

**IN THE MATTER OF THE IMPLEMENTATION OF P.L.
2018, c. 17 REGARDING THE ESTABLISHMENT OF
ENERGY EFFICIENCY AND PEAK DEMAND
REDUCTION PROGRAMS, ET SEQ. (“EE FRAMEWORK”)**

DOCKET NOS. QO19010040, QO19060748 & QO17091004

VIA ELECTRONIC MAIL

Carmen Diaz, Acting Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: Docket No. QO19010040, QO19060748, QO17091004
Rockland Electric Company’s EE Program Annual Progress
Report for Program Year 2022

Dear Acting Secretary Diaz:

Pursuant to the Board of Public Utilities’ (“Board” or “BPU”) current filing procedures, Rockland Electric Company (“RECO” or the “Company”) submits its Annual Progress Report for Program Year 2022 (“PY22”) with respect to its Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

Energy Efficiency Program Progress - Executive Summary:

RECO has closed out its first program year by building upon the successful performance that began in the third quarter. While the EE program portfolio achieved 51% of its annual forecast, the Company is encouraged by the increasing month-over-month participation rates and the committed pipeline of energy savings for program year 2023 (“PY23”).

The strongest performing programs under RECO’s portfolio were the Residential Efficient Products (“EP”) and Commercial & Industrial Rebate (“C&I”) programs. The EP program’s performance was driven primarily by its Retail Lighting and Behavioral subcomponents, while the C&I program’s performance was driven primarily by the Prescriptive/Custom subcomponent. In addition, the Company is experiencing the ramp-up of two other program subcomponents, *i.e.*, the Online Marketplace in the EP program and Instant Lighting Incentives (“ILIP”) in the C&I program, which are forecasted to achieve a high-level of customer participation in PY23.

A major challenge during PY22 was the continuing impact of the COVID-19 Pandemic, which resulted in customers staying home, business remaining closed or on reduced operating hours, and customers continuing hesitancy to invest in EE due to financial insecurity. In addition, RECO did experience the typical slower ramp-up when it first launched the portfolio in July 2021, although some programs finally gained momentum in the third quarter. RECO initiated a broad EE education and awareness campaign using a variety of tools including customer bill inserts, newsletters, e-mail blasts, radio spots, and social media to communicate the available energy savings and incentives opportunities through each of the programs. For example, the Company released e-mail blasts to announce seasonal promotions on the *MyORU Store*. These advised customers that they could obtain instant rebates when shopping for home efficiency products via the Online Marketplace and learn how to enroll in other programs. The Company is also utilizing its marketing data analytics capabilities to monitor how customers respond to communications so that it can improve future program effectiveness.

Another challenge that RECO overcame during PY22 was expanding its network of participating contractors. Supply chain delays and labor shortages meant that many contractors had minimal capacity to expand their business. The Company found a solution by partially shifting its C&I program to a midstream approach that focuses on lighting distributors, which alleviated some of the market pressures for existing contractors. At the same time, RECO held a series of virtual webinars to recruit and train new lighting and heating, ventilation, and air conditioning (“HVAC”) contractors for the C&I program.

Table 1 below sets forth the Company’s overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners program. This is the primary program serving low-income customers and is co-managed by the New Jersey Division of Clean Energy in conjunction with RECO and the other investor-owned electric and gas utilities. Also included in the table are RECO’s two pilot programs: Peak Demand Reduction and Clean Heat Beneficial Electrification.

Recognizing the transition to utility programs, the Board’s Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, dated June 10, 2020, in Docket Nos. QO19010040, QO19060748 and QO17091004, did not establish specific energy use reduction requirements for PY22. Annual targets will become applicable in future years.

Table 1 – Program Year 2022 Program Results

Utility-Administered Programs ex-ante energy savings (MWh)	Comfort Partners ex-ante energy savings (MWh)	Other Programs ex-ante energy savings (MWh) ¹	Total ex-ante energy savings (MWh)	Compliance Baseline (MWh) ²	Annual Target (%)	Annual Target (MWh)	Percent of Annual Target (%)
(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
4,625	20	0	4,644	1,578,317	0.00%	0	NA

¹ Other Programs includes Company-specific programs that are not part of the Clean Energy Act (“CEA”) EE programs, such as legacy programs. RECO does not have any programs that fall under this definition.

² Calculated as average annual electricity usage in the prior three calendar years per N.J.S.A. 48:3-87.9(a).

