



One South Jersey Plaza
Folsom, NJ 08037

T: (609) 694-9349

ddirocco@sjindustries.com

Dominick DiRocco, Esq.
VP, Rates and Regulatory Affairs

November 21, 2023

VIA ELECTRONIC MAIL ONLY

Sherrri Golden, Board Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Sherrri.Golden@bpu.nj.gov

**Re: Annual Progress Report of South Jersey Gas Company – Program
Year 2023
DOCKET NOS. QO19010040 & GO20090618**

Dear Secretary Golden:

In connection with the above referenced docketed matters, please accept the following clarifications on certain tables set forth in the PY2 annual report, as requested by the Board of Public Utilities (“BPU” or “Board”). After review, SJG determined that a portion of project incentive expenditures were captured with an incorrect completion date, causing an overstatement of expenditures. This overstatement had no impact to energy savings. Table 6 and Appendices B and C have been updated to reflect the correct incentive expenditures for No-or Low-Interest Loans. Accordingly, we ask that you replace the previous report submitted on October 16, 2023.

Pursuant to the Board’s current filing procedures, herein is the Annual Progress Report for Program Year 2023¹ (“PY23”) of South Jersey Gas (“SJG” or “Company”) with respect to its Clean Energy Act of 2018 (“CEA”) 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

¹ Program Year 2023 runs from July 1, 2022 through June 30, 2023.

Requirements for Certain Non-Essential Obligations, BPU Docket No. E020030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Energy Efficiency Program Progress - Executive Summary:

For this reporting period, SJG continues to focus on implementing residential, multi-family and commercial programs and educating customers, contractors, and retailers on the portfolio of programs. SJG has also worked to identify, engage, and onboard new contractors through trainings.

The utilities continue to collaborate and participate on working calls to ensure consistent implementation, address joint budget needs, and support contractors.

The utilities are continuing to work on the development of 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 the date of this report, the SWC system is not yet fully tested and operational, therefore the utilities have not yet transferred information for expenditures and energy savings. As discussed during Utility Working Group collaborations, utilities are supporting the 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. The joint utilities continue to hold weekly meetings to coordinate on program budgets. The utilities submitted a petition for consideration with a proposed solution for potential budget disparities and the BPU has approved. Accordingly, the information reflected within this quarterly report reflects all investments and financing made by South Jersey Gas including those as the Lead Utility on behalf of a Partner Utility. Energy savings shown within this report only reflects savings for South Jersey Gas’s primary fuel.

SJG programs delivered 312,771 DTh of savings in the second Program Year, or approximately 154% of the annual target.

Residential Sector

- South Jersey Gas has contracted Honeywell as the implementation party for the residential programs, save for the Marketplace Program and the Behavioral Program which will be served by Uplight.
- The Existing Homes Home Performance with Energy Star program reported 1,754 DTh in energy savings or approximately 20% of the program’s PY23 target. The Home Performance with ENERGY STAR Program saw 87 projects completed.
- The Behavioral program reported 125,504 DTh in energy savings or approximately 225% of the program’s PY23 target. The Behavioral Program had 172,811 customers in PY23’s treatment group.
- The Efficient Products program reported 160,820 DTh in energy savings or approximately 140% of the program’s PY23 target. The Company has been providing financing for HVAC upgrades through its Board-approved energy efficiency programs since 2009 and

has established a robust trade ally network that promotes SJG's programs to customers. Since the inception of the current on-bill repayment program, as offered through the Efficient Products Program, the Company has experienced greater participation than originally forecasted.

- The Marketplace Program saw 18,998 participants in PY23.
- The Appliance Rebates Program saw 2,074 participants in PY23.
 - SJG offers appliance rebates at 60 retail outlets including large and independently-owned stores.
- The HVAC Program saw 7,219 participants in PY23.
 - In this Program Year, 248 of the HVAC program participants qualified for the supplemental incentive for Low to Moderate Income customer and 739 participants were in an overburdened community.
- 558 EE Giveaway Kits were distributed through EmPowered Schools to students at schools located in SJG's service territory in PY23 and another 25 Kits through the Mark Cuban Foundation – AI Bootcamp.
- The Quick Home Energy Check Up Program had 507 completed projects.
- The Moderate Income Weatherization Program had 386 completed projects.

Commercial Sector

- South Jersey Gas has contracted Applied Energy Group as the implementation party for the Commercial Programs.
- The Small Business Direct Install Program had 27 projects completed and an additional 24 audits were completed during the reporting period.
- The Prescriptive and Custom Program had 12 completed projects in this Program Year.
- The Engineered Solutions and Energy Management Programs did not deliver any savings during the reporting period but outreach efforts to larger customers are in progress and we expect these programs to start to ramp up.
- This Program Year, the Commercial sector has reported 6,587 DTh in energy savings or approximately 60% of the sector's PY23 target.

