



November 30, 2023

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
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P.O. Box 350
Trenton, NJ 08625-0350

Submitted electronically, no paper copies will follow.

DOCKET NOS. QO1901040, QO19060748 & QO17091004

Dear Secretary Golden:

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for the first quarter for Program Year 2024¹ ("PY24") of New Jersey Natural Gas ("NJNG" or "Company") with respect to its Clean Energy Act of 2018 Energy Efficiency ("EE") and Peak Demand Reduction ("PDR") Programs.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Energy Efficiency Program Progress - Executive Summary

Overall Portfolio

SAVEGREEN® ("SAVEGREEN"), the customer branded name for NJNG's energy efficiency programs, has been serving customers since 2009. This report addresses new efforts for the expansion of SAVEGREEN that occurred on July 1, 2021² to meet the requirements of the Clean Energy Act, including the transition of many programs that were previously administered by New Jersey's Clean Energy Program. NJNG worked closely with the other New Jersey Utilities (Utilities) to develop coordinated programs to offer comprehensive solutions for our customers.

¹ - For the purposes of the quarterly reports for Program Year 2024, the numbering of the quarters aligns to these dates: **Q1** (7/1/23 - 9/30/23); **Q2** (10/1/23 - 12/31/23); **Q3** (1/1/24 - 3/31/24); **Q4** (4/1/24 - 6/30/24).

² - During this quarter, NJNG was also performing activities to close out projects that were authorized under prior program approvals in BPU Docket No. GO18030355. NJNG will continue to comply with the reporting requirements established within that Docket.

Since NJNG had robust energy-efficiency programs in place and good working relationships with many contractors, NJNG was able to leverage many elements of our existing structure for program expansion, including the ability to refresh our online marketplace and microsite, established communication and marketing channels with customers and contractors, infrastructure and procedures for our On-Bill Repayment Program (OBRP) and knowledgeable employees, experienced in our energy-efficiency programs, many of whom have been with SAVEGREEN since 2009. NJNG continues to refine our Program Management Software System (PMSS) to properly support the tracking of the energy savings and investments of our expanded program portfolio and provide enhanced functionality for customers and contractors, as well as on-going coordination efforts with the Utilities. With limited exception noted within this report, NJNG is not using Third Party Implementation Contractors to administer most programs.

All of NJNG's approved programs that were expected to launch in July were accepting applications from customers and contractors in early July 2021. In addition, as noted in our filing and follow-up discussions, NJNG launched certain newer Additional Utility Led Programs, including Moderate Income Weatherization, Energy Management, and Engineered Solutions, later in Program Year 1 (Program Year 2022). Due to longer lead times for commercial projects, Energy Management and Engineered Solutions did not have any closed projects as of the end of this reporting quarter, but the commercial team has three Engineered Solutions projects enrolled, with other potential projects for both Engineered Solutions and Energy Management in development in PY24. During September 2023, NJNG had one legacy project (Engineered Solutions) close. Those savings are reflected in Tables 1 and 2.

The Utilities continue to work on developing the Statewide Coordinator (SWC) system that will facilitate the exchange of investments and energy savings between a Lead Utility and a Partner Utility. As of PY24- Q1, all utilities have approved Residential programs through user acceptance testing and have begun the exchange of data for certain Residential programs. NJNG has distributed invoices for the majority of the Residential conservation kits. SWC system user acceptance testing for C&I and Multi-family programs is progressing. As discussed during Utility Working Group discussions, Utilities are supporting incentives for comprehensive projects that address both fuels with the intention to transfer all information through the SWC when the system is operational and integrated with each utility's program management software and tracking system. Accordingly, the information reflected within this report reflects all investments and financing made by NJNG, including those as the Lead Utility on behalf of a Partner Utility. At the end of PY24-Q1, NJNG distributed its first batch of invoices as the Lead Utility, and the impacts of the transferred savings will be reflected in a future reporting period. Energy savings shown within this report only reflect savings for NJNG's primary fuel.

Collectively, the programs delivered over 56,700 Dth in savings through PY24-Q1. Additional information on the composition of the savings is presented both within this report and in Appendices B through E.

Additionally, NJNG is committed to improving our programs. NJNG is working closely with DNV Energy Insights, the primary evaluation contractor, and their subcontractor APPRISE, Inc. For the purpose of this report, they will collectively be referred to as the DNV Team. The DNV Team is working as per the guidance provided by the Statewide Evaluator (SWE) Team that is under contract to the BPU. For PY23 evaluation, work scopes have been finalized and surveys are being launched to the customer to gather feedback. A tracking data review has also been conducted for most programs to ensure accurate savings are being reported. Contractor interviews for HPwES have been completed and other trade ally interviews are to be scheduled. The DNV Team has also interviewed SAVEGREEN staff to better understand NJNG internal processes and changes expected in the upcoming program years.