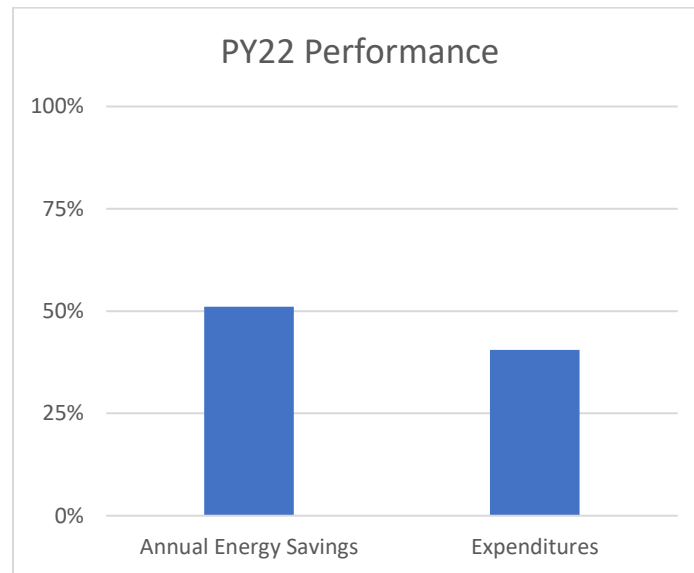


Figure 1: PY22 Performance of Annual Energy Savings and Budget

The quantitative performance indicators (“QPIs”) established by the Board are intended to guide the utilities to design EE and PDR programs that are cost effective, as measured using the Utility Cost Test, and achieve the annual energy savings targets with a significant focus on deeper energy conservation measures (“ECMs”) that have a long-lasting impact on the customers’ premises. Such ECMs generally fall under the category of building envelope improvements, central HVAC appliance upgrades, and customized engineered solutions which feature effective useful lifespans of 20 years or more. However, it is routinely the case with newly launched programs that the first group of ECMs installed by participating customers are of the simpler, lower-cost, and ‘low-hanging fruit’ variety. This includes ECM categories such as high-efficiency interior lighting, thermostatic controls, and ENERGY STAR kitchen and laundry appliances. While this was RECO’s experience during PY22, the Company expects to increase lifetime energy and demand savings in PY23, as the programs become more mature. Specifically, both the Business Direct

Install and Moderate-Income Weatherization programs, which target comprehensive improvements in small commercial and moderate-income customer properties, are expecting to ramp-up enrollment in PY23 and therefore increase the total lifetime savings of the portfolio.

Table 2 below sets forth the results of the QPIs for all programs for which utilities are responsible, inclusive of the CEA-funded programs, and Comfort Partners program (only included in low/moderate-income lifetime savings).

Table 2 – Quantitative Performance Indicators

Electric

	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results	Other Programs Plan Year Results	Total Plan Year Results	Annual Target ¹	Percent of Annual Target Achieved
Annual Energy Savings (MWh)	4,625	20	-	4,644	9,007	52%
Lifetime Savings (MWh)	61,315	296	-	61,611	111,565	55%
Annual Demand Savings (MW)	1.24	0.00	-	1.24		
Lifetime Persisting Demand Savings (MW-year) ²	6.39	0.02	-	6.41		
Low/Moderate-Income Lifetime Savings (MWh)	0	296	-	296		
Small Commercial Lifetime Savings (MWh)	10,492		-	10,492		
Net Present Value of Utility Cost Test Net Benefits (\$) ³	\$ 880,383			\$ 880,383		

¹ Annual Targets reflect estimated impacts as filed in the Company's 2021-2024 Clean Energy EE/PDR Filing. Does not include Comfort Partners program.

² Reflects Annual Demand Savings multiplied by the Effective Useful Life of installed equipment

³ Cost Effectiveness impacts are not calculated for Comfort Partners or Other programs

⁴ Low/Moderate-Income lifetime savings are the total of any income-qualified Residential or Multi-Family program, including Comfort Partners.

⁵ Small Commercial lifetime savings are Direct Install program savings and those from C&I small business customers (<200 kW peak demand) in other programs.

Sector-Level Participation, Expenditures, and Energy Savings

• **Residential Programs Sector Summary:**

RECO's Residential programs sector achieved a total of 3,708 MWh of electric energy savings during PY22 or 97% of forecast at a cost of approximately \$909K or 53% of the Residential sector's allocated budget. This achievement was primarily due to the Retail Lighting subprogram which provides instant midstream rebates to customers who shop for general service and specialty LED lamps at qualifying retailers. The final quarter of PY22 saw a significant growth in participation due to the Company's effort to expand across most major retailers in its service territory.

The Online Marketplace and Behavioral subprograms began to ramp up significantly in the third and fourth quarters of PY22 and were the primary contributor for RECO's overachievement of its residential customer participation forecast¹ for the year. These programs require direct customer engagement via e-mail and other communication forms which took some time for RECO to roll out. Using the data analytics on how customers are responding to these outreach communications, the Company expects this success to continue into PY23 and result in the achievement of significantly more energy savings.

The Home Performance with ENERGY STAR ("HPwES") and the Moderate-Income Weatherization ("MIW") programs did not achieve energy savings in PY22, due to delays in contractor recruitment. These programs also require a longer lead time to obtain customer commitment because they cover a broad range of home improvement measures. Entering PY23, there are approximately 40 project leads that the Company will be following up on.

- **Multifamily Program Summary:**

RECO's Multifamily program did not achieve energy savings in PY22. This lack of performance can be attributed to delays in contractor recruitment and, similar to the Home Performance program, requires longer lead times to obtain customer commitments. Furthermore, RECO's residential customer demographic overwhelmingly consists of suburban single-family homes which makes it difficult to find and recruit larger multi-unit buildings for program participation.

