following OBC categories, as defined by the New Jersey Department of Environmental Protection ("DEP"), will be tracked and reported:

- Low Income;
- Low Income & Limited English;
- Low Income & Minority; and
- Low Income, Minority, & Limited English.

Additionally, in order to ensure consistent reporting across the Utilities and throughout Triennium 2, the Utilities will utilize the dataset available August 31, 2023 on the DEP website (data created and last updated on April 10, 2023) to track and report OBC participating in the programs, including for the purposes of establishing and evaluating the QPIs.

Consistent with Triennium 1, Utilities will deploy approaches to target market or pre-screen customers based on the location of their primary residence within the boundaries of census tracts Federally recognized as low- or moderate-income and a self-attestation for income qualified programs or enhanced incentives under other programs (e.g., Energy Efficient Products Program).

Utilities plan to report actual performance of LMI customers and customers within OBCs, as defined above, and are committed to strengthening the infrastructure to support enhancements for customer screening for LMI customers and reporting equity metrics for both LMI and OBC customers.

As noted in the New Jersey Utilities Association ("NJUA") comments filed in response to the Straw Proposals within this docket, the Utilities continue to believe there is an opportunity to further streamline administration and eliminate a barrier to participation by allowing any applicant from a qualifying OBC community to access the enhanced level of benefits. The Utilities recognize that the May 24th Board Order called for continued self-attestation in those areas but believe this decision is worth reconsideration within these cases.

4h. Financing/On-Bill Repayments Description

NJNG Summary of Financing Terms				
Sector	**Program**	**Pathway**	**Measure /Project**	**Available Financing Terms**
Residential	Whole Home		Single Family Homes	Less than $10,000 eligible for a 7-year term OBR at 0% APR. Greater than $10,000 and up to $25,000 eligible for a 10-year term OBR at 0% APR. Low-to-Moderate Income customers will be offered an extended OBR for a 10-year term, regardless of principal.
	Income Qualified		N/A	No financing component needed due to nature of the program.
	Efficient Products		HVAC (natural gas heating equipment, water heaters, AC system and heat pumps when paired with qualifying gas equipment)	Up to $25,000 for a 7-year term OBR at 0% APR. Low-to-Moderate Income customers will be offered an extended OBR for a 10-year term.
	Behavioral		N/A	No financing component needed due to nature of the program.
C&I[1]	Energy Solutions		Project	Balance of the project cost (per terms below) after incentives at 0% APR for a 5-year term. Financing will be available up to $250k. Above $250k, financing will cover 80% of balance of project cost. For MUSH market and OBC
	Prescriptive &Custom			

	Direct Install			territories, financing available for balance of project cost after incentives for a 5-year term.
Multifamily	Multifamily	Multifamily HPwES	Project	Balance of the project cost up to $3,000 per unit for a 7-year term at 0% APR.
		Multifamily Prescriptive and Custom		Balance of the project cost (per terms below) after rebate at 0% APR for a 5-year term. For non-OBC and non-LMI multifamily, financing will be available up to $250k. Above $250k, financing will cover 80% of balance of project cost. For OBC or LMI multifamily, financing available for balance of project cost after incentives. Properties supporting LMI customers are eligible for a 10-year repayment term.
		Direct Install		
		Energy Solutions	Special Features to Support Inclusion:	
All	Building Decarbonization	Hybrid Heat	Air source heat pumps that are able to be paired with an existing natural gas system	Balance of the project cost for a 7-year term OBR at 0% APR. Low-to-Moderate Income customers will be offered an extended OBR for a 10-year term.

1 Energy Solutions & Prescriptive/Custom project financing over $1,000,000 and DI project financing over $250,000 reported in quarterly reports.

The utilities agree to EM&V studies to measure the impact of financing offerings on program participation and identify potential modifications that may be implemented for Triennium 3.

For the reporting on Prescriptive/Custom and Engineered Solutions projects financed over $1,000,000 and Direct Install projects financed over $250,000, the Utilities in consultation with Staff and Rate Counsel will develop metrics for the quarterly reports, which may include a list of energy conservation measures installed, annual and lifetime energy savings achieved, annual and lifetime costs to achieve, as well as key financing metrics such as total project costs, the balance financed, financing term, rate buydown and fees.

5. Consistent Delivery in Overlapping Territories

NJ Utility Approach to Coordinated Program Delivery and Budgeting (MFR II c.)

In response to the New Jersey Board of Public Utilities' Framework Orders[6] directing each electric public utility and gas public utility in the State of New Jersey to establish energy efficiency ("EE") and peak demand reduction ("PDR") programs for the second triennium of programs implemented pursuant to the Clean Energy Act of 2018, the New Jersey investor-owned electric and gas utilities are collaborating in order to implement programs in a consistent manner and develop supportive processes, procedures, requirements and forms.

Coordinated Program Offerings

To support the coordinated delivery of core programs and certain additional program offerings in situations that involve gas and electric savings opportunities in overlapping Utility territories, the Utilities have established a framework that will align key program elements through use of Interconnected Tracking Systems supported by use of a Statewide Coordinator System, aligned Utility Responsibilities, and Coordinated Program Elements as further described below. This structure will support the coordinated delivery of appropriate energy efficiency measures, if offered, in the following Programs:

Core Offerings[7]

- Whole Home;
- Income Qualified;
- Energy Efficient Products;
- Energy Solutions;
- Direct Install;
- Prescriptive & Custom; and
- Multifamily.

Interconnected Tracking Systems

To support consistency across the state and to align the above coordinated program offerings, the utilities will continue to utilize a single third-party entity to serve as a Statewide Coordinator ("SWC") for measures and costs that impact more than one utility in situations where gas and electric service territories overlap. This entity provides a software platform to validate the local gas and electric company serving the customer and perform independent allocations of energy

[6] See June 10, 2020 Order, BPU Docket Nos. QO19010040, QO19060748, and QO17091004; May 24, 2023 Order, BPU Docket Nos. QO19010040, QO23030150 & QO17091004; and July 26, 2023 Order, BPU Docket Nos. QO19010040, QO23030150 & QO17091004

[7] The Behavioral Program is not included in this list because there are no shared savings and therefore no need to coordinate across utilities.

savings and costs for coordinated program offerings.

These costs and savings will be allocated between the Utility that provides the program services (i.e., "Lead Utility") and the Utility with whom the services were coordinated (i.e., "Partner Utility").

In areas where gas and electric service territories overlap, the Utilities will design program elements that support consistent delivery of the above coordinated program offerings among all the utilities to enable the SWC to allocate shared costs and energy savings appropriately based on the fuel types impacted by EE measures.

Statewide Coordinator System Responsibilities

- Serve as a central platform to ensure data minimums required for coordinated data elements, exchange protocols, and serve as a repository for shared measure costs and shared savings for applicable programs.
- Track participation specific to Utility programs that require coordination (e.g., screen prior participation in coordinated program offerings).
- Serve as a clearing house for pre-determined data formats and exchanges.
- Perform allocation of dual-fuel or partner-fuel savings and cost for customers with separate gas and electric utilities, to facilitate sharing of costs and investments.
- Determine and provide supporting reports respective to utility invoice balances for allocation of shared measure costs (e.g., costs of respective measures and share of costs).
- Provide monthly reports of coordinated program activity so that customer participation and program results may be tracked.

Utility Responsibilities

The Utilities will implement certain program operations through either internal resources, or under contract with third-party implementation contractor(s) ("TPIC"), outside of the Statewide Coordinator system. By retaining these functions, the Utilities can maintain a strong line of sight to program operations and still work collaboratively with the other Utilities in offering coordinated programs to New Jersey customers. These functions may include, where appropriate:

- Customer enrollment;
- Developing consistent enrollment forms to collect agreed-upon customer information to share between the Utilities;
- Screening and qualifying contractors for Utility programs;
- Customer care functions;
- Marketing of programs;
- Providing in-home/business auditing or direct-install of efficiency measures;
- Communicating availability of customer financing options;
- Integrating with other Utility programs;
- Sponsoring EE program applications including paying incentives to customers and contractors; and
- Invoicing peer Utility partners for coordinated program costs.

Coordinated Program Elements

As envisioned by the Board's direction on coordinated program offerings, the Utilities' programs are designed in a way to minimize customer confusion and present consistent opportunities for customer participation with access to both electric and gas measures, where appropriate. The Utilities recognize that programs will continue to evolve and commit to ongoing collaborative efforts among the Utilities to continue program alignment. Ongoing efforts may include a focus by the Utilities to standardize the following where appropriate:

- Common forms for contractors and customers with uniform field requirements;
- Contractor minimum requirements and credentials for applicable programs;
- Eligible customers and property requirements;
- Eligible measures;
- Incentive structures through use of an agreed-upon standard incentive range;
- Software platforms or interfaces to be used by contractors; and
- Targeted bonus approaches for customers that meet specific policy priorities (e.g., income qualified, targeted geographic locations).

Program Assumptions

The Utilities have standing sector specific committees (Residential, C&I), as well as specialized committees, e.g., EM&V, which have been active since early 2020. They routinely meet to address coordination issues, share feedback regarding program activity, and plan for future modifications/enhancements. As part of planning for this filing, the Utilities have reviewed assumptions on average project size and related energy efficiency measures but did not mandate identical assumptions. Comparisons have shown that there can be variations in market activity across service territories. The flexibility in the approach to offer incentives within approved incentive ranges enables Utilities to remain responsive to the market conditions within their respective service territories.

Budgeting

The Utilities recognize the importance of creating a solution that allows a Lead Utility to pursue their approved program portfolio to ensure they are able to meet their Clean Energy Act obligations and to be in a position to support any shared or cross-fuel energy savings from their Partner Utility. It is critical that such a structure minimizes the potential for any disruption to the market and provides customers with equitable access to the programs, regardless of their geographic location. Given the fact that it is impossible to predict where the energy savings will occur within a utility's service territory, it is not practical to determine what a Utility's potential budget obligation could be from specific overlapping Utilities. NJNG's budget includes a line item for Net Transfers, representing the estimated net of the inflows and outflows with partner utilities.

6. Appendices

As noted above, all of the appendices are formatted similarly and in the same order, but present Utility-specific information. Appendix H: Incentive Ranges is formatted similarly, but has some variation due to differences in Utility-specific program proposals.

6a. Appendix A: Program Participants, Energy Savings, By Year for EE, BD, and DR

Appendix A: Program Participants & Energy Savings by Program Year (MFRs II.a.vii & II.a.viii)

Program	PY4 Participants	PY4 Net Annual Energy Savings (kwh)	PY4 Net Annual Energy Savings (therms)	PY5 Participants	PY5 Net Annual Energy Savings (kwh)	PY5 Net Annual Energy Savings (therms)	PY6 Participants	PY6 Net Annual Energy Savings (kwh)	PY6 Net Annual Energy Savings (therms)	Total Participants	Total Net Annual Energy Savings (kwh)	Total Net Annual Energy Savings (therms)
Res - Behavioral	249,600	-	644,242	240,235	-	1,766,973	230,563	-	1,637,357	720,398	-	4,048,571
EE Products	9,694	450,509	516,361	18,786	879,654	997,247	19,402	846,678	1,021,144	47,882	2,176,841	2,534,752
Income Qualified	425	183,287	25,025	910	389,141	53,131	906	385,169	52,588	2,241	957,597	130,744
Whole House	3,015	476,285	89,009	6,057	919,594	171,460	6,113	893,789	165,957	15,185	2,289,668	426,426
Building Decarbonization Programs	553	(1,344,524)	350,388	775	(1,882,334)	490,544	996	(2,420,144)	630,699	2,324	(5,647,002)	1,471,631
Multi-family	259	63,794	20,953	707	198,575	61,279	709	482,229	77,938	1,674	744,597	160,171
Prescriptive/Custom	8	-	3,972	47	-	21,926	65	-	30,386	120	-	56,284
Energy Solutions for Business	6	133,338	4,141	28	1,421,442	66,555	25	4,766,484	322,699	60	6,321,264	393,395
Direct Install	33	1,525,234	131,905	125	6,198,700	509,515	127	6,373,418	519,891	285	14,097,352	1,161,311
Workforce Development	-	-	-	-	-	-	-	-	-	-	-	-
CBO Outreach	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio Total		1,487,923	1,785,995		8,124,773	4,138,631		11,327,621	4,458,658		20,940,316	10,383,284

Footnote 1: Excludes any impacts beyond PY6.

6b. Appendix B: Program Budgets and Costs, By Year for All Programs

Appendix B: Program Budgets and Costs by Program Year (MFRs II.a.ix & II.a.x)
Note: Excludes Net Utility Transfers of $33 million and On-bill Repayment principal

TOTAL Program Years 4-6	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives - Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	771,931	520,233	148,397	24,479	4,081,761	-	99,151				**5,645,952**
EE Products	1,240,191	3,582,333	688,701	301,152	21,081,667	76,599	370,206				**27,340,850**
Income Qualified	606,499	2,618,979	507,189	1,067,642	15,686,663	341,656	267,623	2,801,190			**23,897,440**
Whole House	810,222	3,055,474	540,750	508,039	11,782,707	580,956	2,043,197				**19,321,345**
Building Decarbonization Programs	255,219	684,781	181,518	29,800	5,398,875	47,708	652,943				**7,250,842**
Multi-family	353,052	986,065	407,098	259,909	10,142,366	124,732	603,197				**12,876,420**
Prescriptive/Custom	214,596	683,133	223,395	26,253	510,374	8,315	333,848				**1,999,914**
Energy Solutions for Business	614,548	3,259,600	868,416	27,136	47,413,982	119,564	1,597,648				**53,900,894**
Direct Install	592,626	2,694,710	590,802	502,886	31,861,889	39,392	1,275,639				**37,557,944**
Workforce Development	-	257,153	250,227	-	-	-	-		1,000,000		**1,507,381**
CBO Outreach	-	-	-	-	-	-	-			750,000	**750,000**
Portfolio Total	**5,458,882**	**18,342,461**	**4,406,494**	**2,747,296**	**147,960,283**	**1,338,921**	**7,243,452**	**2,801,190**	**1,000,000**	**750,000**	**192,048,980**

Footnote 1: Budgets include commitments for projects that may be paid in future years

Program Year 4	Capital Cost	Utility Admin-istration	Marketing and Outreach	Outside Services	Incentives -Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	261,273	120,601	27,478	4,327	855,281	-	19,135				**1,288,095**
EE Products	558,971	741,546	124,209	55,686	4,231,693	14,782	68,271				**5,795,158**
Income Qualified	273,364	539,698	90,920	284,343	2,974,441	65,934	50,060	531,150			**4,809,911**
Whole House	354,919	631,903	97,397	96,610	2,448,023	112,115	648,083				**4,389,050**
Building Decarbonization Programs	114,831	158,957	32,130	5,268	1,356,875	9,207	195,740				**1,873,008**
Multi-family	158,018	216,363	72,764	104,517	1,593,010	24,071	168,083				**2,336,826**
Prescriptive/Custom	96,562	148,721	40,212	4,641	36,018	1,605	94,792				**422,550**
Energy Solutions for Business	266,470	697,617	156,571	8,153	6,520,731	23,074	455,511				**8,128,126**
Direct Install	256,867	584,004	105,316	177,564	3,507,772	7,602	370,323				**5,009,449**
Workforce Development	-	49,131	45,390	-	-	-	-		400,000		**494,522**
CBO Outreach	-	-	-	-	-	-	-			150,000	**150,000**
Portfolio Total	**2,341,275**	**3,888,541**	**792,387**	**741,110**	**23,523,844**	**258,389**	**2,069,998**	**531,150**	**400,000**	**150,000**	**34,696,694**

Footnote 1: Budgets include commitments for projects that may be paid in future years

Program Year 5	Capital Cost	Utility Admin-istration	Marketing and Outreach	Outside Services	Incentives -Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	247,523	196,527	59,566	9,548	1,646,382	-	39,417				**2,198,964**
EE Products	334,261	1,398,417	278,075	118,516	8,316,668	30,451	150,507				**10,626,896**
Income Qualified	161,523	1,023,616	205,059	380,986	6,368,549	135,824	108,059	1,137,241			**9,520,856**
Whole House	221,715	1,193,055	218,401	201,077	4,735,239	230,956	697,096				**7,497,539**
Building Decarbonization Programs	68,034	258,534	73,590	11,624	1,799,625	18,966	228,141				**2,458,514**
Multi-family	94,488	378,666	164,697	74,880	4,421,347	49,587	217,096				**5,400,760**
Prescriptive/Custom	57,203	262,922	90,238	10,240	198,819	3,306	119,298				**742,025**
Energy Solutions for Business	169,724	1,260,745	350,663	8,995	22,979,949	47,532	570,148				**25,387,756**
Direct Install	163,797	1,029,743	239,155	160,136	13,961,578	15,660	451,738				**16,021,807**
Workforce Development	-	102,468	100,905	-	-	-	-		300,000		**503,373**
CBO Outreach	-	-	-	-	-	-	-			300,000	**300,000**
Portfolio Total	**1,518,270**	**7,104,692**	**1,780,348**	**976,002**	**64,428,157**	**532,282**	**2,581,501**	**1,137,241**	**300,000**	**300,000**	**80,658,492**

Footnote 1: Budgets include commitments for projects that may be paid in future years

Program Year 6	Capital Cost	Utility Admin-istration	Marketing and Outreach	Outside Services	Incentives -Rebates and Loans	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Res - Behavioral	263,134	203,105	61,353	10,603	1,580,098	-	40,600				**2,158,893**
EE Products	346,960	1,442,370	286,417	126,950	8,533,306	31,365	151,428				**10,918,795**
Income Qualified	171,612	1,055,665	211,210	402,313	6,343,672	139,898	109,504	1,132,799			**9,566,672**
Whole House	233,588	1,230,517	224,953	210,352	4,599,445	237,885	698,017				**7,434,756**
Building Decarbonization Programs	72,353	267,290	75,798	12,908	2,242,375	19,535	229,062				**2,919,320**
Multi-family	100,546	391,037	169,638	80,512	4,128,009	51,074	218,017				**5,138,833**
Prescriptive/Custom	60,831	271,491	92,945	11,372	275,537	3,405	119,759				**835,339**
Energy Solutions for Business	178,353	1,301,238	361,182	9,989	17,913,301	48,958	571,989				**20,385,011**
Direct Install	171,961	1,080,963	246,330	165,186	14,392,539	16,130	453,579				**16,526,688**
Workforce Development	-	105,554	103,932	-	-	-	-		300,000		**509,486**
CBO Outreach	-	-	-	-	-	-	-			300,000	**300,000**
Portfolio Total	**1,599,338**	**7,349,228**	**1,833,758**	**1,030,185**	**60,008,283**	**548,250**	**2,591,953**	**1,132,799**	**300,000**	**300,000**	**76,693,794**