Residential Sector - year-to-date highlights include:

- Energy Efficient Products
 - The HVAC Program completed 1,471 measures.
 - NJNG has currently halted distribution of community conservation kits as a result of the implementation of A-5160. NJNG was no longer able to claim savings for the majority of the energy saving measures in conservation kits because of the increased efficiency standard and the inability to identify the current condition in the customers home for these products. This effectively eliminated NJNG's ability to claim savings for community conservation kits based on the mix of products.
 - The NJNG Online Marketplace sold 643 efficient products to NJNG customers. Majority (84%) of these sales were smart thermostats, but NJNG also offered discounted energy products for the home. NJNG previously also sold conservation kits on the Marketplace but also had to eliminate these sales as a result of the implementation of A-5160 as noted in the previous bullet.
 - NJNG processed 830 appliance rebates for washer/dryer units.
- The Home Performance with ENERGY STAR (HPwES) Program completed 120 projects. This does not include the HPwES activity within the Multi-family market.
- The Behavioral Program had more than 234,000 customers in our treatment group.
- The Quick Home Energy Check-Up (QHEC) Program completed 179 customer visits.
 - All QHEC visits and QHEC+ audits are conducted by NJNG employees with full BPI certification.
 - NJNG also offered a QHEC+ option that includes a comprehensive Building Performance Institute (BPI) audit and the potential for the installation of a smart thermostat that is purchased on the NJNG Marketplace. The original fee for the QHEC+ is \$49 but our approval allowed us to offer discounted rates for promotional periods and qualifying circumstances. The QHEC+ was offered for free to residents who moved to a new NJNG service address within their first 12 months at the residence through PY24-Q1.
 - NJNG is continuing with social media campaigns thorough Facebook, Instagram and Google targeting customers within the NJNG service territory.
 - A QHEC+ promotional video (<https://www.youtube.com/watch?v=rI0JmdPLd6E&t=2s>) was developed and launched in PY24-Q1 and was promoted on social media (Facebook, Instagram) and streaming platforms (YouTube, Hulu).
- CLEAResult, NJNG's Moderate-Income Weatherization Program Implementer and Quality Control vendor, completed 149 audits.
 - NJNG's weatherization marketing campaigns are in process. Outreach includes:
 - PY24-Q1 concluded the campaign which consisted of direct mail being sent to approximately 56,000 customers identified as low-income overburdened community (OBC) residents promoting the weatherization program and a corresponding 25,000 follow-up e-mails being sent, leading to inbound residual leads throughout the period.
 - During the period, 327 leads were received, 160 applications were submitted, and 80 customers were approved and moved to the implementer for audits.
 - Presentations were made to various organizations, including Senior Citizens Alliance Network (SCAN) and to the State of NJ Department of Child Protection and Permanency (DCP&P) in Monmouth County, the primary department that provides in-home services to families throughout the state. Program information occurred during PY24-Q1 at the minor league baseball Jersey Shore BlueClaws games, and application assistance events also took place in September during NJNG's Energy Assistance Days.
 - Information continues to be provided to Monmouth, Ocean and Morris counties agencies, including Affordable Housing and Ocean Inc. These agencies provide information on the Moderate-Income

Weatherization Program to customers over income limits for Comfort Partners.

- To support the growth of the Clean Energy Jobs Workforce Development Program, Building Performance Institute, Inc. (BPI) Certification classes are being offered to eligible participants which include unemployed candidates, veterans, etc. in NJNG's service territory. Candidates receive the training and certification testing at no charge. Classes are a mix of online and hybrid to learn the fundamentals of the industry such as home inspections, energy modeling, enhanced in-field management, etc.

Commercial Sector - year-to-date highlights include:

- The NJNG outreach team is actively promoting the programs at events across our service territories. They are also engaged in one-on-one discussions with customers who are interested in learning more about available programs.
- The Direct Install Program completed 9 projects.
 - NJNG has seen greater participation in this program as a result of modifications to the screening tool for Direct Install Projects. The Utilities considered feedback from customers and trade allies regarding the structure of incentive calculations for the Direct install Program and implemented enhancements on July 1, 2022.
 - As of September 30, 2023, the Direct Install project pipeline had 11 applications submitted for future projects with a steady inflow of new applications.
- The Prescriptive Program did not have any closed projects nor report on energy savings during PY24-Q1.
 - As of September 30, 2023, the Prescriptive project pipeline had 3 applications submitted for future projects.
 - As noted in prior reports and discussions with BPU staff, NJNG has been successful in converting some Prescriptive Program requests into comprehensive Direct Install projects. NJNG's commercial encourages all interested customers to consider pivoting to more comprehensive upgrades whenever possible.
- The Engineered Solutions project pipeline had 3 applications submitted for future projects, as of September 30, 2023. These projects have long development cycles.
- NJNG received 3 Energy Management applications during PY24-Q1 and expects an increase in participation as the program is marketed to both contractors and customers.
- Although NJNG noticed steady growth in its project pipelines, supply chain challenges are ongoing. NJNG is actively working with its vendors to mitigate these challenges and deliver projects on schedule wherever possible to meet the needs of both customers and the program.
- NJNG incurred program costs but had limited projects close during PY24-Q1, so limited energy savings were reported in this period.
- NJNG has engaged a marketing consultant (White Whale) to launch our first commercial marketing campaign.
 - The Initial focus will be on Direct Install and Prescriptive Programs. Strategies will include social media, e-mail, and direct mail.
- During September 2023, NJNG had one legacy project (Engineered Solutions) close. Those savings are reflected in Tables 1 and 2.