- **Commercial & Industrial Sector Summary:**

RECO's C&I sector programs achieved a total of 917 MWh of electric energy savings during PY22 (19% of forecast) at a cost of approximately \$925K or 43% of the sector's allocated budget which included program start-up costs. This achievement was primarily due to the C&I Prescriptive/Custom subprogram which provides rebates to customers who utilize a qualified contractor to perform ECMs related to the lighting, controls, or HVAC systems within their existing facility along with Midstream Lighting or Instant Lighting Incentive program ("ILIP"). The final quarter of PY22 saw significant growth in participation due to the Company's effort to recruit more installation contractors to its qualified network and lighting distributors incorporating the midstream model into their day-to-day business.

The Commercial Direct Install program did not achieve savings in PY22. This program also experienced delays in contractor recruitment but has a strong queue of projects for PY23.

¹ RECO's annual forecast of 2,094 participants did not include the count of treatment customers in the Behavioral subprogram. Furthermore, it assumed a definition for participants in the Online Marketplace and Retail Lighting subprograms as the quantity of unique customers rather than the quantity of ECM units sold. The latter being the accepted participant definition as indicated in Appendix A.

Table 3 – Sector-Level Participation

Sector ¹	Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	10,810	59,775	2,094	2855%
Multifamily	-	-	22	0%
C&I	29	312	246	127%
Reported Totals for Utility Administered Programs	10,839	60,087	2,362	2544%
Peak Demand Reduction	642	815	757	108%
Clean Heat Beneficial Electrification	-	-	116	0%
Comfort Partners	12	17	50	34%
Utility Total	11,493	60,919	3,285	1854%

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.

RECO did not experience any adjustments to budgets or incentives that required Board Staff or Board approvals.

Table 4 – Sector-Level Expenditures

Expenditures ¹	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget (\$000)	Percent of Annual Budget
Residential	\$ 215	\$ 909	\$ 1,729	53%
Multifamily	\$ 50	\$ 86	\$ 330	26%
C&I	\$ 482	\$ 925	\$ 2,153	43%
Reported Totals for Utility Administered Programs	\$ 747	\$ 1,920	\$ 4,212	46%
Peak Demand Reduction	\$ 31	\$ 120	\$ 359	34%
Clean Heat Beneficial Electrification	\$ 50	\$ 86	\$ 407	21%
Comfort Partners	\$ 34	\$ 65	\$ 430	15%
Utility Total	\$ 863	\$ 2,192	\$ 5,408	41%

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

RECO's Residential sector achieved 97% of its annual forecast while expending 53% of its budget. Much of this success is attributed to the midstream Retail Lighting, Behavioral and Online Marketplace initiatives. The Company will expand these initiatives in PY23 to include additional ECMs for residential customers. The Company currently forecasts that the HPwES and MIW Programs will achieve their energy savings targets in PY23, due to a pipeline of projects to be installed in PY23.

RECO's Multi-Family sector, which was slow to ramp-up, did not achieve energy savings but incurred start-up costs as well as marketing and administration costs which comprised 26% of the allocated annual budget.

RECO's C&I sector did achieve 19% of its annual forecast while spending 43% of its annual budget as this sector also incurred start-up costs along with marketing and administration costs.

Table 5 –Sector-Level Energy Savings

Electric

Annual Energy Savings ¹	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	1,793	3,708	3,832	97%
Multifamily	-	-	268	0%
C&I	516	917	4,907	19%
Reported Totals for Utility Administered Programs	2,309	4,625	9,007	51%
Peak Demand Reduction			NA	NA
Clean Heat Beneficial Electrification ²	-	-	2,169	0%
Comfort Partners	14	20	86	23%
Utility Total	2,322	4,644	9,093	51%

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

² Clean Heat Pilot has target savings in MMBtu and are not included in the portfolio's MWh total.

Portfolio Expenditures Breakdown

RECO spent a total of \$2.2M during PY22 or 41% of the annual budget. This expenditure includes incentives, implementation, and start-up fees, which represent just under 80% of the total expense. The remaining 20% of the budget expenditure covered various overhead and support functions including marketing, program administration, Evaluation, Measurement & Verification ("EM&V"), and quality control inspections.

Total Utility EE/PDR ¹	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs	\$ -	\$ -	\$ -	
Utility Administration	\$ 112	\$ 286	\$ 395	73%
Marketing	\$ 30	\$ 108	\$ 206	53%
Outside Services	\$ 229	\$ 942	\$ 1,365	69%
Rebates	\$ 423	\$ 783	\$ 2,835	28%
No- or Low-Interest Loans	\$ -	\$ -	\$ 355	0%
EM&V	\$ 67	\$ 67	\$ 209	32%

Inspections & Quality Control	\$ 2	\$ 5	\$ 43	12%
<i>State-Wide Coordinator</i>	\$ -	\$ 17	\$ -	NA
Utility Total	\$ 863	\$ 2,209	\$ 5,408	41%

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

Equity Metrics

These equity metrics draw from the considerable work of the New Jersey Office of Environmental Justice's Overburdened Community ("OBC") designations. Pursuant to New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157, census block groups are identified as being an "Overburdened Community" when certain census criteria are met,² and metrics reported herein reflect further direction from Board Staff.³

RECO's customer demographics reflect that <1% of its census block groups meet the definition of an OBC. In addition, due to the suburban/rural landscape of the Company's service territory, there is not a visible presence of local organizations that would typically serve these communities. However, the Company will explore other means to conduct outreach to these OBCs, such as through local foodbanks and community centers, as well as through targeted marketing including bill inserts and postcards. RECO is also working with the Workforce Development and Equity Working Group to coordinate with local organizations to be sure that the needs of this community are met.