Footnote 1: Budgets include commitments for projects that may be paid in future years

6c. Appendix C: Total Budget Summary, Including Annual Budget Summary and Joint Budgets with Partner Utilities

Appendix C: Total Budget Summary, Including Annual Budget Summary and Joint Budgets with Partner Utilities (MFR II.b.iv)

The budget summary below includes only the budgets for coordinated programs in which costs are shared

Program Year	Total Budget Summary	Lead Program Budget
Program Year 4	34,696,694	30,891,069
Program Year 5	80,658,492	75,197,641
Program Year 6	76,693,794	70,806,095
Portfolio Total	192,048,980	176,894,806

Notes:

Please refer to Section 5 of the plan for more information regarding the approach to budgeting

Budgets include commitments for projects that may be paid in future years

Total includes investment & administrative costs

Shared programs: Whole Home, Income Qualified, EE Products, Energy Solutions, Direct Install, Prescriptive & Custom, Multifamily

NJNG's Total Budget Summary excludes ~$33 million in net utility transfers and On-Bill Repayment principal

6d. Appendix D: Forecasted Average Costs to Achieve Each Unit of Energy Savings in Each Sector

Appendix D: Forecasted Average Cost to Achieve Each Unit of Energy Savings in Each Sector
(MFR II.b.vi)

	Energy Efficiency Programs*		Demand Response Program	Building Decarbonization Program
Sector	Total $/ Lifetime kWh	Total $/ Lifetime Therms	Total $/ Lifetime therm	Total $/ Lifetime MMBtu
Residential		1.32		
C&I		3.22		
Multifamily		4.51		
Building Decarbonization				7.10

6e. Appendix E: Benefit Cost Analysis

Total Resource Cost Test (TRC)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
1 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 1,901,714	$ 9,835,517	$ 443,832	$ 398,348	$ 9,547,569	$ -	$ 815,172	$ 398,348	$ 1,086,542	$ -	$ (3,031,843)	$ -	$ 443,832	$ -	$ 4,063,632	$ 5,771,885	$ -	$ -
2 Lifetime Avoided Wholesale Electric Capacity Costs		$ 404,944	$ 719,863	$ 59,477	$ 29,385	$ 1,213,670	$ -	$ 297,793	$ 29,385	$ 107,152	$ -	$ -	$ -	$ 59,477	$ -	$ 229,878	$ 489,985	$ -	$ -
3 Lifetime Avoided Wholesale Natural Gas Costs		$ 16,449,459	$ 8,032,737	$ 852,984	$ 617,161	$ 35,167,815	$ 1,775,732	$ 12,077,808	$ 617,161	$ 2,595,919	$ -	$ 9,215,475	$ -	$ 852,984	$ 333,282	$ 2,877,164	$ 4,822,290	$ -	$ -
4 Lifetime DRIPE Benefits (E&G)		$ 937,806	$ 929,406	$ 67,815	$ 52,245	$ 2,296,453	$ 88,787	$ 659,539	$ 52,245	$ 189,481	$ -	$ 309,182	$ -	$ 67,815	$ 16,664	$ 358,534	$ 554,208	$ -	$ -
5 Lifetime Avoided RPS REC Purchase Costs		$ 150,901	$ 760,161	$ 31,483	$ 32,430	$ 761,363	$ -	$ 68,851	$ 32,430	$ 82,050	$ -	$ (213,611)	$ -	$ 31,483	$ -	$ 289,598	$ 470,562	$ -	$ -
6 Lifetime Avoided Wholesale Volatility Costs (E&G)		$ 1,875,612	$ 1,858,812	$ 135,629	$ 104,489	$ 4,592,905	$ 177,573	$ 1,319,077	$ 104,489	$ 378,961	$ -	$ 618,363	$ -	$ 135,629	$ 33,328	$ 717,067	$ 1,108,416	$ -	$ -
7 Lifetime Avoided T&D Costs (E&G)		$ 496,042	$ 736,531	$ 58,805	$ 37,016	$ 1,328,394	$ -	$ 360,434	$ 37,016	$ 135,608	$ -	$ -	$ -	$ 58,805	$ -	$ 239,834	$ 496,698	$ -	$ -
Total Benefits	***1+2+3+4+5+6+7***	**$ 22,216,477**	**$ 22,873,027**	**$ 1,650,023**	**$ 1,271,075**	**$ 54,908,168**	**$ 2,042,091**	**$ 15,598,673**	**$ 1,271,075**	**$ 4,575,713**	**$ -**	**$ 6,897,565**	**$ -**	**$ 1,650,023**	**$ 383,275**	**$ 8,775,708**	**$ 13,714,045**	**$ -**	**$ -**
COSTS																			
8 Lifetime Incremental Costs		$ 36,834,549	$ 24,596,227	$ 3,326,296	$ 4,861,735	$ 71,926,533	$ 3,681,003	$ 24,947,725	$ 4,861,735	$ 8,205,821	$ -	$ 2,307,727	$ -	$ 3,326,296	$ 760,911	$ 11,992,802	$ 11,842,514	$ -	$ -
9 Lifetime Administration Costs		$ 13,892,895	$ 12,364,374	$ 2,475,623	$ 4,886,070	$ 35,296,833	$ 1,416,626	$ 5,657,602	$ 4,886,070	$ 6,818,667	$ -	$ 1,677,871	$ -	$ 2,475,623	$ 1,347,436	$ 5,862,914	$ 5,154,023	$ 1,371,173	$ 675,524
Total Costs	***8+9***	**$ 50,727,444**	**$ 36,960,600**	**$ 5,801,919**	**$ 9,747,805**	**$ 107,223,366**	**$ 5,097,629**	**$ 30,605,327**	**$ 9,747,805**	**$ 15,024,488**	**$ -**	**$ 3,985,597**	**$ -**	**$ 5,801,919**	**$ 2,108,347**	**$ 17,855,716**	**$ 16,996,537**	**$ 1,371,173**	**$ 675,524**
Benefit Cost Ratio	**(1+2+3+4+5+6+7)/(8+9)**	**0.4**	**0.6**	**0.3**	**0.1**	**0.5**	**0.4**	**0.5**	**0.1**	**0.3**	**n/a**	**1.7**	**n/a**	**0.3**	**0.2**	**0.5**	**0.8**	**0.0**	**0.0**

Participant Cost Test (PCT)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
10 Lifetime Avoided Retail Electric Costs		$ 6,906,650	$ 24,797,439	$ 1,613,005	$ 1,411,553	$ 23,905,968	$ -	$ 3,030,914	$ 1,411,553	$ 3,875,736	$ -	$ (10,822,680)	$ -	$ 1,613,005	$ -	$ 9,217,910	$ 15,579,529	$ -	$ -
11 Lifetime Avoided Retail Natural Gas Costs		$ 29,842,891	$ 22,582,927	$ 1,695,887	$ 1,133,205	$ 71,766,067	$ 3,308,955	$ 21,856,358	$ 1,133,205	$ 4,677,578	$ -	$ 16,511,156	$ -	$ 1,695,887	$ 934,044	$ 11,122,724	$ 10,526,159	$ -	$ -
12 Lifetime Program Incentive Costs		$ 33,287,237	$ 71,571,707	$ 9,112,469	$ 16,639,217	$ 135,480,852	$ 3,681,003	$ 18,983,382	$ 16,639,217	$ 10,622,853	$ -	$ 4,870,220	$ -	$ 9,112,469	$ 452,923	$ 42,635,096	$ 28,483,689	$ -	$ -
13 Lifetime Time-Value of Loan Repayments		$ 17,229,902	$ 8,707,327	$ 976,755	$ -	$ 28,684,773	$ -	$ 13,664,528	$ -	$ 3,565,374	$ -	$ 1,770,789	$ -	$ 976,755	$ 719,852	$ 4,375,243	$ 3,612,232	$ -	$ -
Total Benefits	***10+11+12+13***	**$ 87,266,680**	**$ 127,659,401**	**$ 13,398,117**	**$ 19,183,976**	**$ 259,837,660**	**$ 6,989,958**	**$ 57,535,182**	**$ 19,183,976**	**$ 22,741,540**	**$ -**	**$ 12,329,486**	**$ -**	**$ 13,398,117**	**$ 2,106,819**	**$ 67,350,973**	**$ 58,201,609**	**$ -**	**$ -**
COSTS																			
14 Lifetime Participant Costs		$ 36,834,549	$ 24,596,227	$ 3,326,296	$ 4,861,735	$ 71,926,533	$ 3,681,003	$ 24,947,725	$ 4,861,735	$ 8,205,821	$ -	$ 2,307,727	$ -	$ 3,326,296	$ 760,911	$ 11,992,802	$ 11,842,514	$ -	$ -
Total Costs	***14***	**$ 36,834,549**	**$ 24,596,227**	**$ 3,326,296**	**$ 4,861,735**	**$ 71,926,533**	**$ 3,681,003**	**$ 24,947,725**	**$ 4,861,735**	**$ 8,205,821**	**$ -**	**$ 2,307,727**	**$ -**	**$ 3,326,296**	**$ 760,911**	**$ 11,992,802**	**$ 11,842,514**	**$ -**	**$ -**
Benefit Cost Ratio	**(10+11+12+13)/14**	**2.4**	**5.2**	**4.0**	**3.9**	**3.6**	**1.9**	**2.3**	**3.9**	**2.8**	**n/a**	**5.3**	**n/a**	**4.0**	**2.8**	**5.6**	**4.9**	**n/a**	**n/a**

Program Administrator Cost Test (PAC)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
15 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 1,901,714	$ 9,835,517	$ 443,832	$ 398,348	$ 9,547,569	$ -	$ 815,172	$ 398,348	$ 1,086,542	$ -	$ (3,031,843)	$ -	$ 443,832	$ -	$ 4,063,632	$ 5,771,885	$ -	$ -
16 Lifetime Avoided Wholesale Electric Capacity Costs		$ 404,944	$ 719,863	$ 59,477	$ 29,385	$ 1,213,670	$ -	$ 297,793	$ 29,385	$ 107,152	$ -	$ -	$ -	$ 59,477	$ -	$ 229,878	$ 489,985	$ -	$ -
17 Lifetime Avoided Wholesale Natural Gas Costs		$ 16,449,459	$ 8,032,737	$ 852,984	$ 617,161	$ 35,167,815	$ 1,775,732	$ 12,077,808	$ 617,161	$ 2,595,919	$ -	$ 9,215,475	$ -	$ 852,984	$ 333,282	$ 2,877,164	$ 4,822,290	$ -	$ -
18 Lifetime DRIPE Benefits (E&G)		$ 937,806	$ 929,406	$ 67,815	$ 52,245	$ 2,296,453	$ 88,787	$ 659,539	$ 52,245	$ 189,481	$ -	$ 309,182	$ -	$ 67,815	$ 16,664	$ 358,534	$ 554,208	$ -	$ -
19 Lifetime Avoided RPS REC Purchase Costs		$ 150,901	$ 760,161	$ 31,483	$ 32,430	$ 761,363	$ -	$ 68,851	$ 32,430	$ 82,050	$ -	$ (213,611)	$ -	$ 31,483	$ -	$ 289,598	$ 470,562	$ -	$ -
20 Lifetime Avoided Wholesale Volatility Costs		$ 1,875,612	$ 1,858,812	$ 135,629	$ 104,489	$ 4,592,905	$ 177,573	$ 1,319,077	$ 104,489	$ 378,961	$ -	$ 618,363	$ -	$ 135,629	$ 33,328	$ 717,067	$ 1,108,416	$ -	$ -
21 Lifetime Avoided T&D Costs		$ 496,042	$ 736,531	$ 58,805	$ 37,016	$ 1,328,394	$ -	$ 360,434	$ 37,016	$ 135,608	$ -	$ -	$ -	$ 58,805	$ -	$ 239,834	$ 496,698	$ -	$ -
Total Benefits	***15+16+17+18+19+20+21***	**$ 22,216,477**	**$ 22,873,027**	**$ 1,650,023**	**$ 1,271,075**	**$ 54,908,168**	**$ 2,042,091**	**$ 15,598,673**	**$ 1,271,075**	**$ 4,575,713**	**$ -**	**$ 6,897,565**	**$ -**	**$ 1,650,023**	**$ 383,275**	**$ 8,775,708**	**$ 13,714,045**	**$ -**	**$ -**
COSTS																			
22 Lifetime Administration Costs		$ 13,892,895	$ 12,364,374	$ 2,475,623	$ 4,886,070	$ 35,296,833	$ 1,416,626	$ 5,657,602	$ 4,886,070	$ 6,818,667	$ -	$ 1,677,871	$ -	$ 2,475,623	$ 1,347,436	$ 5,862,914	$ 5,154,023	$ 1,371,173	$ 675,524
23 Lifetime Program Investment Costs		$ 33,287,237	$ 71,571,707	$ 9,112,469	$ 16,639,217	$ 135,480,852	$ 3,681,003	$ 18,983,382	$ 16,639,217	$ 10,622,853	$ -	$ 4,870,220	$ -	$ 9,112,469	$ 452,923	$ 42,635,096	$ 28,483,689	$ -	$ -
24 Lifetime Time-Value of Loan Repayments		$ 17,229,902	$ 8,707,327	$ 976,755	$ -	$ 28,684,773	$ -	$ 13,664,528	$ -	$ 3,565,374	$ -	$ 1,770,789	$ -	$ 976,755	$ 719,852	$ 4,375,243	$ 3,612,232	$ -	$ -
Total Costs	***22+23+24***	**$ 64,410,034**	**$ 92,643,409**	**$ 12,564,847**	**$ 21,525,287**	**$ 199,462,457**	**$ 5,097,629**	**$ 38,305,511**	**$ 21,525,287**	**$ 21,006,893**	**$ -**	**$ 8,318,881**	**$ -**	**$ 12,564,847**	**$ 2,520,211**	**$ 52,873,253**	**$ 37,249,944**	**$ 1,371,173**	**$ 675,524**
Benefit Cost Ratio	**(15+16+17+18+19+20+21)/(22+23+24)**	**0.3**	**0.2**	**0.1**	**0.1**	**0.3**	**0.4**	**0.4**	**0.1**	**0.2**	**n/a**	**0.8**	**n/a**	**0.1**	**0.2**	**0.2**	**0.4**	**0.0**	**0.0**

Ratepayer Impact Measure Test (RIM)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
25 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 1,901,714	$ 9,835,517	$ 443,832	$ 398,348	$ 9,547,569	$ -	$ 815,172	$ 398,348	$ 1,086,542	$ -	$ (3,031,843)	$ -	$ 443,832	$ -	$ 4,063,632	$ 5,771,885	$ -	$ -
26 Lifetime Avoided Wholesale Electric Capacity Costs		$ 404,944	$ 719,863	$ 59,477	$ 29,385	$ 1,213,670	$ -	$ 297,793	$ 29,385	$ 107,152	$ -	$ -	$ -	$ 59,477	$ -	$ 229,878	$ 489,985	$ -	$ -
27 Lifetime Avoided Wholesale Natural Gas Costs		$ 16,449,459	$ 8,032,737	$ 852,984	$ 617,161	$ 35,167,815	$ 1,775,732	$ 12,077,808	$ 617,161	$ 2,595,919	$ -	$ 9,215,475	$ -	$ 852,984	$ 333,282	$ 2,877,164	$ 4,822,290	$ -	$ -
28 Lifetime DRIPE Benefits (E&G)		$ 937,806	$ 929,406	$ 67,815	$ 52,245	$ 2,296,453	$ 88,787	$ 659,539	$ 52,245	$ 189,481	$ -	$ 309,182	$ -	$ 67,815	$ 16,664	$ 358,534	$ 554,208	$ -	$ -
29 Lifetime Avoided RPS REC Purchase Costs		$ 150,901	$ 760,161	$ 31,483	$ 32,430	$ 761,363	$ -	$ 68,851	$ 32,430	$ 82,050	$ -	$ (213,611)	$ -	$ 31,483	$ -	$ 289,598	$ 470,562	$ -	$ -
30 Lifetime Avoided Wholesale Volatility Costs		$ 1,875,612	$ 1,858,812	$ 135,629	$ 104,489	$ 4,592,905	$ 177,573	$ 1,319,077	$ 104,489	$ 378,961	$ -	$ 618,363	$ -	$ 135,629	$ 33,328	$ 717,067	$ 1,108,416	$ -	$ -
31 Lifetime Avoided T&D Costs		$ 496,042	$ 736,531	$ 58,805	$ 37,016	$ 1,328,394	$ -	$ 360,434	$ 37,016	$ 135,608	$ -	$ -	$ -	$ 58,805	$ -	$ 239,834	$ 496,698	$ -	$ -
Total Benefits	***25+26+27+28+29+30+31***	**$ 22,216,477**	**$ 22,873,027**	**$ 1,650,023**	**$ 1,271,075**	**$ 54,908,168**	**$ 2,042,091**	**$ 15,598,673**	**$ 1,271,075**	**$ 4,575,713**	**$ -**	**$ 6,897,565**	**$ -**	**$ 1,650,023**	**$ 383,275**	**$ 8,775,708**	**$ 13,714,045**	**$ -**	**$ -**
COSTS																			
32 Lifetime Administration Costs		$ 13,892,895	$ 12,364,374	$ 2,475,623	$ 4,886,070	$ 35,296,833	$ 1,416,626	$ 5,657,602	$ 4,886,070	$ 6,818,667	$ -	$ 1,677,871	$ -	$ 2,475,623	$ 1,347,436	$ 5,862,914	$ 5,154,023	$ 1,371,173	$ 675,524
33 Lifetime Program Investment Costs		$ 33,287,237	$ 71,571,707	$ 9,112,469	$ 16,639,217	$ 135,480,852	$ 3,681,003	$ 18,983,382	$ 16,639,217	$ 10,622,853	$ -	$ 4,870,220	$ -	$ 9,112,469	$ 452,923	$ 42,635,096	$ 28,483,689	$ -	$ -
34 Lifetime Re-allocated Distribution Costs		$ 18,333,072	$ 12,545,573	$ 1,393,216	$ 1,025,601	$ 39,196,279	$ 1,786,152	$ 12,897,938	$ 1,025,601	$ 3,648,983	$ -	$ 5,898,817	$ -	$ 1,393,216	$ 333,031	$ 4,162,728	$ 8,049,814	$ -	$ -
35 Lifetime Time-Value of Loan Repayments		$ 17,229,902	$ 8,707,327	$ 976,755	$ -	$ 28,684,773	$ -	$ 13,664,528	$ -	$ 3,565,374	$ -	$ 1,770,789	$ -	$ 976,755	$ 719,852	$ 4,375,243	$ 3,612,232	$ -	$ -
Total Costs	***32+33+34+35***	**$ 82,743,107**	**$ 105,188,981**	**$ 13,958,063**	**$ 22,550,888**	**$ 238,658,737**	**$ 6,883,782**	**$ 51,203,449**	**$ 22,550,888**	**$ 24,655,876**	**$ -**	**$ 14,217,697**	**$ -**	**$ 13,958,063**	**$ 2,853,242**	**$ 57,035,981**	**$ 45,299,758**	**$ 1,371,173**	**$ 675,524**
Benefit Cost Ratio	**(25+26+27+28+29+30+31)/(32+33+34+35)**	**0.3**	**0.2**	**0.1**	**0.1**	**0.2**	**0.3**	**0.3**	**0.1**	**0.2**	**n/a**	**0.5**	**n/a**	**0.1**	**0.1**	**0.2**	**0.3**	**0.0**	**0.0**