Multi-Family Sector

- South Jersey Gas has contracted Honeywell as the implementation party for the Multi-Family Home Performance Program and Multi-Family Direct Install Program.
- South Jersey Gas has contracted Applied Energy Group as the implementation party for Multi-Family Engineered Solutions and Multi-Family Prescriptive and Custom Programs
- The Multi-Family: Direct Install program saw 211 participants this quarter and a total of 725 participants in PY23.
- The Multi-Family: Prescriptive and Custom program saw 6 participants this PY23.

- Year to date, the Multi-Family sector has reported 5,509 DTh in energy savings or approximately 178% of the sector’s PY23 target.

Comfort Partners Summary

SJG continues to partner with the BPU and our utility partners to implement Comfort Partners and support our low-income customers. Comfort Partners had 491 participants for PY23 resulting in 4,965 DTh annual savings.

Table 1 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 by the Division of Clean Energy in conjunction with South Jersey Gas and the other investor-owned electric and gas utility companies.

Table 1 – Program Year 2023 Program Results

Period Covered	Utility-Administered Retail Savings (DTh) ^{1,2}	Comfort Partners Retail Savings (DTh) ^{1,2}	Other Programs Retail Savings (DTh) ³	Total Portfolio Retail Savings (DTh) ^{1,2}	Compliance Baseline (DTh) ⁴	Annual Target (%)	Annual Target (DTh)	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	46,651	1,269	N/A	47,920				
YTD	307,806	4,965	N/A	312,771	50,429,293	0.34%	171,460	182%

¹ Calculated savings at the retail (customer meter) level. Savings are estimated from participation counts and TRM calculations, where applicable.

² Encompasses all ex-ante savings for the Plan Year, including prior adjustments.

³ Other Programs includes Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs and Comfort Partners, such as legacy programs and pilots.

⁴ Calculated as average annual gas usage in the prior three plan years (i.e., July – June) per N.J.S.A. 48:3-87.9(a). Details are provided in Appendix E.

Figure 1 shows that year to date natural gas savings is 154% of the PY23 annual savings goal, and program year to date spending is 108% of the PY23 expenditure target

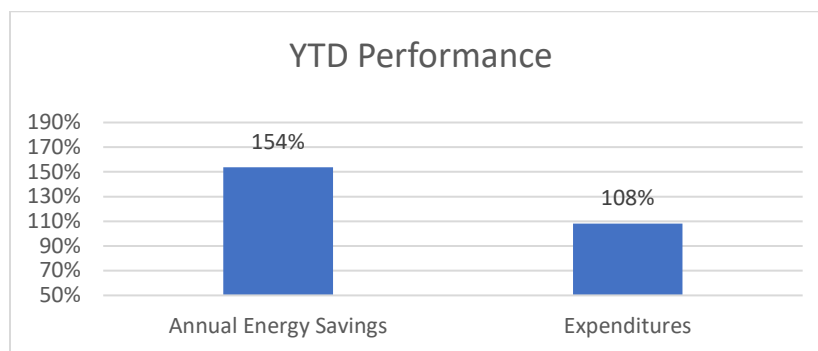


Figure 1: YTD performance of Annual Energy Savings and Budget

The Residential sector has represented 145% of the annual target savings. Low to Moderate-Income Savings was driven by the Moderate-Income Weatherization Program at 5,750 DTh in annual savings and 113,808 DTh in lifetime savings. In PY23, 29 Small Commercial projects in the C&I Direct Install program and Energy Solutions for Business – Prescriptive and Custom program were completed for 5,103 DTh in annual savings.

Table 2 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 SJG that were authorized or funded by or through a prior filing or authorization. As indicated on the table, SJG does not have any savings associated with any legacy energy efficiency programs to report on due to the completion of the programs prior to the start of the Program Year.