² N.J.S.A. 13:1D-157 provides that (1) at least 35 percent of the households qualify as low-income households; (2) at least 40 percent of the residents identify as a minority or as members of a State recognized tribal community; or (3) at least 40 percent of the households have limited English proficiency.

³ Per guidance from Board Staff, Overburdened Communities as used in Table 6 reflect those communities where at least 35 percent of the households qualify as low-income households but exclude those communities that are solely designated as Minority, Limited English, or Minority and Limited English.

Table 7 – Equity Performance

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	%OBC2
Population	644	72,740	1%
# of Household Accounts	565	64,046	1%
# of Business Accounts	79	8,694	1%
Total Annual Energy (MWh)	7,898	1,570,419	1%

	Type of Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC2	Annual Overburdened ¹	Annual Non-Overburdened	%OBC2
Participation							
Residential Efficient Products	Core	39	10,771	0.9%	327	59,448	0.9%
Existing Homes	Core	0	0	0.0%	0	0	0.0%
Multi-Family	Core	0	0	0.0%	0	0	0.0%
C&I Direct Install	Core	0	0	0.0%	0	0	0.0%
C&I Rebate	Core	0	29	0.0%	1	311	2.0%
Peak Demand Reduction	Pilot	1	641	0.2%	1	814	0.1%
Clean Heat Beneficial Electrification	Pilot	0	0	0.0%	0	0	0.0%
NJCEP Comfort Partners	Joint	12	0	100.0%	17	0	100.0%
Total Core Participation		39	10,800	0.4%	328	59,759	0.5%
Total Non-Core Participation		13	641	2.0%	18	814	2.2%
Total Participation		52	11,441	0.5%	346	60,573	0.6%
Expenditures							
Residential Efficient Products	Core	\$0	\$118,756	0.0%	\$136	\$724,040	0.9%
Existing Homes	Core	\$0	\$96,446	0.0%	\$0	\$184,709	0.0%
Multi-Family	Core	\$0	\$49,691	0.0%	\$0	\$86,331	0.0%
C&I Direct Install	Core	\$0	\$77,412	0.0%	\$0	\$266,787	0.0%
C&I Rebate	Core	\$0	\$404,830	0.0%	\$6,919	\$651,414	1.3%
Peak Demand Reduction	Pilot	\$49	\$31,187	0.2%	\$148	\$120,094	0.1%

Clean Heat Beneficial Electrification	Pilot	\$0	\$50,384	0.0%	\$0	\$86,108	0.0%
NJCEP Comfort Partners	Joint	\$33,931	\$0	100.0%	\$65,277	\$0	100.0%
Total Core Expenditures		\$0	\$747,135	0.0%	\$7,055	\$1,913,281	0.4%
Total Non-Core Expenditures		\$33,980	\$81,571	29.4%	\$65,425	\$206,202	24.1%
Total Expenditures		\$33,980	\$828,706	3.9%	\$72,480	\$2,119,483	3.3%
Annual Energy Savings							
Residential Efficient Products	Core	3.3	1,790.0	0.9%	4.1	3,703.6	0.9%
Existing Homes	Core	0.0	0.0	0.0%	0.0	0.0	0.0%
Multi-Family	Core	0.0	0.0	0.0%	0.0	0.0	0.0%
C&I Direct Install	Core	0.0	0.0	0.0%	0.0	0.0	0.0%
C&I Rebate	Core	0.0	515.6	0.0%	8.2	908.9	1.0%
Peak Demand Reduction	Pilot	0.0	0.0	0.0%	0.0	0.0	0.0%
Clean Heat Beneficial Electrification	Pilot	0.0	0.0	0.0%	0.0	0.0	0.0%
NJCEP Comfort Partners	Joint	13.5	0.0	100.0%	19.5	0.0	100.0%
Total Core Annual Energy Savings		3	2,306	0.1%	12	4,613	0.3%
Total Non-Core Annual Energy Savings		14	0	100.0%	20	0	100.0%
Total Annual Energy Savings		17	2,306	0.7%	32	4,613	0.7%

¹ Across all programs, participation/expenditures/savings are classified as either in an Environmental Justice OBC census block or not based on the program participant's address. OBC census blocks were developed and defined by the NJ Department of Environmental Protection (www.nj.gov/dep/ej/communities.html). The OBC census blocks are defined using three criteria: (1) at least 35% of households qualify as low-income, (2) at least 40% of residents identify as minority, and (3) at least 40% of households have limited English proficiency. If any of the three criteria is satisfied, the census block is defined as OBC. Board 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) with 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 the OBC designation determined to be active immediately preceding the current Plan Year.

⁴ Estimation of usage with OBC 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 OBC. This metric is not intended to identify individual participants who reside in OBCs, but rather the proportion of retail lighting sales stemming from locations serving OBCs aligned to Board 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.