Societal Cost Test (SC)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
36 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 2,141,106	$ 10,972,010	$ 499,567	$ 442,784	$ 10,575,279	$ -	$ 904,441	$ 442,784	$ 1,236,665	$ -	$ (3,480,186)	$ -	$ 499,567	$ -	$ 4,546,281	$ 6,425,729	$ -	$ -
37 Lifetime Avoided Wholesale Electric Capacity Costs		$ 463,058	$ 817,494	$ 68,266	$ 33,273	$ 1,382,091	$ -	$ 338,691	$ 33,273	$ 124,366	$ -	$ -	$ -	$ 68,266	$ -	$ 261,905	$ 555,589	$ -	$ -
38 Lifetime Avoided Wholesale Natural Gas Costs		$ 18,619,271	$ 9,009,374	$ 961,675	$ 688,744	$ 39,917,697	$ 1,826,183	$ 13,806,605	$ 688,744	$ 2,986,483	$ -	$ 10,638,633	$ -	$ 961,675	$ 383,872	$ 3,233,648	$ 5,391,854	$ -	$ -
39 Lifetime DRIPE Benefits (E&G)		$ 1,061,172	$ 1,039,944	$ 76,475	$ 58,240	$ 2,593,753	$ 91,309	$ 752,487	$ 58,240	$ 217,376	$ -	$ 357,922	$ -	$ 76,475	$ 19,194	$ 402,092	$ 618,659	$ -	$ -
40 Lifetime Avoided RPS REC Purchase Costs		$ 163,064	$ 822,484	$ 34,371	$ 34,862	$ 821,078	$ -	$ 73,846	$ 34,862	$ 89,218	$ -	$ (233,703)	$ -	$ 34,371	$ -	$ 315,490	$ 506,994	$ -	$ -
41 Lifetime Avoided Wholesale Volatility Costs		$ 2,122,343	$ 2,079,888	$ 152,951	$ 116,480	$ 5,187,507	$ 182,618	$ 1,504,974	$ 116,480	$ 434,751	$ -	$ 715,845	$ -	$ 152,951	$ 38,387	$ 804,183	$ 1,237,317	$ -	$ -
42 Lifetime Avoided T&D Costs		$ 558,942	$ 823,583	$ 66,419	$ 41,267	$ 1,490,210	$ -	$ 403,697	$ 41,267	$ 155,245	$ -	$ -	$ -	$ 66,419	$ -	$ 269,005	$ 554,578	$ -	$ -
43 Lifetime Avoided Emissions Damages		$ 24,341,398	$ 24,559,515	$ 1,809,157	$ 1,320,011	$ 60,886,359	$ 1,905,248	$ 17,493,373	$ 1,320,011	$ 4,942,776	$ -	$ 8,856,278	$ -	$ 1,809,157	$ 462,179	$ 9,475,415	$ 14,621,920	$ -	$ -
44 Job and Savings Multiplier Benefits		$ -	$ -	$ -	$ -	$ -													
45 Non-Energy Benefit Adder		$ 3,342,691	$ 3,275,823	$ 240,897	$ 183,456	$ 8,170,323	$ 287,624	$ 2,370,334	$ 183,456	$ 684,733	$ -	$ 1,127,455	$ -	$ 240,897	$ 60,460	$ 1,266,589	$ 1,948,774	$ -	$ -
46 Low-Income Adder		$ 99,100	$ -	$ 2,760	$ 183,456	$ 285,317	$ 8,629	$ 90,472	$ 183,456	$ -	$ -	$ -	$ -	$ 2,760	$ -	$ -	$ -	$ -	$ -
Total Benefits	*36+37+38+39+40+41+42+43+44+45+46*	**$ 52,912,145**	**$ 53,400,115**	**$ 3,912,538**	**$ 3,102,572**	**$ 131,309,615**	**$ 4,005,359**	**$ 35,278,114**	**$ 2,735,660**	**$ 10,186,880**	**$ -**	**$ 16,854,789**	**$ -**	**$ 3,668,880**	**$ 903,633**	**$ 19,308,020**	**$ 29,912,639**	**$ -**	**$ -**
COSTS																			
45 Lifetime Incremental Costs		$ 37,643,946	$ 25,164,553	$ 3,401,221	$ 4,969,811	$ 73,538,144	$ 3,761,319	$ 25,497,461	$ 4,969,811	$ 8,385,157	$ -	$ 2,358,613	$ -	$ 3,401,221	$ 780,173	$ 12,261,424	$ 12,122,957	$ -	$ -
46 Lifetime Administration Costs		$ 14,187,450	$ 12,626,649	$ 2,527,453	$ 4,991,001	$ 36,045,345	$ 1,446,222	$ 5,778,202	$ 4,991,001	$ 6,963,026	$ -	$ 1,712,792	$ -	$ 2,527,453	$ 1,375,930	$ 5,988,008	$ 5,262,711	$ 1,398,523	$ 690,444
Total Costs	*45+46*	**$ 51,831,396**	**$ 37,791,202**	**$ 5,928,673**	**$ 9,960,812**	**$ 109,583,489**	**$ 5,207,540**	**$ 31,275,662**	**$ 9,960,812**	**$ 15,348,193**	**$ -**	**$ 4,071,405**	**$ -**	**$ 5,928,673**	**$ 2,156,102**	**$ 18,249,431**	**$ 17,385,669**	**$ 1,398,523**	**$ 690,444**
Benefit Cost Ratio	*(36+37+38+39+40+41+42+43+44+45+46)/(45+46)*	1.0	1.4	0.7	0.3	1.2	0.8	1.1	0.3	0.7	n/a	4.1	n/a	0.6	0.4	1.1	1.7	0.0	0.0

New Jersey Cost Test (NJCT)		Res	C&I	MF	LMI	Total Portfolio	Res - Behavioral	EE Products	Income Qualified	Whole House	Demand Response Programs	Building Decarbonization Programs	Next Generation Savings	Multi-family	Prescriptive/Custom	Energy Solutions for Business	Direct Install	Workforce Development	CBO Outreach
BENEFITS																			
47 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs		$ 2,141,106	$ 10,972,010	$ 499,567	$ 442,784	$ 10,575,279	$ -	$ 904,441	$ 442,784	$ 1,236,665	$ -	$ (3,480,186)	$ -	$ 499,567	$ -	$ 4,546,281	$ 6,425,729	$ -	$ -
48 Lifetime Avoided Wholesale Electric Capacity Costs		$ 463,058	$ 817,494	$ 68,266	$ 33,273	$ 1,382,091	$ -	$ 338,691	$ 33,273	$ 124,366	$ -	$ -	$ -	$ 68,266	$ -	$ 261,905	$ 555,589	$ -	$ -
49 Lifetime Avoided Wholesale Natural Gas Costs		$ 18,619,271	$ 9,009,374	$ 961,675	$ 688,744	$ 39,917,697	$ 1,826,183	$ 13,806,605	$ 688,744	$ 2,986,483	$ -	$ 10,638,633	$ -	$ 961,675	$ 383,872	$ 3,233,648	$ 5,391,854	$ -	$ -
50 Lifetime DRIPE Benefits (E&G)		$ 1,061,172	$ 1,039,944	$ 76,475	$ 58,240	$ 2,593,753	$ 91,309	$ 752,487	$ 58,240	$ 217,376	$ -	$ 357,922	$ -	$ 76,475	$ 19,194	$ 402,092	$ 618,659	$ -	$ -
51 Lifetime Avoided Electric Transmission Costs		$ 558,942	$ 823,583	$ 66,419	$ 41,267	$ 1,490,210	$ -	$ 403,697	$ 41,267	$ 155,245	$ -	$ -	$ -	$ 66,419	$ -	$ 269,005	$ 554,578	$ -	$ -
52 Lifetime Avoided Distribution Costs		$ 2,317,187	$ 3,802,111	$ 524,889	$ 444,058	$ 3,535,803	$ -	$ 1,057,877	$ 444,058	$ 1,259,310	$ -	$ (3,552,442)	$ -	$ 524,889	$ -	$ 1,241,862	$ 2,560,250	$ -	$ -
53 Lifetime Avoided Emissions Damages		$ 24,341,398	$ 24,559,515	$ 1,809,157	$ 1,320,011	$ 60,886,359	$ 1,905,248	$ 17,493,373	$ 1,320,011	$ 4,942,776	$ -	$ 8,856,278	$ -	$ 1,809,157	$ 462,179	$ 9,475,415	$ 14,621,920	$ -	$ -
54 Non-Energy Benefit Adder		$ 3,774,110	$ 3,969,677	$ 329,594	$ 256,255	$ 8,924,225	$ 287,624	$ 2,589,570	$ 256,255	$ 896,917	$ -	$ 594,589	$ -	$ 329,594	$ 60,460	$ 1,498,219	$ 2,415,999	$ -	$ -
55 Low-Income Adder		$ 99,100	$ -	$ 2,760	$ 189,646	$ 291,507	$ 8,629	$ 90,472	$ 189,646	$ -	$ -	$ -	$ -	$ 2,760	$ -	$ -	$ -	$ -	$ -
Total Benefits	*47+48+49+50+51+52+53+54+55*	**$ 53,375,343**	**$ 54,993,709**	**$ 4,338,801**	**$ 3,474,277**	**$ 129,596,925**	**$ 4,118,993**	**$ 37,437,213**	**$ 3,474,277**	**$ 11,819,137**	**$ -**	**$ 13,414,794**	**$ -**	**$ 4,338,801**	**$ 925,705**	**$ 20,923,427**	**$ 33,144,576**	**$ -**	**$ -**
COSTS																			
56 Lifetime Incremental Costs		$ 37,643,946	$ 25,164,553	$ 3,401,221	$ 4,969,811	$ 73,538,144	$ 3,761,319	$ 25,497,461	$ 4,969,811	$ 8,385,157	$ -	$ 2,358,613	$ -	$ 3,401,221	$ 780,173	$ 12,261,424	$ 12,122,957	$ -	$ -
57 Lifetime Administration Costs		$ 14,187,450	$ 12,626,649	$ 2,527,453	$ 4,991,001	$ 36,045,345	$ 1,446,222	$ 5,778,202	$ 4,991,001	$ 6,963,026	$ -	$ 1,712,792	$ -	$ 2,527,453	$ 1,375,930	$ 5,988,008	$ 5,262,711	$ 1,398,523	$ 690,444
Total Costs	*56+57*	**$ 51,831,396**	**$ 37,791,202**	**$ 5,928,673**	**$ 9,960,812**	**$ 109,583,489**	**$ 5,207,540**	**$ 31,275,662**	**$ 9,960,812**	**$ 15,348,193**	**$ -**	**$ 4,071,405**	**$ -**	**$ 5,928,673**	**$ 2,156,102**	**$ 18,249,431**	**$ 17,385,669**	**$ 1,398,523**	**$ 690,444**
Benefit Cost Ratio	*(47+48+49+50+51+52+53+54+55)/(56+57)*	1.0	1.5	0.7	0.3	1.2	0.8	1.2	0.3	0.8	n/a	3.3	n/a	0.7	0.4	1.1	1.9	0.0	0.0

Sector/Program	New Jersey Cost Test (NJCT)	Societal Cost Test (SCT)	Total Resource Cost Test (TRC)	Participant Cost Test (PCT)	Program Administrator Cost Test (PAC)	Ratepayer Impact Measure Test (RIM)
Res	1	1	0.4	2.4	0.3	0.3
C&I	1.5	1.4	0.6	5.2	0.2	0.2
MF	0.7	0.7	0.3	4	0.1	0.1
LMI	0.3	0.3	0.1	3.9	0.1	0.1
Total Portfolio	1.2	1.2	0.5	3.6	0.3	0.2
Res - Behavioral	0.8	0.8	0.4	1.9	0.4	0.3
EE Products	1.2	1.1	0.5	2.3	0.4	0.3
Income Qualified	0.3	0.3	0.1	3.9	0.1	0.1
Whole House	0.8	0.7	0.3	2.8	0.2	0.2
Demand Response Programs	n/a	n/a	n/a	n/a	n/a	n/a
Building Decarbonization Programs	3.3	4.1	1.7	5.3	0.8	0.5
Next Generation Savings	n/a	n/a	n/a	n/a	n/a	n/a
Multi-family	0.7	0.6	0.3	4	0.1	0.1
Prescriptive/Custom	0.4	0.4	0.2	2.8	0.2	0.1
Energy Solutions for Business	1.1	1.1	0.5	5.6	0.2	0.2
Direct Install	1.9	1.7	0.8	4.9	0.4	0.3
Workforce Development	0	0	0	n/a	0	0
CBO Outreach	0	0	0	n/a	0	0

6f. Appendix F: Quantitative Performance Indicators

Appendix F: Quantitative Performance Indicators by Program Year (MFR VII.a & MFR VII.b)

	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Annual Demand Savings (Peak-day therm)	Net Lifetime Energy Savings (Source MMBtu)	LMI and OBC Net Lifetime Energy Savings (Source MMBtu)	Small Business Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve ($/ Lifetime Source MMBtu)
Program Year 4	143,561		1,217	1,264,055	68,377	43,666	22.41
Program Year 5	364,809		2,438	3,018,753	142,291	148,840	21.39
Program Year 6	382,796		2,487	3,412,190	147,932	148,741	17.99
Portfolio Total	891,165		6,142	7,694,998	358,600	341,247	20.05

***QPIs based only on lead fuel**
***Legacy savings included in QPI savings, but legacy costs not included because they are accounted for in prior Triennia**

6g. Appendix G: Additional Utility-Led Initiatives

Building Decarbonization Metrics (BD MFRs VII.a. & VII.b.)

	Site and source energy savings by fuel (MMBtu)								Site and source lifetime energy savings by fuel (MMBtu)								Site and source annual emissions by fuel (CO_2e MT)								Site and source lifetime emissions by fuel (CO_2e MT)							
	Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane	
	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source
Program Year 4	(3,913)	(10,276)	34,538	35,039					(78,269)	(205,521)	690,756	700,777						(597)	1,833	1,860					-	(11,937)	36,659	37,190				
Program Year 5	(5,479)	(14,194)	48,353	49,054					(109,577)	(283,876)	967,058	981,087						(820)	2,566	2,603					-	(16,402)	51,322	52,067				
Program Year 6	(7,044)	(18,084)	62,168	63,070					(140,885)	(361,680)	1,243,360	1,261,398						(1,035)	3,299	3,347					-	(20,690)	65,985	66,943				
Savings Beyond PY6																																
Total	(16,437)	(42,554)	145,059	147,163					(328,731)	(851,076)	2,901,173	2,943,262						(2,451)	7,698	7,810					-	(49,029)	153,966	156,200				

	Net annual peak demand savings by fuel (electricity and natural gas only) (peak MW or peak-day therm)				CO2 emissions impacts by fuel (CO2e MT)				Net CO2 emissions impacts across fuels (CO2e MT)	Levelized cost per metric ton of CO2e (costs levelized over the EUL or AUL, as appropriate, of the measure or project divided by lifetime net CO2e impacts)	Number of distributors and contractors engaged in the program	Number of program participants and installations, overall and for LMI				Number and geographic location of installations	
	Electric	Natural Gas	Fuel Oil	Propane	Electric	Natural Gas	Fuel Oil	Propane	All Fuels (sum of prior 4 columns)			Program Participants		Installations		Number of Installations	Geographic Location of Installations
												Overall	LMI Customers**	Overall	LMI Customers**		
Program Year 4	TBD*	TBD*			(597)	1,860	-	-	1,263	2,916	10	553	TBD	553	TBD	553	NJNG Service Territory
Program Year 5	TBD*	TBD*			(820)	2,603	-	-	1,783	2,799	15	775	TBD	775	TBD	775	NJNG Service Territory
Program Year 6	TBD*	TBD*			(1,035)	3,347	-	-	2,313	2,671	20	996	TBD	996	TBD	996	NJNG Service Territory
Savings Beyond PY6									-								
Total					(2,451)	7,810	-	-	**5,359**	2,771	**45**	**2,324**		**2,324**		**2,324**	

***NJNG completed TRM calculations for individual pieces of heating and cooling equipment, but believes hybrid heat scenarios require evaluation in this program and consideration by the TRM committee to develop accurate peak demand savings.**

****LMI Participation TBD, dependent on site selection for District Geothermal Heating project**

6h. Appendix H: Incentive Ranges

Residential Sector Prescriptive Incentives (not including repayment plans)					
Program	**Measure [1]**	**Rebate Up To Value ($) GDC/EDC Consensus Rebate Strategy [2]**	**Unit Basis**	**Multifamily Income-Eligible Rebate Up To Value ($)**	**Existing Up To Value ($) Rebate Strategy**
Efficient Products - Natural Gas	Smart Thermostats [3]	$150	Per thermostat	Same	$125
	Reset controls for boiler	$250	Per control	30% Incentive Adder	$125
	HVAC Maintenance	$250	Per furnace	30% Incentive Adder	$250
	HVAC Quality Install	$500	Per unit	Same	$450
	Gas Furnace (>=95%) Non-Condensing to Condensing	$900	Per furnace	Up to 100% incentive adder	$1,000
	Gas Combi Heat Tier 2 (AFUE >= to 97%)	$1,750	Per boiler	Up to 100% incentive adder	$1,750
	Gas Combi Heat Tier 1 (AFUE >= or equal to 95%)	$1,300	Per boiler	Up to 100% incentive adder	$1,300
	Gas Boiler (>=90%) Non-Condensing to Condensing	$900	Per boiler	Up to 100% incentive adder	$1,000
	Gas Boiler (>=95%) Non-Condensing to Condensing	$1,000	Per boiler	Up to 100% incentive adder	$1,200
	Furnace Fans (ECM motor install)	$125	Per ECM motor	Same	N/A
	Tankless WH, UEF>=0.87	$500	Per Water Heater	Up to full cost of measure	$1,000
	Tankless WH, Energy Star	$750	Per Water Heater	Up to full cost of measure	$1,000

	Indirect - Fired Storage Tank Water Heater* (must be attached to at least a 90% AFUE Boiler)	$250	Per Water Heater	Up to 100% of incremental cost, plus a 100% adder	$250
	Gas Storage Tank Water Heater - Power Vented >55 gallons,UEF>.85 Medium Draw Pattern UEF ≥ 0.78 High Draw Pattern UEF ≥ 0.80	$400	Per Water Heater	Up to 100% of incremental cost, plus a 100% adder	$750
	Gas Storage Tank Water Heater - Power Vented <55 gallons,UEF>.64 Medium Draw Pattern UEF ≥ 0.64 High Draw Pattern UEF ≥ 0.68	$400	Per Water Heater	up to 100% of incremental cost, plus a 100% adder	$500
	Supplemental incentive for LMI customers (limited to qualifying HVAC equipment)	$300	per qualifying unit		$200
	Marketplace Products other than thermostat	Up to 50% discount	Per Unit		Up to 50% discount

Notes

1 - The utilities reserve the right to seek the addition of new measures and incentives within the annual update of the Program Year TRM ("PY TRM"). The utility will provide justification for their specific measure request for consideration by the TRM Committee. Where sufficient evidence is demonstrated, the TRM Committee may add the new measures and incentives as a proposed change to the next PY TRM, which shall follow the annual PY TRM update process before the measure is added to the PY TRM. The exact annual PY TRM update process is being drafted within the EM&V Working Group for consideration by the BPU for adoption in Triennium 2.