Multi-family Sector - year-to-date highlights include:

- Our outreach team is engaged in one-on-one discussions with customers who are interested in learning more about the available programs.
- The Multi-family HPwES Program completed 530 units.
- NJNG conducted a competitive solicitation and selected CLEAResult as a Third-Party Implementation Contractor to support the launch of Direct Install of energy savings measures for the Multi-family Program. Program details have been put in place to enable the launch of this pathway. No customer applications were submitted during PY24-Q1, however NJNG is actively working with multiple customers interested in participating in the future.
- NJNG was available to accept interested customers into the program for the initial screening and to process incentives for Prescriptive measures pathway. However, no customer applications were submitted during PY24-Q1.
- NJNG also had the infrastructure in place to engage Multi-family property owners in Engineered Solutions. Applications for 3 interested customers are currently under review.

Contractor Summary

- NJNG engages nearly 1,900 contractors through our monthly contractor newsletter.
- 262 Contractors have been onboarded to participate in our OBRP program, this includes 27 contractors for the HPwES Program.
- There were 33 commercial contractors onboarded for our Direct Install Program.
- There were 36 contractors for our Prescriptive program who signed a participation agreement to allow them to offer our OBRP program.
- Any licensed contractor can offer rebates for qualifying residential HVAC equipment and commercial Prescriptive equipment.
- There were 12 engineering firms for our Engineered Solutions Program.

Table 1 - Program Year 2024 Program Results shows the Company’s overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners Program, which is the primary program serving low-income customers and is co-managed with the Division of Clean Energy in conjunction with NJNG and the other investor-owned electric and gas utility companies.

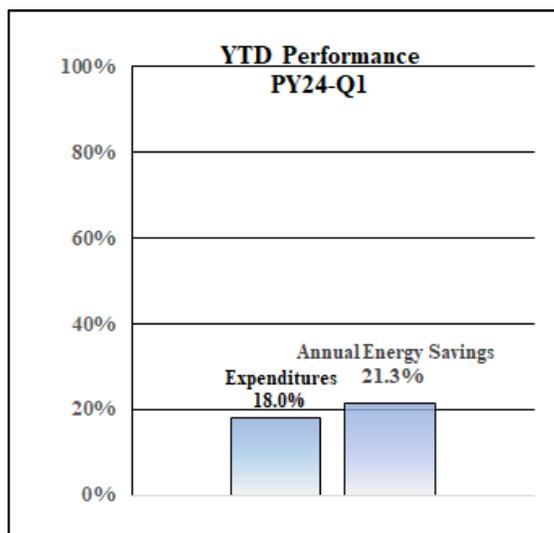
Table 1 - Program Year 2024 Program Results

Utility-Administered Programs Ex-ante Energy Savings (Dth)	Comfort Partners Ex-ante Energy Savings (Dth) ²	Other Programs Ex-ante Energy Savings (Dth) ¹	Total Ex-ante Energy Savings (Dth)	Compliance Baseline (Dth)	Annual Target (%)	Annual Target (Dth)	Percent of Annual Target (%)
(A)	(B)	(C)	(D) = (A) + (B) + (C)	(E)	(F)	(G) = (E) * (F)	(H) = (D) / (G)
56,731	980	29,701	87,413	67,337,153	0.51%	343,419	25.5%

¹ - Other Programs include Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs, such as legacy programs and pilots. NJNG legacy programs that close within PY24 only reflect savings from legacy programs that do not have an overlap with NJCEP, primarily Engineered Solutions.

² - NJ Comfort Partners savings is understated due to recently transitioning the data system of record. Savings true-up anticipated with Q2 reporting.

Figure 1 - PY24-Q1 Performance of Expenditures and Annual Energy Savings



The chart above is reflective of expenditures and savings from NJNG’s approved plan (not reflective of the retail energy targets which is captured in Table 1 - Program Year 2024 Program Results).

Table 2 - Quantitative Performance Indicators provides the results of the QPIs for all programs for which utilities are responsible, inclusive of the CEA-funded programs, Comfort Partners Program (only included in low/moderate income lifetime savings), and any legacy energy efficiency programs administered by NJNG that were authorized or funded by or through a prior filing or authorization.

Table 2 - Quantitative Performance Indicators

	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results ¹⁰	Other Programs Plan Year Results ⁹	Total Plan Year Results	Annual Target ^{5 & 6}	Percent of Annual Target Achieved
Annual Energy Savings (Dth) ¹	56,731	980	29,701	87,413	410,483	21.3%
Lifetime Savings (Dth)	592,477	17,172	524,678	1,134,327	4,400,219	25.8%
Annual Demand Savings (Dth Peak Day) ²						
Lifetime Persisting Demand Savings (Dth-year) ⁶						
Low/Moderate-Income Lifetime Savings (Dth) ³	1,196	17,172	-	18,368		
Small Commercial Lifetime Savings (Dth) ⁴	3,387		-	3,387		
Net Present Value of Utility Cost Test Net Benefits (\$) ⁷⁻⁸	\$ -			\$ -		

¹ - Calculated savings at the retail (customer meter) level. Savings are ex-ante.

² - Calculation methodology for Annual Demand Savings and Lifetime of Persisting Demand Savings for natural gas are in development.

³ - Low/Moderate-Income lifetime savings are the total of any income-qualified Residential or Multi-family program, including Comfort Partners.

⁴ - Small Commercial lifetime savings are Direct Install Program savings and those from C&I small business customers (<200 kW peak demand) in other programs.

⁵ - The New Jersey Comfort Partners Program does not forecast annual target retail savings (Dth).

⁶ - Annual Targets reflect estimated impacts as filed the Company's 2021-2024 Clean Energy Filing.