Benefit-Cost Test Results

The below table evaluates the actual cost-effectiveness of RECO's core and pilot programs based on the performance during PY22 against the forecasted estimates provided in its 2021 – 2024 Clean Energy Filing.⁴ Despite the challenges the Company faced in achieving its forecasted energy savings target, the overall portfolio was more cost effective than anticipated.

Table 8 – Benefit-Cost Test Results

Program	Initial						Final					
	NJCT	PCT	PACT	RIMT	TRCT	SCT	NJCT	PCT	PACT	RIMT	TRCT	SCT
Residential Efficient Products	4.05	5.74	2.15	0.67	2.14	3.95	4.27	6.32	2.99	1.02	2.41	4.24
Home Performance with Energy Star	0.71	0.17	1.29	0.61	0.36	0.70	0.00	n/a	0.00	0.00	0.00	0.00
Multi-Family	1.19	1.82	0.25	0.19	0.57	1.18	0.00	n/a	0.00	0.00	0.00	0.00
Small Business Direct Install	2.10	2.40	1.04	0.44	1.11	2.04	0.00	n/a	0.00	0.00	0.00	0.00
Commercial and Industrial Rebate	2.58	2.98	2.18	0.68	1.51	2.50	1.61	2.54	0.95	0.59	0.91	1.72
EE Portfolio	1.58	1.20	1.56	0.59	0.84	1.54	2.33	4.40	1.46	0.75	1.31	2.37
Peak Demand Reduction	2.07	1.00	1.97	1.97	1.97	2.07	2.39	n/a	0.95	0.95	2.27	2.39
Clean Heat Beneficial Electrification	1.17	4.35	0.08	0.08	0.63	1.17	0.00	n/a	0.00	0.00	0.00	0.00

Conclusion

While the Company achieved 51% of its annual forecast, there has been significant growth in customer participation in the final quarter of PY22, a trend that is expected to continue into PY23. The implementation plan that the Company initially established in its 2021 – 2024 Clean Energy Filing has begun to demonstrate success. Therefore, the Company proposes no changes at this time. The Company looks forward to continued collaboration with Board Staff and other stakeholders in achieving the State's energy savings goals.

⁴ Appendix I – Benefit Cost Analysis, *In the Matter of the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs*, Docket No. EO20090623, filed on September 25, 2020.

Please contact the undersigned should you have any questions or concerns regarding this report.

Respectfully submitted,

/s/ Philip Madnick

Philip Madnick
Section Manager
Rockland Electric Company
766 West Nyack Road
West Nyack, NY 10994
(917) 446-6370
Email: madnickp@oru.ccom

List of Appendices

The bolded appendices in list below 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 F –Energy Savings with 2022 TRM Addendum**
- **Appendix G - Ex-Ante Energy Savings Held for Transfer**
- **Appendix H – Cost Effectiveness Test Details**
- Appendix I – Program Changes

Appendix A – Participant Definitions

NJ Program		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Lighting - Midstream	Quantity of packages sold (based on SKU) - net of returns (negative in current period)
	Rebated Products	Quantity of units rebated (based on SKU)
	Mid-Stream Products	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	Appliance Recycling	Count of visits to premise not units
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
	Consumer Electronics	For rebated programs, count of rebate applications For Midstream, every measure is considered a participant - net of returns (negative in current period)
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
	HPwES	Count of completed HPwES projects