Table 2 – Quantitative Performance Indicators

	Quarter				Year to Date				Annual Target ¹	Percent of Annual Target Achieved
	Utility-Administered Quarter Retail Savings	Comfort Partners Quarter Retail Savings	Other Programs Quarter Retail Savings	Total Portfolio Quarter Retail Savings	Utility-Administered YTD Retail Savings	Comfort Partners YTD Retail Savings	Other Programs YTD Retail Savings	Total Portfolio YTD Retail Savings		
Annual Energy Savings (Dth)	46,651	1,269	N/A	47,920	307,806	4,965	N/A	312,771	203,310	154%
Lifetime Savings (Dth)	449,678	22,099	N/A	471,776	2,586,437	92,029	N/A	2,678,466	1,780,406	150%
Annual Demand Savings (Dth Peak Day)										
Low/Moderate-Income Lifetime Savings (Dth) ²	48,560	22,099	N/A	70,659	159,882	92,029	N/A	251,911		
Small Commercial Lifetime Savings (Dth) ³	22,267		N/A	22,267	69,985		N/A	69,985		
Net Present Value of Utility Cost Test Net Benefits (\$000)					\$9,815			\$9,815		

¹ Annual targets reflect estimated impacts as filed in the Company’s EE filing.

² Low/Moderate-Income lifetime savings are provided separately for Comfort Partners and any income-qualified Residential or Multi-Family program.

³ 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 Annual Energy Savings

Residential Programs had 202,665 participants and delivered 295,710 DTh of energy savings during the reporting period, amounting to 145% of the overall PY23 target. The savings were driven by the Efficient Products program, especially the Marketplace Program and its smart thermostats sales delivering 75,626 DTh of energy savings. The Efficient Products programs had 28,874 participants and delivered 160,820 DTh of energy savings. The Behavioral program had 172,811 participants and delivered 125,504 DTh of energy savings. The Multi-Family Programs had 731 participants and delivered 5,509 DTh of energy savings. To date, the utility administered programs delivered 307,806 DTh in savings or 151% of the PY23 annual target.

Expenditures during the quarter are approximately 19% of the budget for PY23 and were driven by Residential Programs. The closing of multiple C&I and Multi-Family projects this quarter was also a contributing factor. We are partnering with our implementation teams to develop marketing and outreach plans to connect customers with trade allies, present projects, and establish a pipeline that will provide the participation needed to achieve our energy savings targets.

Table 3 – Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	175,890	202,665	180,407	112%
Multi-Family	214	731	1,072	68%
C&I	8	39	872	4%
Reported Totals for Utility Administered Programs	176,112	203,435	182,351	112%
Comfort Partners ²	113	491	5,760	N/A
Utility Total	176,225	203,926	182,351	112%

¹ Please note that these numbers are totals across all programs within a sector. The appendix shows the participation numbers for individual programs.

² Comfort Partners, the primary program serving low-income customers, is co-managed by the Division of Clean Energy in conjunction with South Jersey Gas and the other investor-owned electric and gas utility companies.

Sector-Level Expenditures

The following table provides quarterly level expenditures by sector. South Jersey Gas's expenses for this quarter were 19% of the PY23 budget.

Table 4 – Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$6,209	\$34,204	\$29,755	115%
Multi-Family	\$146	\$554	\$2,215	25%
C&I	\$949	\$2,824	\$2,745	103%
Reported Totals for Utility Administered Programs	\$7,304	\$37,582	\$34,715	108%
Comfort Partners	\$889	\$3,265	\$4,290	76%
Utility Total	\$8,194	\$40,847	\$39,005	105%

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

² Comfort Partners, the primary program serving low-income customers, is co-managed by the Division of Clean Energy in conjunction with Elizabethtown Gas and the other investor-owned electric and gas utility companies.

³ On April 2023, the BPU approved to increase South Jersey Gas' Comfort Partners Budget from \$3,620,261 to \$4,289,861.

Sector-Level Energy Savings

The Residential Sector largely contributed to the energy savings in this year, reporting 295,710 DTh of energy savings, or 156% of the PY23 annual target. This is attributed to the increased activity in the HVAC Program. As outreach efforts continue, we expect increased activity, and energy savings, for the Commercial and Multi-Family Sectors.

Table 5 – Sector-Level Annual Energy Savings

Annual Energy Savings ¹	Current Quarter Retail (DTh)	YTD Retail (DTh)	Annual Target Retail (DTh)	Percent of Annual Target
Residential	42,950	295,710	189,287	156%
Multi-Family	2,058	5,509	3,090	178%
C&I	1,642	6,587	10,933	60%
Reported Totals for Utility Administered Programs	46,651	307,806	203,310	151%
Comfort Partners ²	1,269	4,965	29,535	N/A
Utility Total	47,920	312,771	203,310	154%

¹ Annual Energy Savings represent the total expected annual savings from all energy efficiency measures within each sector.

² Comfort Partners Annual Target Retail Savings is a statewide target.

Portfolio Expenditures Breakdown

Program expenditures reflect South Jersey Gas expenditures for the fourth quarter as 19% of the PY23 budget.