⁷ - Cost effectiveness impacts are not calculated for Comfort Partners or Other Programs.

⁸ - Net Present Value of Utility Cost Test Net Benefits was reported at \$665,739 during PY1-Q4 and \$3,131,483 during PY2- Q4.

⁹ - Other Programs include Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs, such as legacy programs and pilots. NJNG legacy programs that close within PY24 only reflect savings from legacy programs that do not have an overlap with NJCEP, primarily Engineered Solutions.

¹⁰ - NJ Comfort Partners savings is understated due to recently transitioning the data system of record. Savings true-up anticipated with Q2 reporting.

Sector-Level Participation, Expenditures, and Energy Savings

Participation

NJNG has seen a strong start to the residential programs because we have been offering a range of residential energy-efficiency programs since 2009. NJNG has a robust network of participating contractors, active communication channels, and marketing efforts.

Based on experience supporting the commercial energy efficiency programs run by NJCEP, NJNG recognizes longer lead times for those programs. Due to this, NJNG expected to have a limited number of closed commercial projects during this timeframe. NJNG had similar expectations for the Multi-family program, especially since it launched mid-year during PY22. NJNG’s annual forecasted participation was based on commitments rather than closed projects. Additionally, as a result of the implementation of A-5160, NJNG was no longer claiming participants for Conservation Kits.

Table 3 - Sector-Level Participation

Sector ¹	Quarter Participants ²	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	237,586	237,586	270,530	87.8%
Multi-family	530	530	1,341	39.5%
C&I	9	9	1,457	0.6%
Reported Totals for Utility Administered Programs	238,125	238,125	273,328	87.1%
Comfort Partners	193	193	824	23.4%
Utility Total	238,318	238,318	274,152	86.9%

¹ - Please note that these numbers are totals across all programs within a sector. Appendix B shows the participation results for individual programs or offerings.

Expenditures

NJNG requested adjustments to the annual budget during PY24. As reflected in Table 4 below, NJNG has spent 23% of the Residential sector budget, approximately 16% of the Multi-family sector budget, and close to 14% of the Commercial sector budget. The smaller relative spend for the Multi-family and Commercial Programs reflects that limited incentives were processed during PY24-Q1; however, there is significant activity occurring on projects in process and regarding outreach to engage further customers. NJNG’s annual forecasted expenditures were based on commitments rather than closed projects. Accordingly, some programs within the commercial sector spending are expected to remain at lower levels since many comprehensive projects with longer lead times will likely close after the conclusion of the current triennial.

Table 4 - Sector-Level Expenditures

Expenditures ¹	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 8,972	\$ 8,972	\$ 38,929	23.0%
Multi-family	\$ 1,423	\$ 1,423	\$ 9,164	15.5%
C&I	\$ 5,557	\$ 5,557	\$ 40,622	13.7%
Reported Totals for Utility Administered Programs	\$ 15,951	\$ 15,951	\$ 88,715	18.0%
Comfort Partners	\$ 1,708	\$ 1,708	\$ 5,749	29.7%
Utility Total	\$ 17,659	\$ 17,659	\$ 94,464	18.7%

¹ - Expenditures include rebates, incentives, and loans, as well as program administration costs allocated across programs.

Energy Savings

Given that this is the third year of activity after the transition of the NJCEP programs, NJNG expected some of the programs to reflect a slower start. NJNG is working to refine procedures to improve the customer experience, engage more contractors, and reach more customers through marketing and outreach.

Table 5 - Sector-Level Energy Savings

Annual Energy Savings ¹	Quarter Retail ² (Dth)	YTD Retail ² (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	48,082	48,082	268,551	17.9%
Multi-family	5,262	5,262	18,710	28.1%
C&I	3,387	3,387	123,222	2.7%
Reported Totals for Utility Administered Programs	56,731	56,731	410,483	13.8%
Comfort Partners	980	980	5,680	17.3%
Utility Total	57,711	57,711	416,163	13.9%

¹ - Annual energy savings represent the total expected annual savings from all EE measures within each sector. Appendix B shows the annual energy savings results for individual programs or offerings.

² - NJ Comfort Partners savings is understated due to recently transitioning the data system of record. Savings true-up anticipated with Q2 reporting.

Portfolio Expenditures Breakdown

Table 6 provides quarterly, and year-to-date costs compared to the full program year budget. Spending will accelerate quickly as other Commercial and Multi-family Programs begin to close.

Table 6 - Annual Costs and Budget Variances by Category

Total Utility EE/PDR ¹	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs ²	\$ 14	\$ 14	\$ 23	60.9%
Utility Administration	\$ 1,716	\$ 1,716	\$ 6,076	28.2%
Marketing	\$ 228	\$ 228	\$ 1,496	15.2%
Outside Services	\$ 103	\$ 103	\$ 1,935	5.3%
Rebates	\$ 7,174	\$ 7,174	\$ 40,269	17.8%
No or Low-Interest Loans	\$ 6,309	\$ 6,309	\$ 37,019	17.0%
Evaluation, Measurement & Verification (EM&V)	\$ 650	\$ 650	\$ 2,774	23.4%
Inspections & Quality Control	\$ 25	\$ 25	\$ 166	15.0%
Utility Total	\$ 16,217	\$ 16,217	\$ 89,757	18.1%

¹ - Categories herein align to NJNG's EE plan as approved by the BPU.