2 - All rebates will be offered equal to or less than the "Up To" value. Rebate value should not exceed the full measure cost. Tiered rebate amounts may be offered within the incentive ranges listed above for qualified measures that have varying applications or characteristics (e.g. size, features, etc.)

3 - The total rebate value for a smart thermostat will be up to $150 total between both fuel utilities.

Comprehensive Residential Programs (not including repayment plans)			
Program	**Subprogram**	**Description**	**Existing Rebate Strategy**
Whole Home [1]	Home Energy Assessment	Utilities may provide the home energy assessment at no additional cost or for a fee, which may be discounted for certain customers or for promotional periods to drive activity. The home energy assessment may include the direct installation of standard energy efficiency measures that are appropriate for their home	Under Quick Home Energy Checkup, no cost to customer for walk through audit with no cost or low-cost measures installed at time of audit

	Whole House Projects	The following incentive structures may be used: Option A: Customer must have a minimum savings percentage of 5% based on modeled reduction of consumption. Rebate is $2,000 + $200 for each percentage point of savings above 5% Rebate Cap = $7,500 OR Option B: Customer incentive will be based on the measures installed: *Weatherization Measures -* Up to 75% of costs for weatherization measures covered *Other EE Measures -* Based on list of prescriptive measures Rebate Cap = $7,500 * Initially, ACE, ETG, JC, NJNG, RECO and SJG used Option A and PSE&G used Option B.	Under Home Performance with Energy Star, customer must have a minimum savings percentage of 5% based on modeled reduction of consumption. Rebate is $2,000 + $200 for each percentage point of savings above 5%, up to $6,000.
	Contractor Incentive	Up to $500	Up to $500

Income-Qualified	Income-Qualified Projects	The customer may receive no-cost energy efficiency measures and upgrades with an average project spending guideline ($14,000 + $1,000 with utility approval) and health and safety expense protocol ($2,500 or higher with utility approval). The program will be designed to provide a greater level of benefits for low-income customers. Same average project spending guideline and H&S expense protocol as Comfort Partners; additional measure costs eligible for financing.	Under Moderate-Income Weatherization, no up-front cost to customer for BPI-certified audit with up to $6,000 of direct install and weatherization measures and up to $1,500 on health and safety expenses. Under Low-Income (Comfort Partners) customers may receive no-cost energy efficiency measures and upgrades within project spending guideline and health and safety expense protocol.

Notes
1 - Multifamily Whole Building is shown on the Multifamily Schedule.

Commercial Sector Incentives (not including repayment plans)					
Program	**Prescriptive Measure [1]**	**Rebate Up To Value ($) EDC/GDC Consensus Rebate Strategy [2]**	**Unit Basis**	**Multifamily Income-Eligible Rebate Up to Value ($)**	**Existing Up to Rebate Values [4]**
Energy Solutions for Businesses-Prescriptive Measures	**COOKING EQUIPMENT**				
	Commercial Rack Oven	$3,000	Per oven	Same	
	COMBINATION and CONVECTION OVENS				
	Convection Ovens	$600	Per Unit	Same	$400
	Commercial Conveyor Oven	$1,700	Per Unit	Same	N/A
	STEAM COOKERS				
	Commercial Steam Cooker	$150	Per Pan	Same	$150
	COMMERCIAL APPLIANCES				
	CLOTHES WASHER			Same	
	CEE Tier 1	$200	Per Unit	Same	$100
	CEE Tier 2	$350	Per Unit	Same	$200
Energy Solutions for Businesses-Prescriptive Measures	**Commercial Kitchen Equipment (Natural Gas)**				
	Demand Controlled Kitchen Ventilation (DCKV)	$1,500 (only for systems >500 CFM)	Per HP of ventilation fan	Same	N/A
	Commercial Rack Oven (Gas)	$3,000	Per oven	Same	$1,000
	Commercial Modulating Gas Dryer Valve	$500	Per modulating gas dryer valve retrofit	Same	$150
	Commercial Griddle (Gas)	$1,500	Per griddle	Same	$500
	Commercial Fryer (Gas)	$1,000	Per fryer	Same	$750
	Commercial Dishwashers, Under Counter Low Temp	$400	Per dishwasher	Same	$400
	Commercial Dishwashers, Under Counter High Temp	$400	Per dishwasher	Same	$400

	Commercial Dishwashers, Single Tank Conveyor, Low Temp	$1,000	Per dishwasher	Same	$1,000
	Commercial Dishwashers, Single Tank Conveyor, High Temp	$1,500	Per dishwasher	Same	$1,500
	Commercial Dishwashers, Multiple Tank Conveyor, Low Temp	$1,500	Per dishwasher	Same	$1,500
	Commercial Dishwashers, Multiple Tank Conveyor, High Temp	$1,500	Per dishwasher	Same	$1,500
	Commercial Dishwashers, Door Type Low Temp	$700	Per dishwasher	Same	$700
	Commercial Dishwashers, Door Type High Temp	$750	Per dishwasher	Same	$750
	Ventilation with Heat Recovery Gas HRV	$8	Per CFM	Same	N/A
	Ventilation with Heat Recovery Gas ERV	$8	Per CFM	Same	N/A
	Boilers & Water Heaters (Natural Gas)				
	Stack Economizer for Boilers	$11	Per MBH	Up to 30% incentive adder	Up to full cost of measure
	Non-Condensing-to-Condensing Gas Furnace > 97% AFUE	$1,500	Per furnace	Up to 30% incentive adder	$1,500
	Non-Condensing-to-Condensing Gas Furnace > 95% AFUE	$1,150	Per furnace	Up to 30% incentive adder	$1,000
	Gas Fired Low Intensity Infrared Heating >100MBH	$2,000	Per infrared heater	Up to 30% incentive adder	$500
	Gas Fired Low Intensity Infrared Heating <100MBH	$2,000	Per infrared heater	Up to 30% incentive adder	$750
	Gas Engine Driven Chillers	$400	Per ton	Up to 30% incentive adder	$350
	Gas Absorption Chillers, 100 to 400 tons	$400	Per ton	Up to 30% incentive adder	$230
	Gas Absorption Chillers, > 400 tons	$400	Per ton	Up to 30% incentive adder	$185

	Gas Absorption Chillers, < 100 tons	$450	Per ton	Up to 30% incentive adder	$450
	Furnace Tune-up	$250	per MBh	Up to 30% incentive adder	$250
	Demand Control Ventilation	$2,500	Per system installed	Up to 30% incentive adder	N/A
	Condensing Unit Heater 90% AFUE	$750	Per MBH	Up to 30% incentive adder	$36
	Commercial Gas Heat Pumps	$3,000	Per gas heat pump	Up to 30% incentive adder	N/A
	Boiler, Steam Natural Draft, > 2,500 MBh (81% TE)	$3	Per MBH	Up to 30% incentive adder	$1
	Boiler, Steam Natural Draft, < 300 to 2,500 MBh (81% TE)	$2	Per MBH	Up to 30% incentive adder	$1
	Boiler, Steam All Except Natural Draft, 300 to 2,500 MBh (81% TE)	$2	Per MBH	Up to 30% incentive adder	$2
	Boiler, Steam All Except Natural Draft, > 2,500 MBh (81% TE)	$3	Per MBH	Up to 30% incentive adder	$2
	Boiler, Steam < 300 MBH Input (82% AFUE)	$3	Per MBH	Up to 30% incentive adder	$2
	Boiler, HW Condensing - Tier 2, 300 to 2,500 MBh (>94% TE)	$9	Per MBH	Up to 30% incentive adder	$4
	Boiler, HW Condensing - Tier 2, > 2,500 MBh (>81%TE)	$9	Per MBH	Up to 30% incentive adder	$4
	Non-Condensing-to-Condensing Boiler, HW Condensing - Tier 2, < 300 MBh (>95% AFUE)	$9	Per MBH	Up to 30% incentive adder	$1200 per Boiler
	Boiler, HW Condensing - Tier 1, 300 to 2,500 MBh (88%TE)	$4	Per MBH	Up to 30% incentive adder	$4
	Boiler, HW Condensing - Tier 1, > 2,500 MBh (88% TE)	$5	Per MBH	Up to 30% incentive adder	$4
	Non-Condensing-to-Condensing Boiler, HW Condensing - Tier 1, < 300 MBh (>90% AFUE)	see residential value - $1,000	Per boiler	Up to 30% incentive adder	$1000 per Boiler

	Boiler w/Reset Controls	$1	Per control	Up to 30% incentive adder	$1
	Boiler Tune-up	$1	per MBh	Up to 30% incentive adder	$1
	Boiler HW Non-condensing, 300 to 2,500 MBh (85% TE)	$5	Per MBH	Up to 30% incentive adder	$2
	Boiler HW Non-condensing, > 2,500 MBh (85% TE)	$3	Per MBH	Up to 30% incentive adder	$2
	Boiler HW Non-condensing, < 300 MBh (85% AFUE)	$6	Per MBH	Up to 30% incentive adder	$2
	Boiler Economizer Controls, 3.5 to 4 MMBtu	$2,400	Per MBH	Up to 30% incentive adder	$2,400
	Boiler Economizer Controls, 3 to 3.5 MMBtu	$2,100	Per MBH	Up to 30% incentive adder	$2,100
	Boiler Economizer Controls, 1.6 to 3 MMBtu	$1,800	Per MBH	Up to 30% incentive adder	$1,800
	Boiler Economizer Controls, 0.8 to 1.6 MMBtu	$1,500	Per MBH	Up to 30% incentive adder	$1,500
	Boiler Economizer Controls, > 4 MMBtu	$2,700	Per MBH	Up to 30% incentive adder	$2,700
	Boiler Economizer Controls, < 800,000 Btu	$1,200	Per MBH	Up to 30% incentive adder	$1,200
Energy Solutions for Businesses- Prescriptive Measures	**OTHER HVAC EQUIPMENT (Natural Gas)**				
	Thermostat - Smart	$150	Per thermostat	Up to 30% incentive adder	$125
	SBDI - Stand Alone Storage Water Heaters	N/A	Per Water Heater	N/A	N/A
	SBDI - Pipe Insulation	N/A	Per foot	N/A	N/A
	SBDI - Low Flow Pre-rinse Spray Valves	N/A	Per valve	N/A	N/A
	SBDI - Instantaneous Water Heaters	N/A	Per Water Heater	N/A	N/A

	Pre-Rinse Spray Valve	$100	Per valve	Up to 30% incentive adder	$75
	HW Recirculating System with demand control	$2,800	Per Water Heater	Up to 30% incentive adder	$100
	DHW, Instant, Gas-Fired, > 200,000 Btuh, > 90% TE (Should be TE Thermal Efficiency)	$2,000	Per Water Heater	Up to 30% incentive adder	$1,000
	DHW, Instant, Gas-Fired, < 200,000 Btuh, > 90% TE (Should be TE Thermal Efficiency)	$750	Per MBH	Up to 30% incentive adder	$750
	DHW Storage, Gas-Fired, 75,000 to 105,000 Btuh, > 94% TE (Should be TE Thermal Efficiency)	$750	Per Water Heater	Up to 30% incentive adder	$500
	DHW Storage, Gas-Fired, 75,000 to 105,000 Btuh, > 82% TE (Should be TE Thermal Efficiency)	$500	Per Water Heater	Up to 30% incentive adder	$750
	DHW Storage, Gas-Fired, > 105,000 Btuh (105 MBH), > 94% TE (Should be TE Thermal Efficiency)	$800	Per MBH	Up to 30% incentive adder	$750
	DHW Storage, Gas-Fired, > 105,000 Btuh (105 MBH), > 82% TE (Should be TE Thermal Efficiency)	$500		Up to 30% incentive adder	$500
	DHW Storage, Gas-Fired, < 75,000 Btuh, (>55gallons) (75 MBH) > 0.81 UEF	$1,000		Up to 30% incentive adder	$500
	DHW Storage, Gas-Fired, < 75,000 Btuh, (<55gallons), (75 MBH) > 0.67 EF or 0.64 UEF	$600		Up to 30% incentive adder	$350
	Condensing Integrated Boiler and Water Heater (<300MBH,90 AFUE)	$2,500		Up to 30% incentive adder	$2,500
	Condensing Integrated Boiler and Water Heater (>300MBH, 94TE)	$2,500		Up to 30% incentive adder	$2,500
Custom	**CUSTOM PROJECTS**				
	For example: Compressed Air, Refrigeration, Data Center Equipment/Servers, HVAC/Chillers, HVAC Controls, Motors/VFD - Large, Building Improvements, Process Improvements, Agricultural Lighting/Process, Custom Lighting, Demand Controlled Ventilation, Energy Recovery Ventilator, Heat Recovery Ventilator	75% of total project(s) cost as identified in a final energy efficiency plan (FEEP) or equivalent. Total project costs may include pre-	per kWh	Up to 30% incentive adder	Incentives are calculated based on the lesser of two factors. 50% of project cost, or

		engineering costs, soft costs, and other costs associated with the preparation of the FEEP; and For all lighting measures: $0.16/kWh per projected kWh saved annually; for all other measures: $0.33 per projected kWh saved annually; $3.75 per projected therms saved annually, all as identified in the FEEP(s); and $4,000,000 per entity per fiscal year, determined by summing the commitments associated with each FEEP approval made during the applicable fiscal year. or The amount necessary to buy down to no less than a two-year payback.			$0.35/kWh saved in the first year.

Energy Solutions for Businesses-Prescriptive Measures	**ENERGY MANAGEMENT**				
	Bldg. - Tune-Up	**Consensus EDC/GDC Incentive Strategy**	**% of Project Cost**		**Existing Incentive Up to Value**
	Gas Optimization	$10.00 / therm	Up to 80%		Project cap of $75,000
	Boiler Tuneup	$10.00 / therm	Up to 80%		
	Furnace Tuneup	$600	Up to 80%		
	HVAC Tune-Up				
	Boiler Tuneup	$10.00 / Therm	Up to 80%		$1 per MBH
	Furnace Tuneup	$600	Up to 80%		$250
	Retro-commissioning				
	RCx Services (Audit, Implementation, M&V) (for trade ally services only)	-	Up to 100%		N/A
	Customer/Trade Ally Incentive for verified energy savings	$0.64 / kWh and $10.00 / therm	Up to 70%		Up to $0.35 per kWh
	BOC Training				
	Building Operations Training	Up to 70%	$1,000 / Applicant cap		Up to 70% of the cost to attend qualified BOC training up to $1000 per person.
	Strategic Energy Mgmt.				
	SEM Services (Audit, Implementation, M&V)	-	Up to 100%		N/A
	Customer Incentive for verified energy savings	$0.64 / kWh and $10.00 / therm	Up to 70%		Up to $0.35 / kWh
	Virtual Commissioning VCx				
		$0.30 / kWh and $10.00 / therm			Up to $0.35 per kWh
	Monitoring Based Commissioning				

MBCx (Audit, Implementation, M&V)		Up to 100%		N/A
Customer Incentive for verified energy savings	$0.64 / kWh and $10.00 / therm	Up to 70%		Up to $0.35 per kWh

Notes

1 - The utilities reserve the right to seek the addition of new measures and incentives within the annual update of the Program Year TRM ("PY TRM"). The utility will provide justification for their specific measure request for consideration by the TRM Committee. Where sufficient evidence is demonstrated, the TRM Committee may add the new measures and incentives as a proposed change to the next PY TRM, which shall follow the annual PY TRM update process before the measure is added to the PY TRM. The exact annual PY TRM update process is being drafted within the EM&V Working Group for consideration by the BPU for adoption in Triennium 2.

2 - All rebates will be offered equal to or less than the "Up to" value. Rebate value should not exceed the full measure cost.

3 - The total rebate value for a smart thermostat will be up to $150 total between both fuel utilities

4 - Existing up-to rebate values may vary by program administrator.

Comprehensive Commercial Programs (not including repayment plans)			
Program	**Category**	**Description of Approach to Incentives [1 & 2]**	**Existing Incentives [3]**
Direct Install	Tier 1	For Tier 1 customers the program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan. Tier 1 will serve all customers with an average annual individual facility peak electrical demand of up to 100 kW and an average annual natural gas load of up to 5,000 therms.	For Tier 1 customers, standard basic energy savings measures may be installed at no cost during the time of the energy assessment. The program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through an available repayment option. Customers located in an Urban Enterprise Zone, Opportunity Zone, owned or operated by a local government, or K-12 public schools may also qualify for Tier 1 status, up to an average individual facility peak electrical demand of 200 kW.

	Tier 2	For Tier 2 customers, program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through a repayment plan. Tier 2 will serve all customers with an average annual individual facility peak demand of up to 300 kW or average annual natural gas load of 40,000 therms located within an Urban Enterprise Zone ("UEZ"), Opportunity Zone, Overburdened Community ("OBC"). Also eligible are customers with an average annual individual facility peak demand of up to 300 kW or an average annual natural gas load of 40,000 therms that are owned or operated by a local government, K-12 public schools, or that are non-profits categorized as 501(c)3.	Tier 2 will serve the larger segment of eligible customers, with an average individual facility peak electrical demand of 101 - 200 kW over the past 12 months. Incentives up to 70% of the total project cost will be offered.
	Tier 3	Tier 3 will serve the larger segment of eligible customers, with an individual facility average annual peak electrical demand of 101 - 300 kW or 5,001 therms to 40,000 therms over the past 12 months. Incentives up to 70% of the total project cost will be offered with the participating customer repaying the balance not covered through the incentive either in a lump sum or through a repayment plan.	N/A - new
Energy Solutions	Engineered Solutions - Tier 1	Will provide a 100% incentive for an up-front audit, the specific audit level will be determined on a project-by-project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, the utilities will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the program with participants repaying the balance of the project costs through a repayment plan.	The subprogram will provide a 100% incentive for an up-front ASHRAE audit, the specific audit level will be determined on a project by project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, NJNG will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the subprogram with participants

	Engineered Solutions - Tier 2	Incentives for the Engineered Solutions Tier 2 pathway will provide incentives for both technical assistance services and other project costs determined on a project-by-project basis using a cost effectiveness tool up to 60% of project cost.	repaying the balance of the project costs through OBRP or access to financing with similar terms.