Table 6 – Costs and Budget Variances by Category¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent
Capital Costs ²	\$0	\$168	\$0	N/A
Utility Administration	\$310	\$1,253	\$1,207	104%
Marketing	\$105	\$345	\$816	42%
Outside Services	\$447	\$2,124	\$3,737	57%
Rebates ³	\$2,823	\$11,962	\$12,889	93%
No- or Low-Interest Loans	\$3,473	\$21,242	\$14,556	146%
Evaluation, Measurement & Verification (“EM&V”)	\$118	\$416	\$1,211	34%
Inspections & Quality Control	\$29	\$72	\$300	24%
Utility EE/PDR Total	\$7,304	\$37,582	\$34,715	108%

¹ Categories herein align to SJG’s EE plan as approved by the BPU.

² Capital Costs for South Jersey Gas had approximately \$251,000 left over from the PY22 Capital Costs budget for the On-Bill Repayment Program. The expenditures seen here in PY23 are using the remaining budget.

³ Rebates include rebates and other direct investments.

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 certain census criteria are met¹, and metrics reported herein reflect further direction from BPU Staff². These data are compiled into Table 7 detailing Equity Performance. South Jersey Gas has contracted Applied Energy Group on the development of Equity Metrics with the metrics agreed upon by the joint utilities.

¹ Per N.J.S.A. 13:1D-157: (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.

² Per guidance from BPU Staff, Overburdened Communities as used in Table 7 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	%OBC ²
# of Household Accounts		85,859	321,553	21%
# of Business Accounts		7,149	18,552	28%
Total Annual Energy (Dth)		10,291,548	31,364,580	25%

Programs	Sub Program or Offering	Types of Sub Program Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	YTD Overburdened	YTD Non-Overburdened	%OBC ²
Participation								
Residential - Efficient Products	HVAC	Core	144	1,343	10%	739	6,480	10%
	Appliance Rebates	Core	57	443	11%	262	1,812	13%
	Online Marketplace	Core	114	687	14%	3,202	15,796	17%
	Energy Efficient Kits	Core	13	16	45%	221	362	38%
Residential - Existing Homes	Home Performance with Energy Star	Core	1	20	5%	3	84	3%
	Quick Home Energy Check-Up	Additional	10	93	10%	81	426	16%
	Moderate Income Weatherization	Additional	32	106	23%	106	280	27%
Behavioral	Behavioral	Additional	23,375	149,436	14%	23,375	149,436	14%
C&I Direct Install	Direct Install	Core	0	4	0%	7	20	26%
Energy Solutions for Business	Prescriptive/Custom	Core	0	4	0%	3	9	25%
	Energy Management	Additional	0	0	N/A	0	0	N/A
	Engineered Solutions	Additional	0	0	N/A	0	0	N/A
Multi-Family	Multi-Family Home Performance with Energy Star	Core	0	0	N/A	0	0	N/A
	Multi-Family Direct Install	Core	0	211	0%	8	717	1%
	Multi-Family Prescriptive / Custom	Core	1	2	33%	4	2	67%
	Multi-Family Engineered Solutions	Core	0	0	N/A	0	0	N/A
Total Core Participation			330	2,730	11%	4,449	25,282	15%
Total Additional Participation			23,417	149,635	14%	23,562	150,142	14%
Total Participation			23,747	152,365	13%	28,011	175,424	14%
Annual Energy Savings (Dth)								
Residential - Efficient Products	HVAC	Core	1,691	14,578	10%	8,831	71,426	11%
	Appliance Rebates	Core	24	191	11%	108	766	12%
	Online Marketplace	Core	435	2,658	14%	12,728	62,897	17%
	Energy Efficient Kits	Core	42	52	45%	1,568	2,496	39%
Residential - Existing Homes	Home Performance with Energy Star	Core	32	320	9%	78	1,676	4%
	Quick Home Energy Check-Up	Additional	45	386	10%	343	1,539	18%
	Moderate Income Weatherization	Additional	363	1,626	18%	1,327	4,424	23%
Behavioral	Behavioral	Additional	2,774	17,734	14%	16,976	108,528	14%
C&I Direct Install	Direct Install	Core	0	1,585	0%	1,120	3,964	22%
Energy Solutions for Business	Prescriptive/Custom	Core	0	57	0%	763	741	51%
	Energy Management	Additional	0	0	N/A	0	0	N/A
	Engineered Solutions	Additional	0	0	N/A	0	0	N/A
Multi-Family	Multi-Family Home Performance with Energy Star	Core	0	0	N/A	0	0	N/A
	Multi-Family Direct Install	Core	0	1,455	0%	37	4,497	1%
	Multi-Family Prescriptive / Custom	Core	529	74	88%	900	74	92%
	Multi-Family Engineered Solutions	Core	0	0	N/A	0	0	N/A
Total Core Annual Energy Savings			2,753	20,971	12%	26,133	148,537	15%
Total Additional Annual Energy Savings			3,181	19,746	14%	18,645	114,491	14%
Total Annual Energy Savings			5,934	40,717	13%	44,778	263,028	15%
Lifetime Energy Savings (Dth)								
Residential - Efficient Products	HVAC	Core	31,298	274,522	10%	164,846	1,339,060	11%
	Appliance Rebates	Core	276	2,248	11%	1,268	8,984	12%
	Online Marketplace	Core	3,302	20,133	14%	96,640	477,883	17%
	Energy Efficient Kits	Core	403	495	45%	15,388	24,492	39%
Residential - Existing Homes	Home Performance with Energy Star	Core	640	7,283	8%	1,626	39,242	4%
	Quick Home Energy Check-Up	Additional	447	3,868	10%	3,430	15,427	18%
	Moderate Income Weatherization	Additional	7,157	29,232	20%	28,610	85,197	25%
Behavioral	Behavioral	Additional	2,774	17,734	14%	16,976	108,528	14%
C&I Direct Install	Direct Install	Core	0	21,892	0%	15,162	54,448	22%
Energy Solutions for Business	Prescriptive/Custom	Core	0	1,057	0%	15,174	12,643	55%
	Energy Management	Additional	0	0	N/A	0	0	N/A
	Engineered Solutions	Additional	0	0	N/A	0	0	N/A
Multi-Family	Multi-Family Home Performance with Energy Star	Core	0	0	N/A	0	0	N/A
	Multi-Family Direct Install	Core	0	14,548	0%	375	44,989	1%
	Multi-Family Prescriptive / Custom	Core	8,881	1,486	86%	14,564	1,486	91%
	Multi-Family Engineered Solutions	Core	0	0	N/A	0	0	N/A
Total Core Lifetime Energy Savings			44,800	343,665	12%	325,043	2,003,227	14%
Total Additional Lifetime Energy Savings			10,378	50,834	17%	49,016	209,152	19%
Total Lifetime Energy Savings			55,178	394,499	12%	374,058	2,212,379	14%