² - PY1 budget for Capital Cost was established at \$1.3M. At PY1-Q4 \$823K (61%) was spent. \$527K remained, which carried over and became PY2 full year budget. During PY2-Q4 \$504K was spent. \$23K remained and became PY3 budget.

Equity Metrics

These equity metrics draw from the considerable work of the New Jersey Office of Environmental Justice's Overburdened Community (OBC) designations. Per New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157, census block groups are identified as being an Overburdened Community when specific census criteria are met¹, and metrics reported herein reflect further direction from BPU Staff².

NJNG devoted significant internal resources to developing the proper reports to extract the information used to populate this table from our Customer Information System to calculate the system wide reference points and our PMSS to develop related participation metrics. NJNG intends to improve our understanding of the implications of these metrics and pursue additional focused strategies to improve the participation levels for customers in OBC as needed.

NJNG has pursued distinct outreach strategies to benefit our low-to moderate income customers living in (and outside, e.g., senior populations) OBCs. These strategies provide our customers with information about special programs and enhanced incentives the energy efficiency programs have to help lower their energy bills and potentially improve the comfort and safety of their homes. Activities include outreach events, customer bill inserts and newsletters, e-mail campaigns, social media advertising, and direct mail. NJNG works with community partners to reach customers in OBC communities. We continue to develop new approaches and strategies to increase participation.

Table 7 - Equity Performance ⁷

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	Total	Ratio ²
# of Household Accounts ³	64,552	466,514	531,066	0.12
# of Large Commercial Accounts ³	1,097	4,925	6,022	0.18
# of Small Commercial Accounts ³	4,618	28,736	33,354	0.14
Totals	70,267	500,175	570,442	0.12
Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	Total	Ratio ²
Household Accounts - Annual Energy	54,951,872	477,761,510	532,713,382	0.10
Large Commercial Accounts - Annual Energy	24,519,742	100,048,084	124,567,826	0.20
Small Commercial Accounts - Annual Energy	47,618,975	276,913,011	324,531,986	0.15
Totals (Therms) ⁴	127,090,589	854,722,605	981,813,194	0.13
Totals (Dth) ⁴	12,709,059	85,472,261	98,181,319	0.13

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	Quarter Ratio ²	YTD Overburdened ¹	YTD Non-Overburdened	YTD Ratio ²
Participation								
Residential - Efficient Products ⁵	HVAC	Core	47	1,424	0.03	47	1,424	0.03
	Community Kits	Core	-	-	-	-	-	-
	Others (Online Marketplace & Washers/Dryers)	Core	180	1,293	0.12	180	1,293	0.12
Total Efficient Products Participation			227	2,717	0.08	227	2,717	0.08
Residential - Existing Homes	Home Performance with Energy Star	Core	24	96	0.20	24	96	0.20
	Quick Home Energy Check-Up	Additional	12	167	0.07	12	167	0.07
	Moderate-Income Weatherization	Additional	2	7	0.22	2	7	0.22
Home Energy Education & Management	Behavioral	Additional	23,029	211,305	0.10	23,029	211,305	0.10
Total Residential Participation			23,294	214,292	0.10	23,294	214,292	0.10
C&I Direct Install	Direct Install	Core	-	9	-	-	9	-
Energy Solutions for Business	Prescriptive/Custom	Core	-	-	-	-	-	-
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Participation			-	9	-	-	9	-
Multi-family	HPwES	Core	120	410	0.23	120	410	0.23
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multi-family Participation			120	410	0.23	120	410	0.23
Total Core Participation ⁶			371	3,232	0.10	371	3,232	0.10
Total Additional Participation ⁶			23,043	211,479	0.10	23,043	211,479	0.10
TOTAL PARTICIPATION ⁶			23,414	214,711	0.10	23,414	214,711	0.10

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	Quarter Ratio ²	YTD Overburdened ¹	YTD Non-Overburdened	YTD Ratio ²
Annual Energy Savings (Dth)								
Residential - Efficient Products ⁵	HVAC	Core	626	16,543	0.04	626	16,543	0.04
	Community Kits	Core	-	-	-	-	-	-
	Others (Online Marketplace & Washers/Dryers)	Core	267	2,227	0.11	267	2,227	0.11
Total Efficient Products Annual Energy Savings (Dth)			893	18,770	0.05	893	18,770	0.05
Residential - Existing Homes	Home Performance with Energy Star	Core	402	2,019	0.17	402	2,019	0.17
	Quick Home Energy Check-Up	Additional	4	172	0.02	4	172	0.02
	Moderate-Income Weatherization	Additional	3	42	0.07	3	42	0.07
Home Energy Education & Management	Behavioral	Additional	2,345	23,432	0.09	2,345	23,432	0.09
Total Residential Annual Energy Savings (Dth)			3,647	44,435	0.08	3,647	44,435	0.08
C&I Direct Install	Direct Install	Core	-	3,387	-	-	3,387	-
Energy Solutions for Business	Prescriptive/Custom	Core	-	-	-	-	-	-
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Annual Energy Savings (Dth)			-	3,387	-	-	3,387	-
Multi-family	HPwES	Core	997	4,265	0.19	997	4,265	0.19
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multi-family Annual Energy Savings (Dth)			997	4,265	0.19	997	4,265	0.19
Total Core Annual Energy Savings ⁶			2,292	28,441	0.07	2,292	28,441	0.07
Total Additional Annual Energy Savings ⁶			2,352	23,646	0.09	2,352	23,646	0.09
TOTAL ANNUAL ENERGY SAVINGS ⁶			4,644	52,087	0.08	4,644	52,087	0.08