	Energy Management	Incentives for the Energy Management pathway are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows: **HVAC Tune-Up**: Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units. **Building Tune-Up:** Incentives that cover up to 80% of the project cost and up to 70% of the cost to attend qualified BOC training up to $1000 per person. **Retro-Commissioning:** Incentives to cover up to 100% of the initial cost to perform the required ASHRAE level audit. The total project incentive will be capped at up to 70% of the project cost. The customer may also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit. **Monitoring-based Commissioning, Virtual Commissioning:** Incentives to cover up to 100% of the cost of integration of third-party hardware and software. Utilities may also implement a performance-based model with an implementation contractor where the utility only pays for delivered and verified energy savings. **Strategic Energy Management:** The utility or third-party implementation contractor may perform an engineering assessment of the customer's facility to develop a SEMP or the customer may choose to utilize a consultant of their choosing to perform an engineering assessment to develop the SEMP. Customers who utilize a consultant will receive an incentive to cover up to 100% of the initial cost of the engineering assessment. A tiered incentive structure for	Incentives for the Energy Management pathway are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows: **HVAC Tune-Up**: Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units up to $250 value. **Building Tune up**: Incentives that cover up to 70% of the project cost with a project cap of $75,000 and up to 70% of the cost to attend qualified BOC training up to $1,000 per person. **Retro-Commissioning**: Incentives to cover up to 50% of the initial cost to perform the required ASHRAE level audit, and the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the audit. The customer will also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit. The total audit and project incentive will be capped at up to 70% of the project cost. **Strategic Energy Management**: Customers who utilize a consultant will receive an incentive to cover up to 50% of the initial cost of the engineering assessment, with the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the SEMP process. A tiered incentive structure for Customer engineering assessment will be utilized based upon square footage of Customer's facility. The SEMP will identify short, medium, and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with

		customer engineering assessment may be utilized based upon square footage of a customer's facility. The SEMP will identify short, medium and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering that the measures are attributed.	the applicable Commercial & Industrial Program offering that the measures are attributed.

Notes

1 - The utilities reserve the right to seek the addition of new measures and incentives within the annual update of the Program Year TRM ("PY TRM"). The utility will provide justification for their specific measure request for consideration by the TRM Committee. Where sufficient evidence is demonstrated, the TRM Committee may add the new measures and incentives as a proposed change to the next PY TRM, which shall follow the annual PY TRM update process before the measure is added to the PY TRM. The exact annual PY TRM update process is being drafted within the EM&V Working Group for consideration by the BPU for adoption in Triennium 2.

2 - All rebates will be offered equal to or less than the "Up To" value.

3 - Represents current incentives and does not including financing incentives. See Section 4H.

Multifamily Incentives (not including repayment plans)				
Program	**Pathway**	**Measure [1]**	**Rebate Strategy [2]**	**Existing Rebate Strategy**
Multifamily	N/A	Prescriptive	Please refer to the Residential and Commercial Schedules. Note the additional column for income eligible projects	Energy Assessment with the equipment and installation costs for the standard energy savings measures will be provided to eligible properties with “Up to 100%” of the cost provided by the program.
		MF Whole Building (successor to current MF HPwES Program)	Tiered incentive cash rebate not to exceed 50% of the costs of the measures used to calculate Total Energy Savings, up to $1,750 per unit. - Contractor production incentive of up to $50 per unit. (Will stay with the lead utility.)	- Tiered incentive cash rebate not to exceed 50% of the costs of the measures used to calculate Total Energy Savings, up to $1,500 per unit - Up to $50 contractor production incentive per unit
		MF Direct Install	Provide incentives consistent with proposed Tiers within Small Business Direct Install Program	N/A
		MF Energy Solutions (ES)- regular customers	Follow structure of C&I Energy Solutions	- Program will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years.

		MF Energy Solutions - special Income Eligible treatment	For Engineered Solutions Tier 1 – Keep to 6-year buydown. For Engineered Solutions Tier 2 – Increase the incentive up to 80% of project costs.	NJHMFA customers may get a 10-year repayment period; non- NJHFMA a 5-year repayment period.

Notes

1 - The utilities reserve the right to seek the addition of new measures and incentives within the annual update of the Program Year TRM ("PY TRM"). The utility will provide justification for their specific measure request for consideration by the TRM Committee. Where sufficient evidence is demonstrated, the TRM Committee may add the new measures and incentives as a proposed change to the next PY TRM, which shall follow the annual PY TRM update process before the measure is added to the PY TRM. The exact annual PY TRM update process is being drafted within the EM&V Working Group for consideration by the BPU for adoption in Triennium 2.

2 - All rebates will be offered equal to or less than the "Up to" value.

Building Decarbonization Measures			
Sector	Type	Specific	Up to Values Unit Basis Contractor Bonus - Up to
Residential	Air Source Heat Pumps	Partial Displacement - ASHP	Non-ccASHP: lesser of $2000 or 30% of project cost per house (MI: $3000 or 40%) , sized for at least cooling load plus electrical panel capacity if appropriate, up to heating load, with program guidelines to be developed. Full BD incentive available for first unit, additional Heat Pump units are eligible for relevant EE product incentives of $2,000 per ccASHP or $750 per standard ASHP. Must Include Integrated Controls.

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$11.00

Delivery Charge:

Residential Heating

Delivery Charge per therm	$~~1.0390~~1.0645

Residential Non-Heating

Delivery Charge per therm	$~~0.9896~~1.0151

BGSS Charge:

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

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

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$11.00

Delivery Charge:

November - April	$~~0.5038~~0.5293
May - October	$~~0.4505~~0.4760

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$42.00

Delivery Charge:

Delivery Charge per therm	$~~0.9234~~0.9489

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

SPECIAL PROVISIONS

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

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

2. ***Air Conditioning and Pool Heating***
Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.48010.4800) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.44330.4689 per therm, which includes $0.1106 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

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

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

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

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

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

4. ***Metering***

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

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

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

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

1. ***Street Lighting Service***

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is $~~0.8725~~0.8980 per therm.

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

1. ***Additional Requirements***

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

TERMS AND CONDITIONS

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

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$104.00

Demand Charge:

Demand Charge per therm applied to HMAD	$3.41

Delivery Charge:

Delivery Charge per therm	$~~0.7102~~0.7357

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

BALANCING CHARGE ADJUSTMENTS

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

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE (continued)

SPECIAL PROVISIONS

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

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

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

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

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

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

4. ***Air Conditioning and Pool Heating***
Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($~~0.2669~~0.2668) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $~~0.4433~~0.4689 per therm which includes $0.1106 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$350.00

Demand Charge:

Demand Charge per therm applied to MDQ	$2.50

Delivery Charge:

Delivery Charge per therm	$~~0.2263~~0.2518

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

MINIMUM MONTHLY CHARGE

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

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

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	DGC-Balancing	DGC-FT
Customer Charge:		
Customer Charge per meter per month	$104.00	$104.00
Demand Charge:		
Demand Charge per therm applied to PBQ	$2.35	$2.35
Delivery Charge per therm:		
November - April	$~~0.4034~~0.4289	$~~0.2150~~0.2405
May - October	$~~0.3708~~0.3963	$~~0.1824~~0.2079
BGSS Charge:		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

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

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

SERVICE CLASSIFICATION - EGS

ELECTRIC GENERATION SERVICE

AVAILABILITY

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

MONTHLY RATES

Customer Charge:

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

Demand Charge:

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

Delivery Charge:

	Without SUT	With SUT
Delivery Charge per therm	$~~0.1321~~0.1560	$~~0.1407~~0.1662

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

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

MINIMUM MONTHLY CHARGE

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

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

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

CONDITIONS PRECEDENT

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

DEFINITION OF TERM USED HEREIN

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

CHARACTER OF SERVICE

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

LICENSING, PERMITS AND LEGAL REQUIREMENTS

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

MONTHLY RATES

	Gas Available at Company Facilities	Customer Owned Facilities
Customer Charge:		
Residential Customer Charge per meter per month	N/A	$11.00
Commercial Customer Charge per meter per month	N/A	$104.00
Delivery Charge:		
Delivery Charge per therm	$0.43120.4567 ($0.5390.571 per GGE)	$0.43120.4567 ($0.5390.571 per GGE)

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

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

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$572.98

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm	$~~0.1884~~0.2139

Customers without Alternate Fuel

Delivery Charge per therm	$~~0.4292~~0.4547

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

AVAILABILITY

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

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

CONDITIONS PRECEDENT

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

DEFINITION OF TERM USED HEREIN

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$104.00

Delivery Charge:

Delivery Charge per therm	$~~0.6444~~0.6699 ($~~0.806~~0.837 per GGE)

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

NEW JERSEY NATURAL GAS COMPANY

Eighth~~Seventh~~ Revised Sheet No. 99
BPU No. 11 - Gas *Superseding Seventh~~Sixth~~ Revised Sheet No. 99*

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

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

NEW JERSEY NATURAL GAS COMPANY

First Revised Sheet No. 172
BPU No. 11 - Gas *Superseding Original Sheet No. 172*

RIDER "F"

ENERGY EFFICIENCY - EE

AVAILABILITY

Applicable to the following service classifications:

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

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

The EE rate is for recovering authorized expenditures related to the energy-efficiency and building decarbonization programs as approved in BPU Docket Nos. GO10030225, GR11070425, GO12070640, GO14121412, and GO18030355, collectively referred to as "Energy Efficiency Programs Established 2010-2018", ~~and~~ GO20090622 ("Triennium 1~~Energy Efficiency~~ Programs~~ Established 2021-Present~~"), and QO23120868 ("Triennium 2 Programs").

DETERMINATION OF THE EE

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

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

I. Determination of the Rate

The EE rate shall have three~~two~~ components:~~,~~ an Energy Efficiency Programs 2010-2018 rate, ~~and an~~ Triennium 1 ~~Energy Efficiency~~ Programs ~~Established 2021-Present~~ rate, and Triennium 2 Programs rate, which shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy-efficiency and building decarbonization programs approved by the Board for Energy Efficiency Programs 2010-2018, ~~and~~ Triennium 1~~Energy Efficiency~~ Programs ~~Established 2021-Present~~, and Triennium 2 Programs, unless modified further by Board Order.

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

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

II. Tracking the Operation of the EE

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

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

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

Energy Efficiency Programs Established 2010-2018	$0.0247

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

Triennium 1~~Energy Efficiency~~ Programs~~ Established 2021- Present~~	$0.0247
Triennium 2 Programs	$0.0255
EE	$~~0.0494~~0.0749

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		0.0157	0.0157	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5858	0.5858	
SUT		0.0388	0.0388	Rider B
After-tax Base Rate		0.6246	0.6246	
CIP		0.0903	0.0903	Rider I
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.7643~~0.7898*	*~~0.7643~~0.7898*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**~~1.0390~~1.0645**	**~~1.0390~~1.0645**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**x**	Rider A

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

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

NEW JERSEY NATURAL GAS COMPANY

Tenth~~Ninth~~ Revised Sheet No. 253
BPU No. 11 - Gas *Superseding Ninth~~Eighth~~ Revised Sheet No. 253*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		0.0157	0.0157	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5858	0.5858	
SUT		0.0388	0.0388	Rider B
After-tax Base Rate		0.6246	0.6246	
CIP		0.0409	0.0409	Rider I
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.7149~~0.7404*	*~~0.7149~~0.7404*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	00325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**~~0.9896~~1.0151**	**~~0.9896~~1.0151**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**x**	Rider A

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

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

Date of Issue: *~~September 26~~, 2024*
Issued by: *Mark G. Kahrer, Senior Vice President*
2025~~2024~~
Wall, NJ 07719

Effective for service rendered on and after January~~October~~ 1,

Filed pursuant to Order of the Board of Public Utilities entered in Docket No~~s~~. OO23120868~~GR24040207, GR24060372, and ER24070486~~

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		0.0000	0.0000	Rider D
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		0.0112	0.0079	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	~~*0.2291*~~*0.2546*	~~*0.1758*~~*0.2013*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	0.0863	0.0863	
Delivery Charge (DEL)	a+b+c=d	**~~0.5038~~0.5293**	**~~0.4505~~0.4760**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**0.3672**	Rider A

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		42.00	42.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4944	0.4944	
Pre-tax IIP Base Rate		0.0199	0.0199	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5143	0.5143	
SUT		0.0341	0.0341	Rider B
After-tax Base Rate		0.5484	0.5484	
CIP		0.0509	0.0509	Rider I
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.6487~~0.6742*	*~~0.6487~~0.6742*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**~~0.9234~~0.9489**	**~~0.9234~~0.9489**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**x**	Rider A

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per month applied to HMAD		3.41	3.41	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.3133	0.3133	
Pre-tax IIP Base Rate		0.0144	0.0144	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.3277	0.3277	
SUT		0.0217	0.0217	Rider B
After-tax Base Rate		0.3494	0.3494	
CIP		0.0367	0.0367	Rider I
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.4355~~0.4610*	*~~0.4355~~0.4610*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**~~0.7102~~0.7357**	**~~0.7102~~0.7357**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**$0.3827**	**X**	Rider A

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		Transport	Reference
Customer Charge			
Customer Charge per meter per month		350.00	
Demand Charge			
Demand Charge per therm per month applied to MDQ		2.50	
Delivery Charge ("DEL") per therm			
Pre-tax Base Rate		0.0775	
Pre-tax IIP Base Rate		0.0075	Rider D
Total Pre-tax Base Rate		0.0850	
SUT		0.0056	Rider B
After-tax Base Rate		0.0906	
EE		~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.1400~~0.1655*	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0.0325	Rider E
RA		0.0262	Rider C
USF		0.0276	Rider H
Total SBC	b	*0.0863*	
Delivery Charge (DEL)	a+b=c	**~~0.2263~~0.2518**	

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
Pre-tax IIP Base Rate		0.0043	0.0043	Rider D
Total Pre-tax Base Rate		0.0744	0.0438	
SUT		0.0049	0.0029	Rider B
After-tax Base Rate		0.0793	0.0467	
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	~~0.1287~~0.1542	~~0.0961~~0.1216	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Balancing Charge	c	*0.1884*	*0.1884*	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	**~~0.4034~~0.4289**	**~~0.3708~~0.3963**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**$0.3827**	**$0.3827**	Rider A

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

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-FT

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
IIP Pre-tax Base Rate		0.0043	0.0043	Rider D
Total Pre-tax Base Rate		0.0744	0.0438	
SUT		0.0049	0.0029	Rider B
After-tax Base Rate		0.0793	0.0467	
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.1287~~0.1542*	*~~0.0961~~0.1216*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
DGC-FT Delivery Charge (DEL)	a+b=c	**~~0.2150~~0.2405**	**~~0.1824~~0.2079**	

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

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Electric Generation Service (EGS)

		Without SUT	With SUT	Reference
Customer Charge				
Customer Charge per meter per month		877.26	935.38	
Demand Charge				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0047	0.0047	
SUT		0.0000	0.0003	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	~~0.0464~~0.0703	~~0.0494~~0.0749	Rider F
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0305	0.0325	Rider E
RA		0.0246	0.0262	Rider C
USF		0.0259	0.0276	Rider H
Total SBC	c	*0.0810*	*0.0863*	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	**~~0.1321~~0.1560**	**~~0.1407~~0.1662**	

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

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

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

NEW JERSEY NATURAL GAS COMPANY

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0494	0.0494	
SUT		0.0033	0.0033	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.1021~~0.1276*	*~~0.1021~~0.1276*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b=c	**~~0.1884~~0.2139**	**~~0.1884~~0.2139**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5093	X	Rider A
BGS	d	**$0.5093**	**X**	

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

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

NEW JERSEY NATURAL GAS COMPANY

Forty-Second~~First~~ Revised Sheet No. 262
BPU No. 11 - Gas *Superseding Forty-First~~Fortieth~~ Revised Sheet No. 262*

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2753	0.2753	
SUT		0.0182	0.0182	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.3429~~0.3684*	*~~0.3429~~0.3684*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b=c	**~~0.4292~~0.4547**	**~~0.4292~~0.4547**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5093	X	Rider A
BGS	d	**$0.5093**	**X**	

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

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

Date of Issue: ~~September 26~~, 2024
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on and after January~~October~~ 1, 2025~~2024~~

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. QO23120868~~ER24070486~~

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Compressed Natural Gas (CNG)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2683	0.2683	
IIP Pre-tax Base Rate		0.0088	0.0088	Rider D
CNG Charge		0.2000	0.2000	
Total Pre-tax Base Rate		0.4771	0.4771	Rider D
SUT		0.0316	0.0316	Rider B
After-tax Base Rate		0.5087	0.5087	
EE		~~0.0494~~0.0749	~~0.0494~~0.0749	Rider F
Subtotal	a	*~~0.5581~~0.5836*	*~~0.5581~~0.5836*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b=c	**~~0.6444~~0.6699**	**~~0.6444~~0.6699**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5093	X	Rider A
BGS	d	**$0.5093**	**X**	

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

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

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				Reference
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		0.0088		Rider D
Total Pre-tax Base Rate		0.2771		
SUT		0.0184		Rider B
After-tax Base Rate		0.2955		
EE		~~0.0494~~0.0749		Rider F
Subtotal	a	*~~0.3449~~0.3704*		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325		Rider E
RA		0.0262		Rider C
USF		0.0276		Rider H
Total SBC	b	*0.0863*		
Delivery Charge (DEL)	a+b=c	**~~0.4312~~0.4567**	**~~0.539~~0.571**	
Compression Charge	d	**0.4958**	**0.620**	
Monthly Basic Gas Supply Charge ("BGS")	e	**0.5093**	**0.637**	Rider A
Total Variable Charge	c+d+e=f	**~~1.4363~~1.4618**	**~~1.796~~1.828**	
New Jersey Motor Vehicle Fuel Tax	g		**0.000**	
Federal Excise Fuel Tax *	h		**0.185**	
Federal Excise Fuel Tax Credit *	i		**(0.517)**	

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Total Price	f+g+h+i =j	~~1.464~~1.496

*Adjusted to reflect Internal Revenue Service GGE Conversion.