¹ Across all programs, subprograms, or offerings, 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).

² The Ratio column shows the ratio of the overburdened metric over the non-overburdened metric. Comparing the territory-level benchmark ratios versus the program ratios shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program ratio is greater than the benchmark ratio, then the overburdened population is better represented in the program.

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.

Benefit-Cost Test Results

The below table evaluates the cost effectiveness of SJG's energy efficiency programs based on the performance during this reporting period against the forecasted estimates.

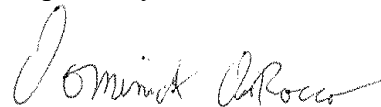
	Initial						Final					
	NJCT	PCT	PACT	RIMT	TRCT	SCT	NJCT	PCT	PACT	RIMT	TRCT	SCT
Behavioral	1.8	2.7	1.3	0.7	1.3	2.1	3.8	6.4	2.9	1.0	2.9	5.8
Efficient Products	2.0	3.0	1.5	0.8	1.3	6.7	2.3	2.6	2.5	1.0	1.4	4.4
Existing Homes	1.1	2.2	0.7	0.5	0.7	2.2	1.4	2.0	0.9	0.6	0.8	2.5
Multi-Family	2.6	3.9	1.9	1.0	1.7	5.8	2.6	3.6	1.8	0.9	1.6	4.5
Energy Solutions for Business	2.7	3.5	2.2	1.4	1.8	5.3	2.9	3.4	2.5	1.1	1.6	5.3
C&I Direct Install	2.5	3.9	1.4	0.9	1.7	6.1	5.0	15.7	0.4	0.4	3.1	7.3
Portfolio	1.7	2.8	1.2	0.7	1.1	4.6	2.3	3.1	1.5	0.8	1.4	8.1

Conclusion

As discussed in the report, SJG's results can be attributed to strong performance in the Residential sector, to which SJG has been offering energy efficiency programs since 2009. SJG has a robust contractor network for the HVAC and Home Performance with Energy Star programs as well as an operating Efficient Products marketplace and Behavioral program that have been in place since the previous program cycle. SJG looks forward to continued collaboration with Board Staff, Rate Counsel, and other stakeholders in achieving the State's aggressive energy savings goals.

If you have any questions, please feel free to contact me directly.