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	Quarter Ratio ²	YTD Overburdened ¹	YTD Non-Overburdened	YTD Ratio ²
Lifetime Energy Savings (Dth)								
Residential - Efficient Products ⁵	HVAC	Core	11,971	322,166	0.04	11,971	322,166	0.04
	Community Kits	Core	-	-	-	-	-	-
	Others (Online Marketplace & Washers/Dryers)	Core	2,186	17,872	0.11	2,186	17,872	0.11
Total Efficient Products Lifetime Energy Savings (Dth)			14,157	340,038	0.04	14,157	340,038	0.04
Residential - Existing Homes	Home Performance with Energy Star	Core	6,026	30,258	0.17	6,026	30,258	0.17
	Quick Home Energy Check-Up	Additional	40	1,540	0.03	40	1,540	0.03
	Moderate-Income Weatherization	Additional	61	976	0.06	61	976	0.06
Home Energy Education & Management	Behavioral	Additional	4,924	49,208	0.09	4,924	49,208	0.09
Total Residential Lifetime Energy Savings (Dth)			25,208	422,020	0.06	25,208	422,020	0.06
C&I Direct Install	Direct Install	Core	-	55,798	-	-	55,798	-
Energy Solutions for Business	Prescriptive/Custom	Core	-	-	-	-	-	-
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Lifetime Energy Savings (Dth)			-	55,798	-	-	55,798	-
Multi-family	HPwES	Core	16,941	72,510	0.19	16,941	72,510	0.19
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multi-family Lifetime Energy Savings (Dth)			16,941	72,510	0.19	16,941	72,510	0.19
Total Core Lifetime Energy Savings ⁶			37,124	498,604	0.07	37,124	498,604	0.07
Total Additional Lifetime Energy Savings ⁶			5,025	51,724	0.09	5,025	51,724	0.09
TOTAL LIFETIME ENERGY SAVINGS ⁶			42,149	550,328	0.07	42,149	550,328	0.07

- ¹ - Across all programs, participation/expenditures/savings are classified as either in an Environmental Justice Overburdened Community census block or not based on the program participant's address. Overburdened Community census blocks were developed and defined by the NJ Department of Environmental Protection (www.nj.gov/dep/ej/communities.html). The Overburdened Community (OBC) census blocks are defined with three criteria: at least 35% of households qualify as low-income, at least 40% of residents identify as minority, and at least 40% of households have limited English proficiency. If any of the three criteria is satisfied, the census block is defined as OBC. Staff directed to only include OBC census blocks where at least 35% of households qualify as low-income. For example, a census block that only satisfies the limited English proficiency criteria is not included.
- ² - The %OBC column shows the ratio of the overburdened metric over the total of overburdened plus non-overburdened. Comparing the territory-level benchmark %OBC (upper table) versus the program %OBC (lower table) shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program %OBC is greater than the benchmark %OBC, then the overburdened population is better represented in the program relative to the percentage of overburdened households or business in the utility territory.
- ³ - Estimation of accounts with overburdened designation determined to be active immediately preceding the current Plan Year.
- ⁴ - Estimation of usage with overburdened designation for the 12-month period immediately preceding the current Plan Year.
- ⁵ - Efficient Products Program, Lighting participants represent sales of products originating from stores located within an Overburdened Community. This metric is not intended to identify individual participants who reside in Overburdened Community, but rather the proportion of retail lighting sales stemming from locations serving Overburdened Communities aligned to BPU Staff's modifications.
- ⁶ - Individual line items or totals as listed in the OBC table may differ slightly from those results in Appendix B table due to rounding.
- ⁷ - The 2020 census data was used for PY3-Q1 and PY2 Q3-Q4. Previous quarterly reports (PY1 Q1-Q2-Q3-Q4 and PY2 Q1- Q2) reflected 2019 census data.

Please contact the undersigned (via e-mail at APeracchio@NJNG.com) should you have any questions or concerns regarding this report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Anne-Marie Peracchio".

Anne-Marie Peracchio
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Cc:
Philip Chao
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List of Appendices

The bolded appendices in this list also appear in the accompanying Annual Report Appendix Spreadsheet.

- **Appendix A - Participant Definitions**
- **Appendix B - Energy Efficiency and PDR Savings Summary**
- **Appendix C - Energy Efficiency and PDR Savings Summary, LMI Customers**
- **Appendix D - Energy Efficiency and PDR Savings Summary, Business Customers**
- **Appendix E - Annual Baseline Calculation**

Appendix A - Participant Definitions

NJ Program/Pathway		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Rebated Products	Quantity of units rebated (based on SKU)
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
Existing Homes	Home Performance with Energy Star	Count of completed HPwES projects
	Quick Home Energy Checkup	Count of completed visits
	Moderate Income Weatherization	Same as HPwES - (distinction would be paying for audit in this program)
Home Energy Education & Management	Behavioral	Count of treatment customers at end of reporting period
C&I Direct Install	Direct Install	Count based on number of applications/projects completed, not account number
Energy Solutions for Business	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Energy Management	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number
Multi-family	MF HPwES	Count of completed HPwES projects
	Direct Install	Count based on number of projects completed
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number