Multifamily	Direct Install	Count based on number of projects completed (see approach)
	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 PY22Q4																	
		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	N	O	P
		Quarter	Annual Forecasted Participation Number	YTD Reported Participation Number	YTD % of Annual Participants	Quarter (\$000)	Annual Forecasted Program Costs (\$000)1	YTD Reported Program Costs (\$000)	YTD % of Annual Budget	Quarter Annual Retail Energy Savings (MWh)	Annual Forecasted Retail Energy Savings (MWh)	YTD Reported Retail Energy Savings (MWh)	YTD % of Annual Energy Savings	Reported Wholesale Energy Savings2 (MWh)	YTD Peak Demand Savings (MW)	Quarter Lifetime Savings (MWh)	YTD Lifetime Savings (MWh)
Residential Programs	Sub Programs																
Efficient Products*	Appliance Recycling/Rebate, Behavioral, Retail Lighting, Marketplace, Midstream	10,810	1,480	59,775	4039%	\$ 119	\$ 1,003	\$ 724	72%	1,793	3,185	3,708	116%	3,295	0.23	21,520	48,200
Existing Homes*	Home Performance with Energy Star, Quick Home Energy Check	0	564	0	0%	\$ 38	\$ 458	\$ 95	21%	0	562	0	0%	0	0.00	0	0
	Moderate Income Weatherization	0	50	0	0%	\$ 59	\$ 269	\$ 90	33%	0	85	0	0%	0	0.00	0	0
Total Residential		10,810	2,094	59,775	2855%	\$ 215	\$ 1,729	\$ 909	53%	1,793	3,832	3,708	97%	3,295	0.23	21,520	48,200
Business Programs	Sub Programs																
C&I Direct Install*	N/A	0	80	0	0%	\$ 77	\$ 1,156	\$ 267	23%	0	1,784	0	0%	0	0	0	0
C&I Rebate Program*	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream Lighting/HVAC	29	166	312	188%	\$ 405	\$ 997	\$ 658	66%	516	3,123	917	29%	949	0.18	7,270	13,115
Total Business		29	246	312	127%	\$ 482	\$ 2,153	\$ 925	43%	516	4,907	917	19%	949	0.18	7269.96	13,115
Multi-Family*	N/A	0	22	0	0%	\$ 50	\$ 330	\$ 86	26%	0	268	0	0%	0	0	0	0
Pilot Programs	Sub Programs																
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program, Behavioral DR	642	757	815	108%	\$ 31	\$ 359	\$ 120	34%	0	0	0	0%	0	0.825	0	0
Clean Heat Beneficial Electrification**	N/A	0	116	0	0%	\$ 50	\$ 407	\$ 86	21%	0	2,169	0	0%	0	0	0	0
Total Pilot		642	873	815	93%	\$ 82	\$ 766	\$ 206	27%	0	2,169	0	0%	0	0.825	0	0
NICEP Comfort Partners	N/A	12	50	17	34%	\$ 34	\$ 430	\$ 65	15%	14	86	20	23%	20	0.00	220	296
Supportive Costs Outside Portfolio***								\$ 17									
Portfolio Total		11,493	3,285	60,919	1854%	\$ 863	\$ 5,408	\$ 2,209	41%	2,322	9,093	4,644	51%	4,264	1.24	29,010	61,611
1 Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR proposals and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.																	
2 Wholesale savings at the gross wholesale level include retail savings plus marginal line losses, using approved line loss factor in utility's tariff grossed up by 1.5, per the Avoided Cost Methodology in the NJ Cost Test.																	
* 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.																	
** Savings are in MMBtu and are not included in the portfolio MWh total.																	
***Supportive Costs include the Statewide Coordinator																	

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

For Period Ending PY22Q4							
		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$000)		YTD Reported Retail Energy Savings (MWh)	
Residential Programs	Sub Programs	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	Appliance Recycling/Rebate, Behavioral, Retail Lighting, Marketplace, Midstream	0	59,775	\$0	\$277	0	3,708
Existing Homes	Home Performance with Energy Star, Quick Home Energy Check	0	0	\$0	\$0	0	0
	Moderate Income Weatherization	0	0	\$0	\$0	0	0
Total Residential		0	59,775	\$0	\$277	0	3,708
Multi-Family	N/A	0	0	\$0	\$0	0	0
Pilot Programs	Sub Programs						
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program, Behavioral D	0	815	\$0	\$52	0	0
Clean Heat Beneficial Electrification**	N/A	0	0	\$0	\$0	0	2,169
Total Pilot		0	815	\$0	\$52	0	2,169
NJCEP Comfort Partners	N/A	17	0	\$22	\$0	20	0
Supportive Costs Outside Portfolio				\$0	\$0		
Portfolio Total		17	60,590	\$22	\$329	20	3,708

¹ Income-qualified customers are directed to participate through the Comfort Partners or Moderate Income Weatherization programs.

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

For Period Ending PY22Q4							
		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$)		YTD Reported Retail Energy Savings (MWh)	
Business Programs	Sub Programs	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	N/A	0	0	\$0	\$0	0	0
C&I Rebate Program	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream	250	62	\$345	\$86	734	183
Total Business		250	62	\$345	\$86	734	183
Multi-Family	N/A	0	0	\$0	\$0	0	0
Pilot Programs	Sub Programs						
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program, Behavioral DR	0	0	\$0	\$0	0	0
Clean Heat Beneficial Electrification**	N/A	0	0	\$0	\$0	0	0
Total Pilot		0	0	\$0	\$0	0	0
Supportive Costs Outside Portfolio				\$0	\$0		
Portfolio Total		250	62	\$345	\$86	734	183

Appendix E - Annual Baseline Calculation

Energy Efficiency Compliance Baselines and Benchmarks (MWh)												
Electric Utility	Plan Year	Sales Period	Sales (MWh)	Adjustments (MWh)	Adjusted Retail Sales (MWh)	Compliance Baseline (MWh)	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (MWh)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (MWh)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (MWh)
			(A)	(B)	(C) = (A)-(B)	(D) = Average (C)	(E)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
RECO	2019	7/1/18 - 6/30/19	1,612,777	-	1,612,777							
	2020	7/1/19 - 6/30/20	1,548,686	-	1,548,686							
	2021	7/1/20 - 6/30/21	1,573,489	-	1,573,489							
	Plan Year 2022					1,578,317	0.00%	-	0.00%	-	0.00%	-
Notes: (A) Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year) (B) No included adjustments (E,G,I) No formal targets were established for PY22 in the June 2020 CEA Framework Order												

Appendix F – Energy Savings with 2022 TRM Addendum

For compliance purposes throughout the first triennium, the utilities calculate program savings (collectively, "Primary Metrics") based on a mix of protocols from the FY20 NJCEP Protocols, FY21 NJCEP Protocols Addendum, and TRMs from other states when no applicable NJ-specific measure calculation is available. This mix of protocols is cataloged in the Joint Utility Coordinated Measures List. The EM&V Working Group created the 2022 TRM Addendum to address key non-NJ specific and dated assumptions in the Coordinated Measures List. Program Energy Savings Metrics calculated with the 2022 TRM Addendum are called the "Secondary Metrics." The Secondary Metric values are informational for stakeholders to assess program performance under a more current and NJ-specific measure calculation approach and to inform future program design.