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Owned Facilities

				Reference
Customer Charge				
Residential Customer Charge per month		11.00		
Commercial Customer Charge per meter per month		104.00		
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		0.0088		Rider D
Total Pre-tax Base Rate		0.2771		
SUT		0.0184		Rider B
After-tax Base Rate		0.2955		
EE		~~0.0494~~0.0749		Rider F
Subtotal	a	~~0.3449~~0.3704		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325		Rider E
RA		0.0262		Rider C
USF		0.0276		Rider H
Total SBC	b	*0.0863*		
Delivery Charge (DEL)	a+b=c	**~~0.4312~~0.4567**	**~~0.539~~0.571**	
Monthly Basic Gas Supply Charge ("BGS")	d	**0.5093**	**0.637**	Rider A
Total Variable Charge	c+d=e	**~~0.9405~~0.9660**	**~~1.176~~1.208**	

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

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$11.00

Delivery Charge:

Residential Heating

Delivery Charge per therm	$1.0645

Residential Non-Heating

Delivery Charge per therm	$1.0151

BGSS Charge:

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

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

NEW JERSEY NATURAL GAS COMPANY

Eighth Revised Sheet No. 53
BPU No. 11 - Gas *Superseding Seventh Revised Sheet No. 53*

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$11.00

Delivery Charge:

November - April	$0.5293
May - October	$0.4760

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$42.00

Delivery Charge:

Delivery Charge per therm	$0.9489

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

SPECIAL PROVISIONS

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

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

2. ***Air Conditioning and Pool Heating***
Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.4800) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.4689 per therm, which includes $0.1106 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

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

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

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

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

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

4. ***Metering***

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

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

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

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

1. ***Street Lighting Service***

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is $0.8980 per therm.

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

1. ***Additional Requirements***

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

TERMS AND CONDITIONS

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

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$104.00

Demand Charge:

Demand Charge per therm applied to HMAD	$3.41

Delivery Charge:

Delivery Charge per therm	$0.7357

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

BALANCING CHARGE ADJUSTMENTS

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

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE (continued)

SPECIAL PROVISIONS

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

1. ***Determination of Demand***

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

2. ***Metering***

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

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

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

3. ***Annual Review***

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

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

Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.2668) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.4689 per therm which includes $0.1106 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$350.00

Demand Charge:

Demand Charge per therm applied to MDQ	$2.50

Delivery Charge:

Delivery Charge per therm	$0.2518

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

MINIMUM MONTHLY CHARGE

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

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

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	DGC-Balancing	DGC-FT
Customer Charge:		
Customer Charge per meter per month	$104.00	$104.00
Demand Charge:		
Demand Charge per therm applied to PBQ	$2.35	$2.35
Delivery Charge per therm:		
November - April	$0.4289	$0.2405
May - October	$0.3963	$0.2079
BGSS Charge:		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

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

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

SERVICE CLASSIFICATION - EGS

ELECTRIC GENERATION SERVICE

AVAILABILITY

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

MONTHLY RATES

Customer Charge:

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

Demand Charge:

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

Delivery Charge:

	Without SUT	With SUT
Delivery Charge per therm	$0.1560	$0.1662

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

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

MINIMUM MONTHLY CHARGE

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

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

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

CONDITIONS PRECEDENT

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

DEFINITION OF TERM USED HEREIN

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

CHARACTER OF SERVICE

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

LICENSING, PERMITS AND LEGAL REQUIREMENTS

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

MONTHLY RATES

	Gas Available at Company Facilities	Customer Owned Facilities
Customer Charge:		
Residential Customer Charge per meter per month	N/A	$11.00
Commercial Customer Charge per meter per month	N/A	$104.00
Delivery Charge:		
Delivery Charge per therm	$0.4567 ($0.571 per GGE)	$0.4567 ($0.571 per GGE)

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

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

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$572.98

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm	$0.2139

Customers without Alternate Fuel

Delivery Charge per therm	$0.4547

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

AVAILABILITY

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

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

CONDITIONS PRECEDENT

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

DEFINITION OF TERM USED HEREIN

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$104.00

Delivery Charge:

Delivery Charge per therm	$0.6699 ($0.837 per GGE)

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

RIDER "F"

ENERGY EFFICIENCY - EE

AVAILABILITY

Applicable to the following service classifications:

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

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

The EE rate is for recovering authorized expenditures related to the energy-efficiency and building decarbonization programs as approved in BPU Docket Nos. GO10030225, GR11070425, GO12070640, GO14121412, and GO18030355, collectively referred to as "Energy Efficiency Programs Established 2010-2018", GO20090622 ("Triennium 1 Programs"), and QO23120868 ("Triennium 2 Programs").

DETERMINATION OF THE EE

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

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

I. Determination of the Rate

The EE rate shall have three components: an Energy Efficiency Programs 2010-2018 rate, Triennium 1 Programs rate, and Triennium 2 Programs rate, which shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy-efficiency and building decarbonization programs approved by the Board for Energy Efficiency Programs 2010-2018, Triennium 1Programs, and Triennium 2 Programs, unless modified further by Board Order.

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

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

II. Tracking the Operation of the EE

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

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

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

Energy Efficiency Programs Established 2010-2018	\$0.0247
Triennium 1 Programs	\$0.0247
Triennium 2 Programs	\$0.0255
EE	\$0.0749

NEW JERSEY NATURAL GAS COMPANY

Tenth Revised Sheet No. 252
BPU No. 11 - Gas *Superseding Ninth Revised Sheet No. 252*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		0.0157	0.0157	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5858	0.5858	
SUT		0.0388	0.0388	Rider B
After-tax Base Rate		0.6246	0.6246	
CIP		0.0903	0.0903	Rider I
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.7898*	*0.7898*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**1.0645**	**1.0645**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**x**	Rider A

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

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

NEW JERSEY NATURAL GAS COMPANY

Tenth Revised Sheet No. 253
BPU No. 11 - Gas *Superseding Ninth Revised Sheet No. 253*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		0.0157	0.0157	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5858	0.5858	
SUT		0.0388	0.0388	Rider B
After-tax Base Rate		0.6246	0.6246	
CIP		0.0409	0.0409	Rider I
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.7404*	*0.7404*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	00325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**1.0151**	**1.0151**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**x**	Rider A

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

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

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NEW JERSEY NATURAL GAS COMPANY

Tenth Revised Sheet No. 254
BPU No. 11 - Gas *Superseding Ninth Revised Sheet No. 254*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		0.0000	0.0000	Rider D
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		0.0112	0.0079	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.2546*	*0.2013*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	0.0863	0.0863	
Delivery Charge (DEL)	a+b+c=d	**0.5293**	**0.4760**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**0.3672**	Rider A

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

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

NEW JERSEY NATURAL GAS COMPANY

Tenth Revised Sheet No. 255
BPU No. 11 - Gas *Superseding Ninth Revised Sheet No. 255*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		42.00	42.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4944	0.4944	
Pre-tax IIP Base Rate		0.0199	0.0199	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5143	0.5143	
SUT		0.0341	0.0341	Rider B
After-tax Base Rate		0.5484	0.5484	
CIP		0.0509	0.0509	Rider I
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.6742*	*0.6742*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**0.9489**	**0.9489**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3672**	**x**	Rider A

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

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

NEW JERSEY NATURAL GAS COMPANY

Forty-Second Revised Sheet No. 256
BPU No. 11 - Gas *Superseding Forty-First Revised Sheet No. 256*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per month applied to HMAD		3.41	3.41	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.3133	0.3133	
Pre-tax IIP Base Rate		0.0144	0.0144	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.3277	0.3277	
SUT		0.0217	0.0217	Rider B
After-tax Base Rate		0.3494	0.3494	
CIP		0.0367	0.0367	Rider I
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.4610*	*0.4610*	
Balancing Charge	b	*0.1884*	*0.1884*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	c	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b+c=d	**0.7357**	**0.7357**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**$0.3827**	**X**	Rider A

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

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

NEW JERSEY NATURAL GAS COMPANY

Eighth Revised Sheet No. 257
BPU No. 11 - Gas *Superseding Seventh Revised Sheet No. 257*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		Transport	Reference
Customer Charge			
Customer Charge per meter per month		350.00	
Demand Charge			
Demand Charge per therm per month applied to MDQ		2.50	
Delivery Charge ("DEL") per therm			
Pre-tax Base Rate		0.0775	
Pre-tax IIP Base Rate		0.0075	Rider D
Total Pre-tax Base Rate		0.0850	
SUT		0.0056	Rider B
After-tax Base Rate		0.0906	
EE		0.0749	Rider F
Subtotal	a	*0.1655*	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0.0325	Rider E
RA		0.0262	Rider C
USF		0.0276	Rider H
Total SBC	b	*0.0863*	
Delivery Charge (DEL)	a+b=c	**0.2518**	

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
Pre-tax IIP Base Rate		0.0043	0.0043	Rider D
Total Pre-tax Base Rate		0.0744	0.0438	
SUT		0.0049	0.0029	Rider B
After-tax Base Rate		0.0793	0.0467	
EE		0.0749	0.0749	Rider F
Subtotal	a	0.1542	0.1216	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Balancing Charge	c	*0.1884*	*0.1884*	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	**0.4289**	**0.3963**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**$0.3827**	**$0.3827**	Rider A

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

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

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-FT

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
IIP Pre-tax Base Rate		0.0043	0.0043	Rider D
Total Pre-tax Base Rate		0.0744	0.0438	
SUT		0.0049	0.0029	Rider B
After-tax Base Rate		0.0793	0.0467	
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.1542*	*0.1216*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
DGC-FT Delivery Charge (DEL)	a+b=c	**0.2405**	**0.2079**	

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

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

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

NEW JERSEY NATURAL GAS COMPANY

Eighth Revised Sheet No. 260
BPU No. 11 - Gas *Superseding Seventh Revised Sheet No. 260*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Electric Generation Service (EGS)

		Without SUT	With SUT	Reference
Customer Charge				
Customer Charge per meter per month		877.26	935.38	
Demand Charge				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0047	0.0047	
SUT		0.0000	0.0003	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	0.0703	0.0749	Rider F
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0305	0.0325	Rider E
RA		0.0246	0.0262	Rider C
USF		0.0259	0.0276	Rider H
Total SBC	c	*0.0810*	*0.0863*	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	**0.1560**	**0.1662**	

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

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

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

NEW JERSEY NATURAL GAS COMPANY

Forty-Second Revised Sheet No. 261
BPU No. 11 - Gas *Superseding Forty-First Revised Sheet No. 261*

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0494	0.0494	
SUT		0.0033	0.0033	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.1276*	*0.1276*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b=c	**0.2139**	**0.2139**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5093	X	Rider A
BGS	d	**$0.5093**	**X**	

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

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

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NEW JERSEY NATURAL GAS COMPANY

Forty-Second Revised Sheet No. 262
BPU No. 11 - Gas *Superseding Forty-First Revised Sheet No. 262*

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2753	0.2753	
SUT		0.0182	0.0182	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.3684*	*0.3684*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b=c	**0.4547**	**0.4547**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5093	X	Rider A
BGS	d	**$0.5093**	**X**	

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

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

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NEW JERSEY NATURAL GAS COMPANY

Forty-Second Revised Sheet No. 263

BPU No. 11 - Gas *Superseding Forty-First Revised Sheet No. 263*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Compressed Natural Gas (CNG)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		104.00	104.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2683	0.2683	
IIP Pre-tax Base Rate		0.0088	0.0088	Rider D
CNG Charge		0.2000	0.2000	
Total Pre-tax Base Rate		0.4771	0.4771	Rider D
SUT		0.0316	0.0316	Rider B
After-tax Base Rate		0.5087	0.5087	
EE		0.0749	0.0749	Rider F
Subtotal	a	*0.5836*	*0.5836*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		0.0276	0.0276	Rider H
Total SBC	b	*0.0863*	*0.0863*	
Delivery Charge (DEL)	a+b=c	**0.6699**	**0.6699**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	$0.5093	X	Rider A
BGS	d	**$0.5093**	**X**	

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

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

NEW JERSEY NATURAL GAS COMPANY

Forty-Second Revised Sheet No. 264
BPU No. 11 - Gas *Superseding Forty-First Revised Sheet No. 264*

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				Reference
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		0.0088		Rider D
Total Pre-tax Base Rate		0.2771		
SUT		0.0184		Rider B
After-tax Base Rate		0.2955		
EE		0.0749		Rider F
Subtotal	a	*0.3704*		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325		Rider E
RA		0.0262		Rider C
USF		0.0276		Rider H
Total SBC	b	*0.0863*		
Delivery Charge (DEL)	a+b=c	**0.4567**	**0.571**	
Compression Charge	d	**0.4958**	**0.620**	
Monthly Basic Gas Supply Charge ("BGS")	e	**0.5093**	**0.637**	Rider A
Total Variable Charge	c+d+e=f	**1.4618**	**1.828**	
New Jersey Motor Vehicle Fuel Tax	g		**0.000**	
Federal Excise Fuel Tax *	h		**0.185**	
Federal Excise Fuel Tax Credit *	i		**(0.517)**	
Total Price	f+g+h+i =j		**1.496**	

*Adjusted to reflect Internal Revenue Service GGE Conversion.

NEW JERSEY NATURAL GAS COMPANY

Forty-Second Revised Sheet No. 265

BPU No. 11 - Gas *Superseding Forty-First Revised Sheet No. 265*

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Owned Facilities

				Reference
Customer Charge				
Residential Customer Charge per month		11.00		
Commercial Customer Charge per meter per month		104.00		
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		0.0088		Rider D
Total Pre-tax Base Rate		0.2771		
SUT		0.0184		Rider B
After-tax Base Rate		0.2955		
EE		0.0749		Rider F
Subtotal	a	0.3704		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325		Rider E
RA		0.0262		Rider C
USF		0.0276		Rider H
Total SBC	b	*0.0863*		
Delivery Charge (DEL)	a+b=c	**0.4567**	**0.571**	
Monthly Basic Gas Supply Charge ("BGS")	d	**0.5093**	**0.637**	Rider A
Total Variable Charge	c+d=e	**0.9660**	**1.208**	

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

NJNG Energy Efficiency Program
Minimum Filing Requirements for Rate Filing
Minimum Filing Requirements (MFRs)

1. Information on direct FTE employment impacts, including a breakdown by each of the Board approved NJNG EE programs. The Company will not be responsible for addressing the level of employment activity for HVAC and/or HPES contractors that are hired by customers unless those contractors are hired by NJNG.

2. A monthly revenue requirement calculation based on EE Program expenditures, including the investment and cost components showing the actual monthly revenue requirement for each of the past 12 months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.

3. For the review period, actual clause revenues, by month and by rate class recorded under the EE Program.

4. Monthly beginning and ending clause deferred balances related to the EE Program, as well as the average deferred balance, net of tax, for the actual 12-month period and forecast period.

5. The interest rate used each month for over/under deferred balance recoveries related to the EE Program, and all supporting documentation and calculations for the interest rate.

6. The interest expense to be charged or credited to ratepayers each month.

7. A schedule showing budgeted versus actual EE Program costs by the following categories: administrative (all utility costs); marketing/sales; training; rebates/incentives, including inspections and quality control; program implementation (all contract costs); evaluation; and any other costs. To the extent that the Board directs New Jersey's Clean Energy Program to report additional categories, the utility shall provide additional categories, as applicable.

8. A schedule showing budgeted versus actual EE Program revenues.

9. The monthly journal entries utilized (including the accounts and account numbers) relating to regulatory asset and deferred O&M expenses related to the EE Program for the actual 12-month review period.

10. Supporting details for all administrative costs related to the EE Program included in the revenue requirement.

11. Information supporting the carrying cost used for the unamortized costs of the EE program.

12. Number of program participants for each of the Board approved NJNG EE programs, including a breakdown by sub-program, if applicable.

13. Estimated demand and energy savings for each of the Board approved NJNG EE programs, including a breakdown by sub-program, if applicable.

14. Estimated emissions reductions for each of the Board approved NJNG EE programs, including a breakdown by sub-program, if applicable.

15. Testimony supporting the annual true-up petition.

16. If the Company is filing for an increase in rates, the Company shall include a draft public notice with the annual true-up petition and proposed publication dates.

17. For programs that provide incentives for conversion of energy utilization to natural gas from other energy sources (e.g., converting from electric to gas furnaces), the Company shall identify:
    i. the number of such projects;
    ii. an estimate of the increase in annual gas demand and energy associated with these projects; and
    iii. the avoided use of electricity and/or other fuels.

18. In areas where gas and electric service territories overlap, the Company shall provide:
    i. The number of projects in progress and completed.
        a. For each project, identify which utility is the lead utility providing the program services and the partner utility with whom the services were coordinated.