Appendix B - Energy Efficiency and PDR Savings Summary

For Period Ending PY24Q1																
NJNG		Participation				Actual Expenditures				Ex Ante Energy Savings						
		A	B	C	D = C / B	E	F	G	H = G / F	I	J	K	L = K / J	M	O	P
		Current Quarter	Annual Forecasted Participation Number	Reported Participation Number YTD	YTD % of Annual Participants	Current Quarter (\$000)	Forecasted Annual Program Costs 1 (\$000)	Reported Program Costs YTD (\$000)	YTD % of Annual Budget	Current Quarter Annual Retail Energy Savings (Dth)	Annual Forecasted Retail Energy Savings (Dth)	Reported Retail Energy Savings YTD (Dth)	YTD % of Annual Energy Savings	Current Quarter Reported Wholesale Energy Savings (Dth)	Current Quarter Lifetime Retail Savings (Dth)	YTD Lifetime Retail Savings (Dth)
Residential Programs	Sub-Program															
Efficient Products *	HVAC	1,471	7,375	1,471	19.9%	\$ 5,975	N/A	\$ 5,975	N/A	17,169	66,440	17,169	25.8%	17,341	334,137	334,137
	Community Kits ³	-	10,000	-	0.0%	\$ -	N/A	\$ -	N/A	-	11,188	-	0.0%	-	-	-
	Others (Online Marketplace & Washers/Dryers)	1,473	21,532	1,473	6.8%	\$ 161	N/A	\$ 161	N/A	2,494	57,277	2,494	4.4%	2,519	20,058	20,058
	Total Efficient Products	2,944	38,907	2,944	7.6%	\$ 6,136	\$ 26,661	\$ 6,136	23.0%	19,663	134,906	19,663	14.6%	19,860	354,195	354,195
Existing Homes	Home Performance with Energy Star *	120	774	120	15.5%	\$ 1,837	\$ 7,913	\$ 1,837	23.2%	2,421	23,901	2,421	10.1%	2,445	36,284	36,284
	Quick Home Energy Check-Up	179	1,733	179	10.3%	\$ 409	\$ 1,317	\$ 409	31.1%	176	2,268	176	7.8%	178	1,580	1,580
	Moderate-Income Weatherization	9	116	9	7.8%	\$ 154	\$ 1,783	\$ 154	8.7%	45	3,958	45	1.14%	45.45	1,037	1,037
Home Energy Education & Management	Behavioral ²	234,334	229,000	234,334	102.3%	\$ 435	\$ 1,255	\$ 435	34.6%	25,777	109,518	25,777	24.9%	26,035	54,132	54,132
Total Residential		237,586	270,530	237,586	87.8%	\$ 8,972	\$ 38,929	\$ 8,972	23.0%	48,082	268,551	48,082	17.9%	48,563	447,228	447,228
Business Programs	Sub-Program															
C&I Direct Install	Direct Install *	9	260	9	3.5%	\$ 1,676	\$ 16,408	\$ 1,676	10.2%	3,387	35,730	3,387	9.5%	3,421	55,798	55,798
Energy Solutions for Business	Prescriptive/Custom *	-	1,135	-	0.0%	\$ 183	\$ 8,461	\$ 183	2.2%	-	48,955	-	0.0%	-	-	-
	Energy Management	-	13	-	0.0%	\$ 48	\$ 1,138	\$ 48	4.2%	-	3,184	-	0.0%	-	-	-
	Engineered Solutions	-	49	-	0.0%	\$ 3,649	\$ 14,615	\$ 3,649	25.0%	-	35,354	-	0.0%	-	-	-
Total Business		9	1,457	9	0.6%	\$ 5,557	\$ 40,622	\$ 5,557	13.7%	3,387	123,222	3,387	2.7%	3,421	55,798	55,798
Multi-family *	HPwES	530	N/A	530	N/A	\$ 1,423	N/A	\$ 1,423	0.0%	5,262	N/A	5,262	0.0%	5,315	89,451	89,451
	Direct Install	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
	Prescriptive/Custom	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
	Engineered Solutions	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
Total Multi-family		530	1,341	530	39.5%	\$ 1,423	\$ 9,164	\$ 1,423	15.5%	5,262	18,710	5,262	28.1%	5,315	89,451	89,451
Other Programs																
Home Optimization & Peak Demand Reduction		-	-	-	0.0%	\$ -	\$ -	\$ -	0.0%	-	-	-	0.0%	-	-	-
Total Other		-	-	-	0.0%	\$ -	\$ -	\$ -	0.0%	-	-	-	0.0%	-	-	-
Portfolio Total		238,125	273,328	238,125	87.1%	\$ 15,951	\$ 88,715	\$ 15,951	18.0%	56,731	410,483	56,731	13.8%	57,298	592,477	592,477
Supportive Costs Outside Portfolio						\$ 266	\$ 1,019	\$ 266	26.1%							

* - Denotes a core EE program. Home Performance with Energy Star only includes non-LMI; the comparable program for LMI participants is Comfort Partners, which is jointly administered by the State and Utilities.

¹ - Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR filings as provided for in the June 10, 2020 Board Order and for PY24-Q1 incorporates sub-program budget adjustments (BPU Docket: GO20090622, electronically filed October 19, 2023).

² - Behavioral lifetime retail savings (Dth) were calculated utilizing useful life of 2.1 years.