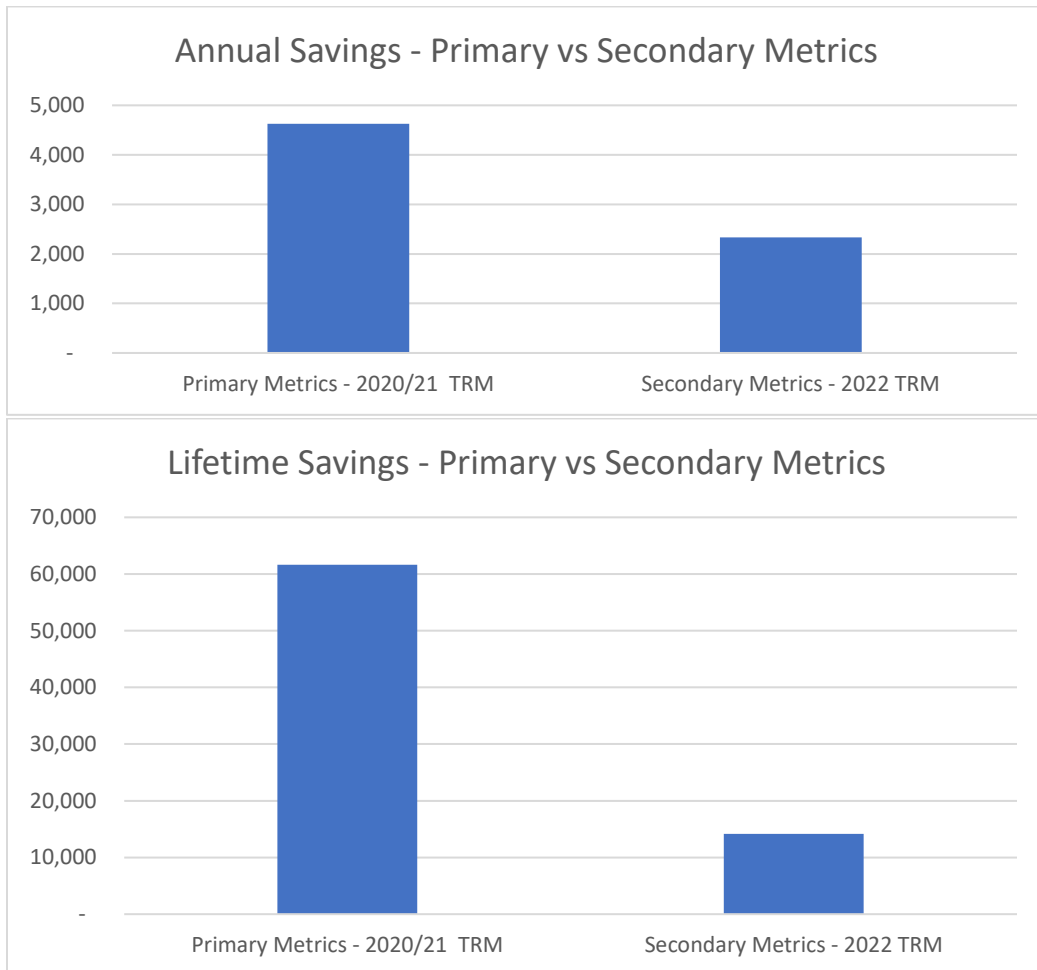


Table F-1 – Sector-Level Energy Savings: Primary Metrics from 2020/21 TRM

Annual Energy Savings ¹	Annual Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	3,708	3,832	97%
Multifamily	-	268	0%
C&I	917	4,907	19%
Reported Totals for Utility Administered Programs	4,625	9,007	51%

Table F-2 – Sector-Level Energy Savings: Secondary Metrics from 2022 TRM Addendum

Annual Energy Savings ¹	Annual Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	1,417	3,832	37%
Multifamily	-	268	0%
C&I	917	4,907	19%
Reported Totals for Utility Administered Programs	2,334	9,007	26%

¹ Annual energy savings represent the total expected annual savings from all energy efficiency measures within each sector, and not only those measures affected by the FY2022 TRM Addendum.

Appendix G - Ex-Ante Energy Savings Held for Transfer

The following data are presented to provide Board Staff visibility into the full picture of statewide annual ex-ante energy projects in progress, with these energy savings being excluded from data presented in the body of the report. These data are based upon coordinated program projects completed by a lead utility and awaiting transfer to a partner utility. The data presented are estimates and are subject to change during transfer to and verification by partner utilities. Transferred savings and associated costs will be included in partner utility results once allocated by the Statewide Coordination platform.