19. Tariff pages in clean and redline versions.

20. Net impact of the proposed rate changes.

SAVEGREEN 2023 PROGRAM

Annual Revenue Requirement (Program Year)

	Jan 2025 - Sept 25 Year 1	Oct 25 - Sept 26 Year 2	Oct 26 - Sept 27 Year 3	Oct 27- Sept 28 Year 4	Oct 28 - Sept 29 Year 5	Oct 29 - Sept 30 Year 6	Oct 30 - Sept 31 Year 7	Oct 31 - Sept 32 Year 8	Oct 32 - Sept 33 Year 9	Oct 33 - Sept 34 Year 10	Oct 34 - Sept 35 Year 11	Oct 35 - Sept 36 Year 12	Oct 36 - Sept 37 Year 13
DIRECT PROGRAM INVESTMENTS													
Annual Investment	$ 56,644,817	$ 86,485,717	$ 61,795,227	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Investment	$ 56,644,817	$ 143,130,534	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760	$ 204,925,760
Less Accumulated Amortization	$ (2,244,670)	$ (12,644,945)	$ (31,077,680)	$ (51,570,256)	$ (72,062,832)	$ (92,555,408)	$ (113,047,984)	$ (133,540,561)	$ (154,033,137)	$ (174,525,713)	$ (192,773,619)	$ (202,865,919)	$ -
Less Accumulated Deferred Tax	$ (5,678,790)	$ (25,680,681)	$ (43,078,483)	$ (43,108,232)	$ (37,347,769)	$ (31,587,306)	$ (25,826,843)	$ (20,066,380)	$ (14,305,917)	$ (8,545,453)	$ (3,415,967)	$ (579,021)	$ -
Net Investment	$ 48,721,358	$ 104,804,907	$ 130,769,597	$ 110,247,272	$ 95,515,159	$ 80,783,046	$ 66,050,933	$ 51,318,820	$ 36,586,707	$ 21,854,594	$ 8,736,174	$ 1,480,820	$ 204,925,760
Rate of Return (Pre Tax)	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%
Required Net Operating Income	$ 1,779,695	$ 7,148,542	$ 11,216,281	$ 10,474,196	$ 9,068,066	$ 7,761,767	$ 6,455,468	$ 5,149,169	$ 3,842,870	$ 2,536,571	$ 1,273,175	$ 380,407	$ 25,531
Pre Tax Amortization	$ 2,244,670	$ 10,400,276	$ 18,432,735	$ 20,492,576	$ 20,492,576	$ 20,492,576	$ 20,492,576	$ 20,492,576	$ 20,492,576	$ 20,492,576	$ 18,247,906	$ 10,092,300	$ 2,059,841
Direct Program Investment Revenue Requirement	$ 4,024,364	$ 17,548,818	$ 29,649,016	$ 30,966,772	$ 29,560,642	$ 28,254,343	$ 26,948,044	$ 25,641,745	$ 24,335,446	$ 23,029,147	$ 19,521,081	$ 10,472,707	$ 2,085,372
LOAN PROGRAM INVESTMENTS													
Annual Investment	$ 44,863,787	$ 65,947,027	$ 49,689,186	$ -									
Less Loan Repayments	$ (2,765,116)	$ (12,618,884)	$ (22,660,773)	$ (25,278,564)	$ (25,278,564)	$ (24,321,914)	$ (20,044,943)	$ (14,024,892)	$ (7,991,674)	$ (3,031,400)	$ (1,496,177)	$ (817,572)	$ (169,525)
Net Investment	$ 42,098,671	$ 53,328,142	$ 27,028,413	$ (25,278,564)	$ (25,278,564)	$ (24,321,914)	$ (20,044,943)	$ (14,024,892)	$ (7,991,674)	$ (3,031,400)	$ (1,496,177)	$ (817,572)	$ (169,525)
Cumulative Investment	$ 42,098,671	$ 95,426,813	$ 122,455,226	$ 97,176,661	$ 71,898,097	$ 47,576,183	$ 27,531,240	$ 13,506,349	$ 5,514,674	$ 2,483,274	$ 987,097	$ 169,525	$ (0)
Rate of Return (Pre Tax)	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%
Loan Program Investment Revenue Requirement	$ 1,531,956	$ 6,369,609	$ 10,371,675	$ 9,644,004	$ 7,402,550	$ 5,185,729	$ 3,220,588	$ 1,707,900	$ 776,954	$ 312,661	$ 143,691	$ 43,315	$ 2,923
RATE CALCULATION													
Revenue Requirement For Direct Investments Excluding SUT	$ 4,024,364	$ 17,548,818	$ 29,649,016	$ 30,966,772	$ 29,560,642	$ 28,254,343	$ 26,948,044	$ 25,641,745	$ 24,335,446	$ 23,029,147	$ 19,521,081	$ 10,472,707	$ 2,085,372
Revenue Requirement For Loans Programs Excluding SUT	$ 1,531,956	$ 6,369,609	$ 10,371,675	$ 9,644,004	$ 7,402,550	$ 5,185,729	$ 3,220,588	$ 1,707,900	$ 776,954	$ 312,661	$ 143,691	$ 43,315	$ 2,923
Operation & Maintenance Expense	$ 6,759,281	$ 7,582,469	$ 5,781,470	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue Requirements	$ 12,315,602	$ 31,500,896	$ 45,802,161	$ 40,610,776	$ 36,963,191	$ 33,440,071	$ 30,168,631	$ 27,349,645	$ 25,112,400	$ 23,341,808	$ 19,664,772	$ 10,516,022	$ 2,088,295
Therms	515,540,912	751,926,417	762,402,587	773,393,577	773,393,577	773,393,577	773,393,577	773,393,577	773,393,577	773,393,577	773,393,577	773,393,577	773,393,577
Rate Per Therm, Excluding SUT	$ 0.0239	$ 0.0419	$ 0.0601	$ 0.0525	$ 0.0478	$ 0.0432	$ 0.0390	$ 0.0354	$ 0.0325	$ 0.0302	$ 0.0254	$ 0.0136	$ 0.0027
Rate Per Therm, Including SUT	$ 0.0255	$ 0.0447	$ 0.0641	$ 0.0560	$ 0.0510	$ 0.0461	$ 0.0416	$ 0.0377	$ 0.0347	$ 0.0322	$ 0.0271	$ 0.0145	$ 0.0029
Annual Bill Impact													
Residential Non-Heat (200 Therms)	$ 5.10	$ 8.94	$ 12.82	$ 11.20	$ 10.20	$ 9.22	$ 8.32	$ 7.54	$ 6.94	$ 6.44	$ 5.42	$ 2.90	$ 0.58
Residential Heat (961 Therms)	$ 24.52	$ 42.97	$ 61.63	$ 53.84	$ 49.03	$ 44.32	$ 39.99	$ 36.24	$ 33.36	$ 30.96	$ 26.05	$ 13.94	$ 2.79
General Service Small (1,200 Therms)	$ 30.60	$ 53.64	$ 76.92	$ 67.20	$ 61.20	$ 55.32	$ 49.92	$ 45.24	$ 41.64	$ 38.64	$ 32.52	$ 17.40	$ 3.48
General Service Large (15,000 Therms)	$ 382.50	$ 670.50	$ 961.50	$ 840.00	$ 765.00	$ 691.50	$ 624.00	$ 565.50	$ 520.50	$ 483.00	$ 406.50	$ 217.50	$ 43.50

Program Summary Worksheet (Table 1)

Rows

Sector	Program Name	Program Year
Residential	Behavioral	T1 Total
Residential	Behavioral	T2 Total
Residential	Behavioral	T3 Total
Residential	Income Qualified	T1 Total
Residential	Income Qualified	T2 Total
Residential	Income Qualified	T3 Total
Residential	Energy Efficient Proc	T1 Total
Residential	Energy Efficient Proc	T2 Total
Residential	Energy Efficient Proc	T3 Total
Residential	Whole Home	T1 Total
Residential	Whole Home	T2 Total
Residential	Whole Home	T3 Total
Multifamily	Multifamily	T1 Total
Multifamily	Multifamily	T2 Total
Multifamily	Multifamily	T3 Total
Commercial and Industrial	Energy Solutions	T1 Total
Commercial and Industrial	Energy Solutions	T2 Total
Commercial and Industrial	Energy Solutions	T3 Total
Commercial and Industrial	Direct Install	T1 Total
Commercial and Industrial	Direct Install	T2 Total
Commercial and Industrial	Direct Install	T3 Total
Commercial and Industrial	Prescriptive and Cus	T1 Total
Commercial and Industrial	Prescriptive and Cus	T2 Total
Commercial and Industrial	Prescriptive and Cus	T3 Total
Utility Led	Building Decarboniz	T1 Total
Utility Led	Building Decarboniz	T2 Total
Utility Led	Building Decarboniz	T3 Total
Utility Led	Demand Response	T1 Total
Utility Led	Demand Response	T2 Total
Utility Led	Demand Response	T3 Total
Utility Led	Next Generation Sav	T1 Total
Utility Led	Next Generation Sav	T2 Total
Utility Led	Next Generation Sav	T3 Total
Other	Other Portfolio	T1 Total
Other	Other Portfolio	T2 Total
Other	Other Portfolio	T3 Total
Total	Total	T1 Total
Total	Total	T2 Total
Total	Total	T3 Total

Columns

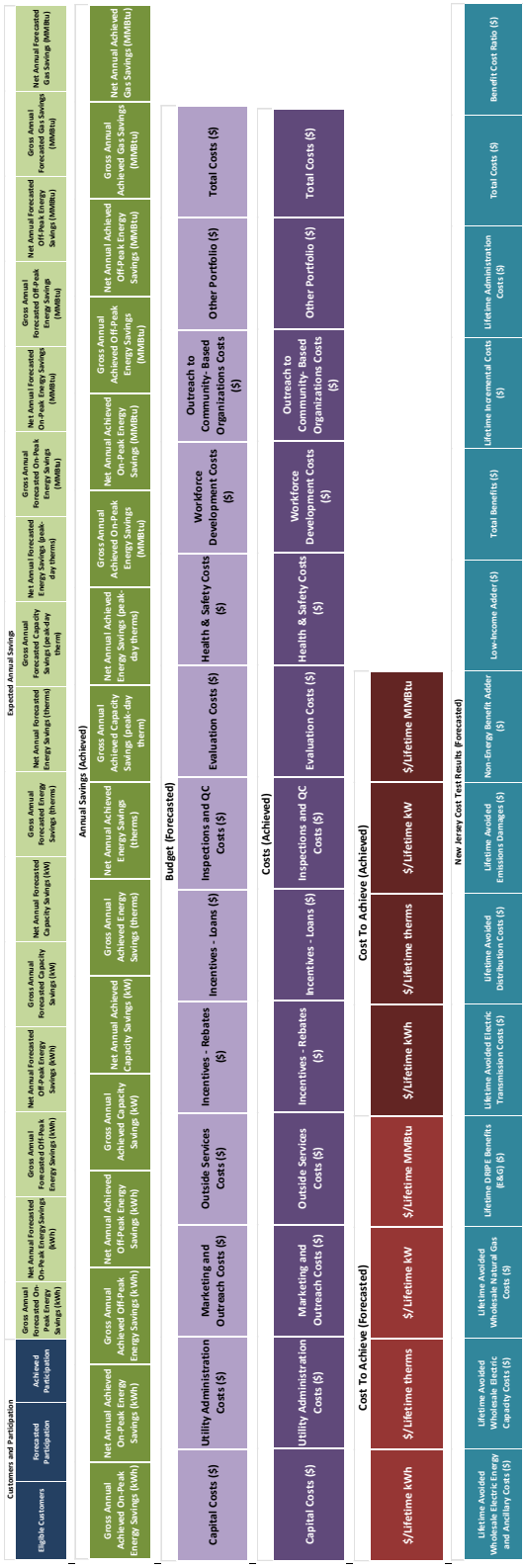
- NJCT Benefit Cost Ratio ($)
- Cost To Achieve (Achieved) $/Lifetime therms
- Cost To Achieve (Achieved) $/Lifetime kWh
- Cost To Achieve (Forecasted) $/Lifetime therms
- Cost To Achieve (Forecasted) $/Lifetime kWh
- Total Costs ($) Achieved
- Total Costs ($) Forecasted
- Net Annual Achieved Gas Savings (MMBtu)
- Net Annual Forecasted Gas Savings (MMBtu)

Program Summary Worksheet (Table 2)

Rows

Sector	Program Name	Program Year
Residential	Behavioral	PY1
Residential	Behavioral	PY2
Residential	Behavioral	PY3
Residential	Behavioral	PY4
Residential	Behavioral	PY5
Residential	Behavioral	PY6
Residential	Behavioral	PY7
Residential	Behavioral	PY8
Residential	Behavioral	PY9
Residential	Income Qualified	PY1
Residential	Income Qualified	PY2
Residential	Income Qualified	PY3
Residential	Income Qualified	PY4
Residential	Income Qualified	PY5
Residential	Income Qualified	PY6
Residential	Income Qualified	PY7
Residential	Income Qualified	PY8
Residential	Income Qualified	PY9
Residential	Energy Efficient Prod	PY1
Residential	Energy Efficient Prod	PY2
Residential	Energy Efficient Prod	PY3
Residential	Energy Efficient Prod	PY4
Residential	Energy Efficient Prod	PY5
Residential	Energy Efficient Prod	PY6
Residential	Energy Efficient Prod	PY7
Residential	Energy Efficient Prod	PY8
Residential	Energy Efficient Prod	PY9
Residential	Whole Home	PY1
Residential	Whole Home	PY2
Residential	Whole Home	PY3
Residential	Whole Home	PY4
Residential	Whole Home	PY5
Residential	Whole Home	PY6
Residential	Whole Home	PY7
Residential	Whole Home	PY8
Residential	Whole Home	PY9
Multifamily	Multifamily	PY1
Multifamily	Multifamily	PY2
Multifamily	Multifamily	PY3
Multifamily	Multifamily	PY4
Multifamily	Multifamily	PY5
Multifamily	Multifamily	PY6
Multifamily	Multifamily	PY7
Multifamily	Multifamily	PY8
Multifamily	Multifamily	PY9
Commercial and Industrial	Energy Solutions	PY1
Commercial and Industrial	Energy Solutions	PY2
Commercial and Industrial	Energy Solutions	PY3
Commercial and Industrial	Energy Solutions	PY4
Commercial and Industrial	Energy Solutions	PY5
Commercial and Industrial	Energy Solutions	PY6
Commercial and Industrial	Energy Solutions	PY7
Commercial and Industrial	Energy Solutions	PY8
Commercial and Industrial	Energy Solutions	PY9
Commercial and Industrial	Direct Install	PY1
Commercial and Industrial	Direct Install	PY2
Commercial and Industrial	Direct Install	PY3
Commercial and Industrial	Direct Install	PY4
Commercial and Industrial	Direct Install	PY5
Commercial and Industrial	Direct Install	PY6
Commercial and Industrial	Direct Install	PY7
Commercial and Industrial	Direct Install	PY8
Commercial and Industrial	Direct Install	PY9
Commercial and Industrial	Prescriptive and Cust	PY1
Commercial and Industrial	Prescriptive and Cust	PY2
Commercial and Industrial	Prescriptive and Cust	PY3
Commercial and Industrial	Prescriptive and Cust	PY4
Commercial and Industrial	Prescriptive and Cust	PY5
Commercial and Industrial	Prescriptive and Cust	PY6
Commercial and Industrial	Prescriptive and Cust	PY7
Commercial and Industrial	Prescriptive and Cust	PY8
Commercial and Industrial	Prescriptive and Cust	PY9
Utility Led	Building Decarboniza	PY1
Utility Led	Building Decarboniza	PY2
Utility Led	Building Decarboniza	PY3
Utility Led	Building Decarboniza	PY4
Utility Led	Building Decarboniza	PY5
Utility Led	Building Decarboniza	PY6
Utility Led	Building Decarboniza	PY7
Utility Led	Building Decarboniza	PY8
Utility Led	Building Decarboniza	PY9
Utility Led	Demand Response	PY1
Utility Led	Demand Response	PY2
Utility Led	Demand Response	PY3
Utility Led	Demand Response	PY4
Utility Led	Demand Response	PY5
Utility Led	Demand Response	PY6
Utility Led	Demand Response	PY7
Utility Led	Demand Response	PY8
Utility Led	Demand Response	PY9
Utility Led	Next Generation Sav	PY1
Utility Led	Next Generation Sav	PY2
Utility Led	Next Generation Sav	PY3
Utility Led	Next Generation Sav	PY4
Utility Led	Next Generation Sav	PY5
Utility Led	Next Generation Sav	PY6
Utility Led	Next Generation Sav	PY7
Utility Led	Next Generation Sav	PY8
Utility Led	Next Generation Sav	PY9
Other	Other Portfolio	PY1
Other	Other Portfolio	PY2
Other	Other Portfolio	PY3
Other	Other Portfolio	PY4
Other	Other Portfolio	PY5
Other	Other Portfolio	PY6
Other	Other Portfolio	PY7
Other	Other Portfolio	PY8
Other	Other Portfolio	PY9
TOTAL	TOTAL Portfolio	PY1
TOTAL	TOTAL Portfolio	PY2
TOTAL	TOTAL Portfolio	PY3
TOTAL	TOTAL Portfolio	PY4
TOTAL	TOTAL Portfolio	PY5
TOTAL	TOTAL Portfolio	PY6
TOTAL	TOTAL Portfolio	PY7
TOTAL	TOTAL Portfolio	PY8
TOTAL	TOTAL Portfolio	PY9

Columns



Measure Summary Worksheet

Rows

Sector	Program	Subprogram	Measure	Program Year
Residential				PY1
Residential				PY2
Residential				PY3
Residential				PY4
Residential				PY5
Residential				PY6
Residential				PY7
Residential				PY8
Residential				PY9
Residential				PY1
Residential				PY2
Residential				PY3
Residential				PY4
Residential				PY5
Residential				PY6
Residential				PY7
Residential				PY8
Residential				PY9
Multifamily				PY1
Multifamily				PY2
Multifamily				PY3
Multifamily				PY4
Multifamily				PY5
Multifamily				PY6
Multifamily				PY7
Multifamily				PY8
Multifamily				PY9
Commercial and Industrial				PY1
Commercial and Industrial				PY2
Commercial and Industrial				PY3
Commercial and Industrial				PY4
Commercial and Industrial				PY5
Commercial and Industrial				PY6
Commercial and Industrial				PY7
Commercial and Industrial				PY8
Commercial and Industrial				PY9
Commercial and Industrial				PY1
Commercial and Industrial				PY2
Commercial and Industrial				PY3
Commercial and Industrial				PY4
Commercial and Industrial				PY5
Commercial and Industrial				PY6
Commercial and Industrial				PY7
Commercial and Industrial				PY8
Commercial and Industrial				PY9
Utility Led				PY1
Utility Led				PY2
Utility Led				PY3
Utility Led				PY4
Utility Led				PY5
Utility Led				PY6
Utility Led				PY7
Utility Led				PY8
Utility Led				PY9
Utility Led				PY1
Utility Led				PY2
Utility Led				PY3
Utility Led				PY4
Utility Led				PY5
Utility Led				PY6
Utility Led				PY7
Utility Led				PY8
Utility Led				PY9
Other				PY1
Other				PY2
Other				PY3
Other				PY4
Other				PY5
Other				PY6
Other				PY7
Other				PY8
Other				PY9

Columns

Appendix A Worksheet

Appendix A: Program Participants* & Energy Savings by Program Year

Program T2 (Achieved)	PY4 Participants	PY4 Net Annual Energy Savings (kwh)	PY4 Net Annual Energy Savings (therms)	PY5 Participants	PY5 Net Annual Energy Savings (kwh)	PY5 Net Annual Energy Savings (therms)	PY6 Participants	PY6 Net Annual Energy Savings (kwh)	PY6 Net Annual Energy Savings (therms)	Total Participants	Total T2 Net Annual Energy Savings (kwh)
Portfolio Total											

Program T3 (Forecasted)	PY7 Participants	PY7 Net Annual Energy Savings (kwh)	PY7 Net Annual Energy Savings (therms)	PY8 Participants	PY8 Net Annual Energy Savings (kwh)	PY8 Net Annual Energy Savings (therms)	PY9 Participants	PY9 Net Annual Energy Savings (kwh)	PY9 Net Annual Energy Savings (therms)	Total Participants	Total T3 Net Annual Energy Savings (kwh)
Portfolio Total											

	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW
Program	PY4 Energy Savings Target (kwh)	PY4 Energy Savings Target (therms)	PY5 Energy Savings Target (kwh)	PY5 Energy Savings Target (therms)	PY6 Energy Savings Target (kwh)	PY6 Energy Savings Target (therms)	PY7 Energy Savings Target (kwh)	PY7 Energy Savings Target (therms)	PY8 Energy Savings Target (kwh)	PY8 Energy Savings Target (therms)	PY9 Energy Savings Target (kwh)	PY9 Energy Savings Target (therms)
Portfolio Total												

*Please provide references/ sources for participants and portion of program quantities in Low Income, Medium Income, Small Business etc.