³ - Prior program years NJNG reported on the distribution of community conservation kits. NJNG has currently halted distribution of community conservation kits as a result of the implementation of A-5160. NJNG was no longer able to claim savings for the majority of the energy saving measures in conservation kits because of the increased efficiency standard and the inability to identify the current condition in the customers home for these products. This effectively eliminated NJNG's ability to claim savings for community conservation kits based on the mix of products.

Note - On-going discussions within the Evaluation, Measurement and Verification (EM&V) Working Group have noted that there is no clearly defined protocol for calculating peak demand savings for natural gas measures. It is anticipated that this issue will be addressed by the EM&V Working Group within this Triennial. No Peak

Appendix C - Energy Efficiency and PDR Savings Summary, LMI Customers

For Period Ending PY24Q1							
NJNG		Participation		Incentive Expenditures (Customer Rebates & Low/No-Cost Financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$000)		Reported Retail Energy Savings YTD (Dth)	
Residential Programs	Sub-Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	53	1,418	\$ 289	\$ 5,076	777	16,392
	Community Kits	-	-	\$ -	\$ -	-	-
	Others (Online Marketplace - Washers/Dryers)	-	1,473	\$ -	\$ 161	-	2,494
Existing Homes	Home Performance with Energy Star ¹	-	120	\$ -	\$ 1,526	-	2,421
	Quick Home Energy Check-Up	-	179	\$ -	\$ 8	-	176
	Moderate Income Weatherization	9	-	\$ 17	\$ -	45	-
Home Energy Education & Management	Behavioral ²	5,202	229,132	\$ 5	\$ 323	374	25,403
Total Residential		5,264	232,322	\$ 311	\$ 7,093	1,196	46,886
Multi-family Program	Sub-Program						
Multi-family	HPwES	-	530	\$ -	\$ 1,253	-	5,262
	Direct Install	-	-	\$ -	\$ -	-	-
	Prescriptive/Custom	-	-	\$ -	\$ -	-	-
	Engineered Solutions	-	-	\$ -	\$ -	-	-
Total Multi-family		-	530	\$ -	\$ 1,253	-	5,262
Other Programs							
Home Optimization & Peak Demand Reduction		-	-	\$ -	\$ -	-	-
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		5,264	232,852	\$ 311	\$ 8,346	1,196	52,148
Supportive Costs Outside Portfolio				\$ -	\$ -		
¹ - Income-qualified customers are directed to participate through the Comfort Partners or Moderate Income Weatherization programs. ² - Wave of LMI treatment group participants.							

Appendix D - Energy Efficiency and PDR Savings Summary, Business Customers

For Period Ending PY24Q1							
NJNG		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost Financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$000)		Reported Retail Energy Savings YTD (Dth)	
Business Programs	Sub-Program	Small Commercial ¹	Large Commercial	Small Commercial ¹	Large Commercial	Small Commercial ¹	Large Commercial
C&I Direct Install	Direct Install	9	-	\$ 1,378	\$ -	3,387	-
Energy Solutions for Business	Prescriptive/Custom	-	-	\$ -	\$ -	-	-
	Energy Management ^{2/3}	-	-	\$ -	\$ (1)	-	-
	Engineered Solutions ²	-	-	\$ -	\$ -	-	-
Total Business		9	-	\$ 1,378	\$ (1)	3,387	-
Other Programs							
Home Optimization & Peak Demand Reduction		-	-	\$ -	\$ -	-	-
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		9	-	\$ 1,378	\$ (1)	3,387	-
Supportive Costs Outside Portfolio				\$ -	\$ -		

¹ - Customers with average annual peak demand less than 200 kW.
² - Expenditures for Energy Management and Engineered Solutions will not be reflected in this table until the completion of the projects, which is when energy savings are claimed.
³ - The negative value (\$861.25) in Energy Management is the net result of a correcting entry (true-up) reversing misallocated expenses.

Appendix E - Annual Baseline Calculation

Energy Efficiency Compliance Baselines and Benchmarks (therms)												
Gas Utility	Plan Year	Sales Period	Sales (therms)	Adjustments	Adjusted Retail Sales	Compliance Baseline ²	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (therms)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (therms)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (therms)
			(A)	(B)	(C) = (A) - (B)	(D) = Average (C)	(E) ¹	(F) = (E) * (D)	(G) ¹	(H) = (G) * (D)	(I) ¹	(J) = (I) * (D)
NJNG	2021 ³	7/1/20 - 6/30/21	699,330,177	6,556,593	692,773,584							
	2022	7/1/21 - 6/30/22	687,821,314	5,642,322	682,178,992							
	2023	7/1/22 - 6/30/23	651,808,937	6,646,911	645,162,026							
						673,371,534	0.75%	5,050,287	0.24%	1,616,092	0.51%	3,434,195
						67,337,153 (Dth)						
(A) Includes calendar sales for firm and interruptible service classifications.												
(B) Includes adjustments to remove Distributed Generation volumes.												
¹ - (E,G,I) Per the PY3 targets established in the June 2020 CEA Framework Order.												
² - Calculated as average annual gas usage in the prior three plan years (July - June) per N.J.S.A. 48:3-87.9(a).												
³ - Adjusted retail sales for 2021 to match actuals, previous quarterly reports (PY1 Q1-Q2-Q3) reflected estimates.												