Respectfully,



Dominick DiRocco

DD/caj

cc: Brian Lipman
Maura Caroselli
Mamie Purnell
Carlena Morrison
Stacy Richardson
Phillip Chao
Ed McFadden
Maureen Minkel
Peter Druckenmiller
Michael Savacool
Frank Vetri

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 - Upstream	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)
Behavioral	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	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

Energy Efficiency and PDR Savings Summary

South Jersey Gas Annual Report - Appendix B

For Period Ending PY23Q4

		Participation				Actual Expenditures			
		A	B	C	D=C/B	E	F	G	H=G/F
		Quarter	Annual Forecasted Participation Number	YTD Reported Participation Number	YTD % of Annual Participants	Quarter (\$000)	Annual Forecasted Program Costs (\$000) ²	YTD Reported Program Costs (\$000)	YTD % of Annual Budget
Residential Programs	Sub Program or Category¹								
Efficient Products*	HVAC	1,487		7,219		\$4,220		\$25,317	
	Appliance Rebates	500		2,074		\$133		\$556	
	Marketplace Efficient Products	801		18,998		\$140		\$2,346	
	EE Giveaway Kits	29		583		\$1		\$16	
	Subtotal Efficient Products	2,817	28,547	28,874	101%	\$4,494	\$19,423	\$28,235	145%
Existing Homes	Home Performance with Energy Star*	21	260	87	33%	\$430	\$3,877	\$2,002	52%
	Quick Home Energy Check-Up	103	1,200	507	42%	\$74	\$876	\$305	35%
	Moderate Income Weatherization	138	400	386	97%	\$959	\$4,525	\$2,682	59%
Behavioral	Behavioral	172,811	150,000	172,811	115%	\$252	\$1,055	\$981	93%
Total Residential		175,890	180,407	202,665	112%	\$6,209	\$29,755	\$34,204	115%
Business Programs	Sub-Program								
C&I Direct Install	Direct Install*	4	18	27	150%	\$829	\$1,537	\$2,285	149%
Energy Solutions for Business	Prescriptive/Custom* ³	4	852	12	1%	\$72	\$962	\$345	36%
	Energy Management	0	2	0	0	\$16	\$246	\$67	27%
	Engineered Solutions	0	0	0	N/A	\$31	\$0	\$126	N/A
Total Business		8	872	39	4%	\$949	\$2,745	\$2,824	103%
Multi-Family*	HPwES	0		0		\$8		\$31	
	Direct Install	211		725		\$52		\$199	
	Prescriptive/Custom*	3		6		\$12		\$16	
	Engineered Solutions	0		0		\$75		\$308	
	Subtotal Multi-Family	214	1,072	731	68%	\$146	\$2,215	\$554	25%
Other Programs									
Home Optimization & Peak Demand Reduction									
Total Other									
Supportive Costs Outside Portfolio									
Portfolio Total		176,112	182,351	203,435	112%	\$7,304	\$34,715	\$37,582	108%

Energy Efficiency and PDR Savings Summary

South Jersey Gas Annual Report - Appendix B

For Period Ending PY23Q4

		Ex Ante Energy Savings							
		I	J	K	L=K/J	M	N	O	P
		Quarter Annual Retail Energy Savings (DTh)	Annual Forecasted Retail Energy Savings (DTh)	YTD Reported Retail Energy Savings (DTh)	YTD % of Annual Energy Savings	YTD Reported Wholesale Energy Savings (DTh)	YTD Peak Demand Savings (DT) ³	Quarter Lifetime Retail Savings (DT) ⁴	YTD Lifetime Retail Savings (DT) ⁴
Residential Programs	Sub Program or Category¹								
Efficient Products*	HVAC	16,269		80,257		81,421		305,820	1,503,906
	Appliance Rebates	215		874		887		2,525	10,252
	Marketplace Efficient Products	3,093		75,626		76,723		23,436	574,523
	EE Giveaway Kits	94		4,064		4,123		898	39,880
	Subtotal Efficient Products	19,671	115,047	160,820	140%	163,153	N/A	332,678	2,128,561
Existing Homes	Home Performance with Energy Star*	352	8,578	1,754	20%	1,779		7,922	40,868
	Quick Home Energy Check-Up	431	3,392	1,882	55%	1,909		4,315	18,856
	Moderate Income Weatherization	1,988	6,576	5,750	87%	5,834		36,389	113,808
Behavioral	Behavioral	20,509	55,694	125,504	225%	127,325		20,509	125,504
Total Residential		42,950	189,287	295,710	156%	300,000	N/A	401,813	2,427,597
Business Programs	Sub-Program								
C&I Direct Install	Direct Install*	1,585	2,486	5,084	204%	5,158		21,892	69,610
Energy Solutions for Business	Prescriptive/Custom* ²	57	7,963	1,503	19%	1,525		1,057	27,817
	Energy Management	0	484	0	0%	0		0	0
	Engineered Solutions	0	0	0	N/A	0		0	0
Total Business		1,642	10,933	6,587	60%	6,683	N/A	22,949	97,427
Multi-Family*	HPwES	0		0		0		0	0
	Direct Install	1,455		4,534		0		14,548	45,364
	Prescriptive/Custom*	603		974		0		10,367	16,049
	Engineered Solutions	0		0		0		0	0
	Subtotal Multi-Family	2,058	3,090	5,509	178%	0	N/A	24,916	61,413
Other Programs									
Home Optimization & Peak Demand Reduction									
Total Other									
Supportive Costs Outside Portfolio									
Portfolio Total		46,651	203,310	307,806	151%	306,683	N/A	449,678	2,586,437