Appendix B Worksheet

Appendix B: Program Budgets and Costs by Program Year

T2 Program (Achieved)

TOTAL Program Years 4-6	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives - Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

T3 Program (Forecasted)

TOTAL Program Years 7-9	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives -Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Program Year 4	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives - Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Program Year 7	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives -Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Program Year 5	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives - Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Program Year 8	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives -Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Program Year 6	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives - Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Program Year 9	Capital Cost	Utility Administration	Marketing and Outreach	Outside Services	Incentives -Rebates (NEW)	Incentives - Loans (NEW)	Inspections and QC	Evaluation	Health & Safety	Workforce Development	Outreach to Community-Based Organizations	Total Budget
Portfolio Total												

Appendix C Worksheet (T2 Program Table)

Appendix C: Total Budget Summary, Including Annual Budget Summary and Joint Budgets with Partner Utilities

T2 Program

Program Year	Total Budget Summary	Lead Program Budget
Program Year 4		
Program Year 5		
Program Year 6		
Portfolio Total		

NEW

Program Years 4 - 6	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

NEW

Program Year 4	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

NEW

Program Year 5	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

NEW

Program Year 6	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

Therms to kwh- conversion details to be provided by the utilities in their net budget transfer reporting, if applicable.

Appendix C Worksheet (T3 Program Table)

T3 Program

Program Year	Total Budget Summary	Lead Program Budget
Program Year 7		
Program Year 8		
Program Year 9		
Portfolio Total		

NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW

Program Years 7 - 9	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW

Program Year 7	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW

Program Year 8	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW

Program Year 9	Savings Outflow ($ million)		Savings Outflow (kWh)		Savings Outflow (therms)		Savings Inflow ($ million)		Savings Inflow (kWh)		Savings Inflow (therms)	
Utility	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs	To Partner EDCs	To Partner GDCs
ACE												
ETG												
JCP&L												
NJNG												
PSE&G												
RECO												
SJG												

Appendix D Worksheet

Appendix D: Forecasted Average Cost to Achieve Each Unit of Energy Savings in Each Sector

	Energy Efficiency Programs*		Demand Response Program	Building Decarbonization Program
Sector	Total $/ Lifetime kWh	Total $/ Lifetime Therms	Total $/ Lifetime therm	Total $/ Lifetime MMBtu
Residential				
C&I				
Multifamily				
Building Decarbonization				
Demand Response				

NEW NEW NEW NEW NEW NEW NEW NEW

Sector	Program	Total Budget $	Lifetime kWh	Lifetime Therms	Total $/ Lifetime kWh	Total $/ Lifetime Therms	Total $/ Lifetime MMBtu
Portfolio Total							

NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW

	Energy Efficiency Programs*		Demand Response Program	Building Decarbonization Program
Sector	Total $/ T2 kWh	Total $/ T2 Therms	Total $/ T2 therm	Total $/ T2 MMBtu
Residential				
C&I				
Multifamily				
Building Decarbonization				
Demand Response				

	Energy Efficiency Programs*		Demand Response Program	Building Decarbonization Program
Sector	Total $/ T3 kWh	Total $/ T3 Therms	Total $/ T3 therm	Total $/ T3 MMBtu
Residential				
C&I				
Multifamily				
Building Decarbonization				
Demand Response				

NEW NEW NEW NEW NEW NEW NEW NEW

Sector	Program	Total Budget $	T2 kWh	T2 Therms	Total $/ T2 kWh	Total $/ T2 Therms	Total $/ T2 MMBtu
T2 Portfolio Total							

NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW NEW

Sector	Program	Total Budget $	T3 kWh	T3 Therms	Total $/ T3 kWh	Total $/ T3 Therms	Total $/ T3 MMBtu
T3 Portfolio Total							

Appendix E Worksheet (Cost Test Tables)

Rows

Total Resource Cost Test (TRC)	
BENEFITS	
1 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	
2 Lifetime Avoided Wholesale Electric Capacity Costs	
3 Lifetime Avoided Wholesale Natural Gas Costs	
4 Lifetime DRIPE Benefits (E&G)	
5 Lifetime Avoided RPS REC Purchase Costs	
6 Lifetime Avoided Wholesale Volatility Costs (E&G)	
7 Lifetime Avoided T&D Costs (E&G)	
Total Benefits	***1+2+3+4+5+6+7***
COSTS	
8 Lifetime Incremental Costs	
9 Lifetime Administration Costs	
Total Costs	***8+9***
Benefit Cost Ratio	**(1+2+3+4+5+6+7)/(8+9)**

Participant Cost Test (PCT)	
BENEFITS	
10 Lifetime Avoided Retail Electric Costs	
11 Lifetime Avoided Retail Natural Gas Costs	
12 Lifetime Program Incentive Costs	
13 Lifetime Time-Value of Loan Repayments	
Total Benefits	***10+11+12+13***
COSTS	
14 Lifetime Participant Costs	
Total Costs	***14***
Benefit Cost Ratio	**(10+11+12+13)/14**

Program Administrator Cost Test (PAC)	
BENEFITS	
15 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	
16 Lifetime Avoided Wholesale Electric Capacity Costs	
17 Lifetime Avoided Wholesale Natural Gas Costs	
18 Lifetime DRIPE Benefits (E&G)	
19 Lifetime Avoided RPS REC Purchase Costs	
20 Lifetime Avoided Wholesale Volatility Costs	
21 Lifetime Avoided T&D Costs	
Total Benefits	***15+16+17+18+19+20+21***
COSTS	
22 Lifetime Administration Costs	
23 Lifetime Program Investment Costs	
24 Lifetime Time-Value of Loan Repayments	
Total Costs	***22+23+24***
Benefit Cost Ratio	**(15+16+17+18+19+20+21)/(22+23+24)**

Ratepayer Impact Measure Test (RIM)	
BENEFITS	
25 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	
26 Lifetime Avoided Wholesale Electric Capacity Costs	
27 Lifetime Avoided Wholesale Natural Gas Costs	
28 Lifetime DRIPE Benefits (E&G)	
29 Lifetime Avoided RPS REC Purchase Costs	
30 Lifetime Avoided Wholesale Volatility Costs	
31 Lifetime Avoided T&D Costs	
Total Benefits	***25+26+27+28+29+30+31***
COSTS	
32 Lifetime Administration Costs	
33 Lifetime Program Investment Costs	
34 Lifetime Re-allocated Distribution Costs	
35 Lifetime Time-Value of Loan Repayments	
Total Costs	***32+33+34+35***
Benefit Cost Ratio	**(25+26+27+28+29+30+31)/(32+33+34+35)**

Societal Cost Test (SC)	
BENEFITS	
36 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	
37 Lifetime Avoided Wholesale Electric Capacity Costs	
38 Lifetime Avoided Wholesale Natural Gas Costs	
39 Lifetime DRIPE Benefits (E&G)	
40 Lifetime Avoided RPS REC Purchase Costs	
41 Lifetime Avoided Wholesale Volatility Costs	
42 Lifetime Avoided T&D Costs	
43 Lifetime Avoided Emissions Damages	
44 Job and Savings Multiplier Benefits	
45 Non-Energy Benefit Adder	
46 Low-Income Adder	
Total Benefits	***36+37+38+39+40+41+42+43+44+45+46***
COSTS	
45 Lifetime Incremental Costs	
46 Lifetime Administration Costs	
Total Costs	***45+46***
Benefit Cost Ratio	**(36+37+38+39+40+41+42+43+44+45+46)/(45+46)**

New Jersey Cost Test (NJCT)	
BENEFITS	
47 Lifetime Avoided Wholesale Electric Energy and Ancillary Costs	
48 Lifetime Avoided Wholesale Electric Capacity Costs	
49 Lifetime Avoided Wholesale Natural Gas Costs	
50 Lifetime DRIPE Benefits (E&G)	
51 Lifetime Avoided Electric Transmission Costs	
52 Lifetime Avoided Distribution Costs	
53 Lifetime Avoided Emissions Damages	
54 Non-Energy Benefit Adder	
55 Low-Income Adder	
Total Benefits	***47+48+49+50+51+52+53+54+55***
COSTS	
56 Lifetime Incremental Costs	
57 Lifetime Administration Costs	
Total Costs	***56+57***
Benefit Cost Ratio	**(47+48+49+50+51+52+53+54+55)/(56+57)**
Net income	Total benefits - total costs
shareholders' equity	Total assets - total liabilities
ROE	Net income / shareholders' equity

Columns

Appendix E Worksheet (Summary Cost Test Table)

Sector/Program	New Jersey Cost Test (NJCT)	Societal Cost Test (SCT)	Total Resource Cost Test (TRC)	Participant Cost Test (PCT)	Program Administrator Cost Test (PAC)	Ratepayer Impact Measure Test (RIM)
Res						
C&I						
MF						
LMI						
Total Portfolio						
Res - Behavioral						
EE Products						
Income Qualified						
Whole House						
Demand Response Programs						
Building Decarbonization Programs						
Next Generation Savings						
Multi-family						
Prescriptive/Custom						
Energy Solutions for Business						
Direct Install						
Workforce Development						
CBO Outreach						
Notes						
1. ROE is applied for NJCT						
2. This calculated ROE is assumed that shareholders' equity won't change over time.						
3. In case equity changes yearly, how can we calculate lifetime equity for shareholders.						
4. If ROE for each sector/program is needed, breakdown equity for each sector/program should be provided.						

Appendix F Worksheet

Appendix F: Quantitative Performance Indicators by Program Year

	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Annual Demand Savings (Peak-day therm)	Net Lifetime Energy Savings (Source MMBtu)	LMI and OBC Net Lifetime Energy Savings (Source MMBtu)	Small Business Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve ($/ Lifetime Source MMBtu)	
Program Year 4								
Program Year 5								
Program Year 6								
T2 Portfolio Total								

NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW
	Net Annual Energy Savings (Source MWh)	Net Annual Energy Savings (Source therms)	Net Lifetime Energy Savings (Source MWh)	Net Lifetime Energy Savings (Source therms)	LMI and OBC Net Lifetime Energy Savings (Source MWh)	LMI and OBC Net Lifetime Energy Savings (Source therms)	Small Business Net Lifetime Energy Savings (Source MMBtu)	Small Business Net Lifetime Energy Savings (Source MMBtu)
Program Year 4								
Program Year 5								
Program Year 6								
T2 Portfolio Total								

	Net Annual Energy Savings (Source MMBtu)	Net Annual Demand Savings (Peak MW)	Net Annual Demand Savings (Peak-day therm)	Net Lifetime Energy Savings (Source MMBtu)	LMI and OBC Net Lifetime Energy Savings (Source MMBtu)	Small Business Net Lifetime Energy Savings (Source MMBtu)	Cost to Achieve ($/ Lifetime Source MMBtu)	
Program Year 7								
Program Year 8								
Program Year 9								
T3 Portfolio Total								

NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW
	Net Annual Energy Savings (Source MWh)	Net Annual Energy Savings (Source therms)	Net Lifetime Energy Savings (Source MWh)	Net Lifetime Energy Savings (Source therms)	LMI and OBC Net Lifetime Energy Savings (Source MWh)	LMI and OBC Net Lifetime Energy Savings (Source therms)	Small Business Net Lifetime Energy Savings (Source MMBtu)	Small Business Net Lifetime Energy Savings (Source MMBtu)
Program Year 7								
Program Year 8								
Program Year 9								
T3 Portfolio Total								

Appendix G Worksheet - Additional Utility-Led Initiatives (Bldg Decarbonization Table)

Appendix G: Addition al Utility-Led Initiative

Building Decarbonization Metrics

	Site and source energy savings by fuel (MMBtu)										Site and source lifetime energy savings by fuel (MMBtu)										Site and source annual emissions by fuel (CO2e MT)										Site and source lifetime emissions by fuel (CO2e MT)									
	Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane	
	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source
Program Year 4																																
Program Year 5																																
Program Year 6																																
Program Year 7																																
Program Year 8																																
Program Year 9																																
Savings Beyond PY9																																
Total																																

Building Decarbonization Metrics

	Site and source energy savings by fuel (MMBtu)										Site and source lifetime energy savings by fuel (MMBtu)										Site and source annual emissions by fuel (CO2e MT)										Site and source lifetime emissions by fuel (CO2e MT)									
	Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane		Electric		Natural Gas		Fuel Oil		Propane	
	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source	Site	Source
Program Year 4																																
Program Year 5																																
Program Year 6																																
Program Year 7																																
Program Year 8																																
Program Year 9																																
Savings Beyond PY9																																
Total																																

Net annual peak demand savings by fuel (electricity and natural gas only) (peak MW or peak-day therm)				CO2 emissions impacts by fuel (CO2e MT)				Net CO2 emissions impacts across fuels (CO2e MT)		Levelized cost per metric ton of CO2e (costs levelized over the EUL or AUL, as appropriate, of the measure or project divided by lifetime net CO2e impacts)	Number of distributors and contractors engaged in the program	Number of program participants and installations, overall and for LMI					Number and geographic location of installations	
								All Fuels (sum of prior 4 columns)				Program Participants		Installations				
Electric	Natural Gas	Fuel Oil	Propane	Electric	Natural Gas	Fuel Oil	Propane					Overall	LMI Customers*	Overall	LMI Customers*	Number of Installations	Geographic Location of Installations

Net annual peak demand savings by fuel (electricity and natural gas only) (peak MW or peak-day therm)				CO2 emissions impacts by fuel (CO2e MT)				Net CO2 emissions impacts across fuels (CO2e MT)		Levelized cost per metric ton of CO2e (costs levelized over the EUL or AUL, as appropriate, of the measure or project divided by lifetime net CO2e impacts)	Number of distributors and contractors engaged in the program	Number of program participants and installations, overall and for LMI					Number and geographic location of installations	
								All Fuels (sum of prior 4 columns)				Program Participants		Installations				
Electric	Natural Gas	Fuel Oil	Propane	Electric	Natural Gas	Fuel Oil	Propane					Overall	LMI Customers*	Overall	LMI Customers*	Number of Installations	Geographic Location of Installations

Appendix G Worksheet - Additional Utility-Led Initiatives (Demand Response Table)

Demand Response Metrics								
	Dollars spent per customer enrolled per $ spent ($/participant) by segment for each proposed program		Dollars spent per capacity enrolled ($/therm) by each segment for each proposed program		Intensity impact (tons CO2 during peak event) for each proposed program. The utility shall, based on the program design, define the specific calculation to measure intensity impact;		Ratio of number of customer responses to control requests over number of control requests.	
	Residential	Commercial & Industrial	Residential	Commercial & Industrial	Residential	Commercial & Industrial	Residential *	Commercial & Industrial
Program Year 4								
Program Year 5								
Program Year 6								
Program Year 7								
Program Year 8								
Program Year 9								
Total								

Appendix H Worksheet – Measure Incentive Ranges

For the measures listed, across utilities the labeling/naming of each measure should be consistent
For any values with ranges, the utilities must provide additional information and references for those cost ranges. Specify how the values within the range is used for calculations.

Appendix H: Measure Incentive Ranges

Program	Subprogram	Measure	Unit Basis	Expected Number of Units	Per Unit Savings (kWh)	Per Unit Savings (therms)	Per Unit Savings (Peak kW)	Per Unit Savings (Peak day therm)	Per Unit Total Costs ($)	Rebate Up To Value ($) GDC/EDC Consensus Rebate Strategy	Multifamily Income Eligible Rebate Up to Value ($)	Existing Up To Value ($) Rebate Strategy	Proposed - Existing ($) Rebate Strategy
NEW	NEW			NEW	NEW	NEW	NEW	NEW	NEW				NEW

Assumptions Worksheet (Program Tariff Allocations & Marginal Loss Factors)

Reference Table 1. Program Tariff Allocations
NEW Source: XX

Sector	Program	Gas Tariff Allocations						Electric Tariff Allocations					
		Residential Gas Service (RSG)	General Service (GSG)	General Service Large (GSG-LV)	Large Volume Service (LVS)	Other	Other	Electric - Residential Service (RS)	Electric - General Service Secondary (GS)	Electric - General Service Primary (GP)	Electric - General Service Transmission (GT)	Extra	Extra

Reference Table 2. Marginal Loss Factors
NEW Source: XX

	Marginal Gas Loss Factors					Marginal Electric Loss Factors						
	Residential Gas Service (RSG)	General Service (GSG)	General Service Large (GSG)	Large Volume Service (LVS)	Other	Other	Electric - Residential Service (RS)	Electric - General Service Secondary (GS)	Electric - General Service Primary (GP)	Electric - General Service Transmission (GT)	Extra	Extra
Energy												
Demand												
Billing Peak Factor												

Assumptions Worksheet (Portfolio Assumptions Table)

Reference Table 3. Portfolio Assumptions

	category	unit	input	NEW Source(s)
Timing Assumptions				
	Model Start Date	date		
	Program Start Date	date		
	First Program Year	date		
Measure Characterization				
	Number of Measures	count		
	Number of Programs	count		
	Therm to MCF Conversion	ratio		
	kWh to MMBtu Conversion	ratio		
NPV Assumptions				
	Discount Rate for TRC/PCT/PAC/RIM	%		
	Discount Rate for SCT/NJCT	%		
	NPV Start Date	date		
Program Repayment Assumptions				
	Loan Repayment Percentage	%		
Utility and Supply Assumptions				
	Electric Secondary Loss Factor - Energy	%		
	Electric Primary Loss Factor - Energy	%		
	Electric Subtransmission Loss Factor - Ene	%		
	Electric Transmission Loss Factor - Energy	%		
	Electric Secondary Loss Factor - Demand	%		
	Electric Primary Loss Factor - Demand	%		
	Electric Subtransmission Loss Factor - Den	%		
	Electric Transmission Loss Factor - Deman	%		
	Average-to-Marginal Loss Adjustment Fac	%		
	Natural Gas Losses Factor	%		
	Capacity Market Realization Delay	years		
	PJM Forecast Pool Requirement	%		
Volatility Hedge Assumptions				
	Wholesale Electric Volatility Hedge Adder	%		
	Wholesale Natural Gas Volatility Hedge Ad	%		
Economic Assumptions				
	Sales and Use Tax Rate	%		
Non-Energy Benefits				
	NEB Adder	%		
	Low-Income Adder	%		
DRIPE Adder				
	Electric Energy	%		
	Electric Capacity	%		
	Natural Gas	%		

Abbreviations & References Worksheet

Abbreviations	References and estimates used
Please specify all the abbreviations used in the document here.	Mention the Sources of information to verify the rates and costs used for calculations. Specify any estimates/Thresholds used for calculations here if not mentioned anywhere else.