Estimated Annual Energy Savings Held by RECO	
Program	Dth held for transfer
Residential Efficient Products	5,983
Total	5,983

Appendix H – Cost Effectiveness Test Details

	Residential	Business	MF	Other	Total Portfolio
Total Resource Cost Test (TRC)					
1 Lifetime Avoided Electric Supply Costs	\$1,410,958	\$408,989	\$0	\$0	\$1,819,946
2 Lifetime Avoided Electric Capacity Costs	\$385,332	\$110,580	\$0	\$59,134	\$555,047
3 Lifetime Avoided Natural Gas Supply Costs	\$0	\$0	\$0	\$0	\$0
4 Lifetime Merit Order (DRIPE) Benefits	\$25,815	\$7,483	\$0	\$0	\$33,298
5 Lifetime REC Avoided Purchases	\$0	\$0	\$0	\$0	\$0
6 Lifetime Wholesale Volatility Value	\$0	\$0	\$0	\$0	\$0
7 Lifetime Avoided Replacement	\$0	\$0	\$0	\$0	\$0
8 Lifetime Avoided T&D Costs	\$359,708	\$106,034	\$0	\$56,703	\$522,446
Total Benefit = 1+2+3+4+5+6+7+8	\$2,181,812	\$633,086	\$0	\$115,838	\$2,930,737
9 Lifetime Participant Costs	\$459,109	\$472,584	\$0	\$0	\$931,693
10 Lifetime Administration Costs	\$631,432	\$493,585	\$86,331	\$137,075	\$1,348,423
11 Lifetime Program Investment Costs	\$0	\$0	\$0	\$0	\$0
Total Costs (9+10+11)	\$1,090,541	\$966,169	\$86,331	\$137,075	\$2,280,116
Benefit Cost Ratio = (1+2+3+4+5+6+7+8)/(9+10+11)	2.00	0.66	0.00	0.85	1.29
Participant Cost Test (PCT)					
12 Lifetime Participant Benefits	\$2,618,832	\$759,111	\$0	\$0	\$3,377,943
13 Lifetime Repayment Benefits	\$283,002	\$440,166	\$0	\$70,661	\$793,828
Benefit Cost Ratio = (11+12+13)/9	6.32	2.54	n/a	n/a	4.48
Program Administrator Cost Test (PAC)					
Benefit Cost ratio = (1+2+3+4+5+6+7+8)/(10+11+13)	2.39	0.68	0.00	0.56	1.37
Ratepayer Impact Measure Test (RIM)					
14 Lifetime utility Revenue Gained	\$0	\$0	\$0	\$0	\$0
15 Lifetime Utility Cost	\$1,410,958	\$408,989	\$0	\$0	\$1,819,946
Benefit Cost ratio = (1+2+3+4+5+6+7+8+14)/(10+11+13+15)	0.94	0.47	0.00	0.56	0.74
New Jersey Cost Test (NJCT)					
16 Lifetime Avoided Electric Supply Costs	\$1,410,958	\$408,989	\$0	\$0	\$1,819,946
17 Lifetime Avoided Electric Capacity Costs	\$385,332	\$110,580	\$0	\$59,134	\$555,047
18 Lifetime Avoided Natural Gas Supply Costs	\$0	\$0	\$0	\$0	\$0
19 Lifetime Merit Order (DRIPE) Energy Benefits	\$25,814	\$7,483	\$0	\$0	\$33,297
20 Lifetime Merit Order (DRIPE) Capacity Benefits	\$1	\$0	\$0	\$0	\$1
21 Lifetime Avoided Ancillary Services Costs	\$0	\$0	\$0	\$0	\$0
22 Lifetime Avoided Replacement	\$0	\$0	\$0	\$0	\$0
23 Lifetime Avoided Wholesale T&D Costs	\$359,708	\$106,034	\$0	\$56,703	\$522,446
24 Lifetime Emission Savings	\$1,504,248	\$436,031	\$0	\$0	\$1,940,279
25 Lifetime Non Energy Benefits	\$184,303	\$53,456	\$0	\$5,792	\$243,551
Total Benefit = 16+17+18+19+20+21+22+23+24+25	\$3,870,364	\$1,122,573	\$0	\$121,629	\$5,114,566
26 Lifetime Participant Costs	\$459,109	\$472,584	\$0	\$0	\$931,693
27 Lifetime Administration Costs	\$631,432	\$493,585	\$86,331	\$137,075	\$1,348,423
28 Lifetime Program Investment Costs	\$0	\$0	\$0	\$0	\$0
Total Costs = 26+27+28	\$1,090,541	\$966,169	\$86,331	\$137,075	\$2,280,116
Benefit Cost Ratio = (16+17+18+19+20+21+22+23+24+25)/(26+27+28)	3.55	1.16	0.00	0.89	2.24

Appendix I – Program Changes

Discuss at the program level changes that occurred during the year. This table is a summary of the program changes that were already reported in the Q1, Q2, and Q3 quarterly reports plus any changes that occurred in Q4. Note the quarter in which the change occurred. List all program and put “n/a” if no changes occurred.

Program	Summary of Program Changes
Residential Efficient Products	NA
Existing Homes	NA
C&I Direct Install	NA
C&I Rebate	NA
Multi-Family	NA
Peak Demand Reduction	NA
Clean Heat Beneficial Electrification	NA
Comfort Partners	NA