Energy Efficiency and PDR Savings Summary

South Jersey Gas Annual Report - Appendix C
For Period Ending PY23Q4

		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)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	248	6,971	\$1,154	\$23,201	2,513	77,744
	Appliance Rebates	0	2,074	\$0	\$289	0	874
	Marketplace Efficient Products	0	18,998	\$0	\$1,797	0	75,626
	Efficient Products Kits	0	583	\$0	\$16	0	4,064
	Subtotal Efficient Products	248	28,626	\$1,154	\$25,303	2,513	158,307
Existing Homes	Home Performance with Energy Star ¹	0	87	\$0	\$1,462	0	1,754
	Quick Home Energy Check-Up	0	507	\$0	\$152	0	1,882
	Moderate Income Weatherization	386	0	\$2,079	\$0	5,750	0
Behavioral	Behavioral	0	172,811	\$0	\$881	0	125,504
Total Residential		634	202,031	\$3,233	\$27,798	8,263	287,447
 							
Multi-Family	HPwES	0	0	\$0	\$0	0	0
	Direct Installation/MF QHEC	0	725	\$0	\$94	0	4,534
Total Multifamily		0	725	\$0	\$94	0	4,534
Home Optimization & Peak Demand Reduction							
Total Other		0	0	\$0	\$0	0	0
 							
Portfolio Total		634	202,756	\$3,233	\$27,891	8,263	291,981
Supportive Costs Outside Portfolio							

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

Energy Efficiency and PDR Savings Summary

South Jersey Gas Annual Report - Appendix D

For Period Ending PY23Q4

		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	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	Direct Install	27	N/A	\$1,939	\$0	5,084	0
Energy Solutions for Business	Prescriptive/Custom	2	10	\$20	\$105	19	1,484
	Energy Management	0	0	\$0	\$0	0	0
	Engineered Solutions	0	0	\$0	\$0	0	0
Total Business		29	10	\$1,959	\$105	5,103	1,484
Multi-Family	Prescriptive/Custom	0	6	\$0	\$16	0	974
	Engineered Solutions	0	0	\$0	\$0	0	0
Other Programs		0	6	\$0	\$16	0	974
Home Optimization & Peak Demand Reduction							
Total Other		0	0	\$0	\$0	0	0
Portfolio Total		29	16	\$1,959	\$121	5,103	2,458
Supportive Costs Outside Portfolio							

Appendix E Annual Report Baseline Calculation
For Period Ending PY23Q4

Energy Efficiency Compliance Baselines and Benchmarks (therms)												
Gas Utility	Plan Year	Sales Period	Sales (therms)	Adjustments	Adjusted Retail Sales	Compliance Baseline	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)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
South Jersey Gas	2019	7/1/18 - 6/30/19	574,069,243	45,731,813	528,337,431							
	2020	7/1/19 - 6/30/20	529,105,554	42,406,214	486,699,341							
	2021	7/1/20 - 6/30/21	551,325,543	36,813,250	514,512,294							
	2022	7/1/21 - 6/30/22	544,182,719	32,515,574	511,667,145	504,292,927	0.50%	2,521,465	0.16%	806,869	0.34%	1,714,596

Notes:

(A) Includes sales as reported on FERC Form-2, as adjusted for the given sales period (planning year)

(B) Includes adjustments to remove Electric Generation and Cogeneration. Negative values in year 2021 reflect billing adjustments.

Appendix F – Energy Savings with FY2022 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 (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	295,710	189,286	156%
Multi-Family	5,509	3,090	178%
C&I	6,587	10,932	60%
Reported Totals for Utility Administered Programs	307,806	203,309	151%

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

Annual Energy Savings ¹	Annual Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	287,736	189,286	152%
Multi-Family	2,839	3,090	92%
C&I	6,462	10,932	59%
Reported Totals for Utility Administered Programs	297,037	203,309	146%

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.

	Primary Metrics - 2020/21 TRM	Secondary Metrics - 2022 TRM
Annual Savings	307,806	297,037
Lifetime Savings	2,586,437	2,446,888

Figure A-1 - Program Year [2022] Portfolio-Level Annual Energy Savings – Primary vs. Secondary Metrics

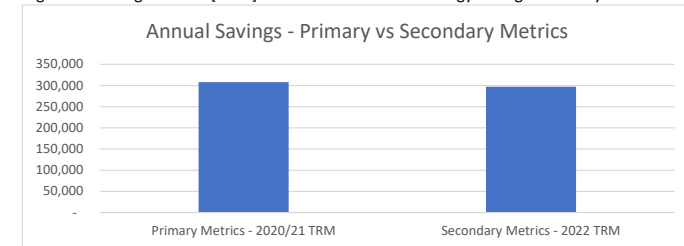
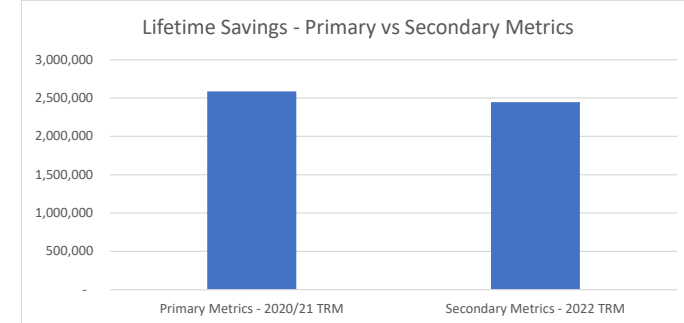


Figure A-2 - Program Year [2022] Portfolio-Level Lifetime Energy Savings – Primary vs Secondary Metrics



Appendix G - Ex-ante Energy Savings held by SJG 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 SJG	
Program	MWh held for transfer
Efficient Products	3,570
Existing Homes	240
C&I Direct Install	244
Energy Solutions for Business	-
Multi-Family	0
Total	4,055

Appendix H - Cost Effectiveness Test Details

	Residential (\$)	C&I (\$)	Multi-Family (\$)	Other (Portfolio Admin Costs) (\$)	Total Portfolio (\$)
Total Resource Cost Test (TRC)					
1 Lifetime Avoided Electric Supply Costs	\$ 406,835	\$ 80,104	\$ 57	\$ -	\$ 486,997
2 Lifetime Avoided Electric Capacity Costs	\$ 300,549	\$ 11,277	\$ 5	\$ -	\$ 311,831
3 Lifetime Avoided Natural Gas Supply Costs	\$ 9,661,528	\$ 195,979	\$ 86,662	\$ -	\$ 9,944,169
4 Lifetime Merit Order (DRIPE) Benefits	\$ 444,274	\$ 30,361	\$ 19	\$ -	\$ 474,654
5 Lifetime REC Avoided Purchases	\$ 193,741	\$ 36,875	\$ 28	\$ -	\$ 230,644
6 Lifetime Wholesale Volatility Value	\$ 1,036,891	\$ 28,736	\$ 8,672	\$ -	\$ 1,074,300
7 Lifetime Avoided Replacement	\$ -	\$ -	\$ -	\$ -	\$ -
8 Lifetime Avoided T&D Costs	\$ 17,794,431	\$ 350,545	\$ 151,646	\$ -	\$ 18,296,621
Total Benefit = 1+2+3+4+5+6+7+8	\$ 29,838,249	\$ 733,878	\$ 247,089	\$ -	\$ 30,819,216
9 Lifetime Participant Costs	\$ 7,859,694	\$ (1,254,779)	\$ 12,875	\$ -	\$ 6,617,790
10 Lifetime Administration Costs	\$ 4,348,774	\$ 92,450	\$ 39,122	\$ -	\$ 4,480,345
11 Lifetime Program Investment Costs	\$ 8,958,757	\$ 1,430,570	\$ 98,617	\$ -	\$ 10,487,943
Total Costs (9+10+11)	\$ 21,167,225	\$ 268,241	\$ 150,613	\$ -	\$ 21,586,079
Benefit Cost Ratio = (1+2+3+4+5+6+7+8)/(9+10+11)	1.4	2.7	1.6		1.4
Participant Cost Test (PCT)					
12 Lifetime Participant Benefits	\$ 35,118,427	\$ 826,450	\$ 297,749	\$ -	\$ 36,242,626
13 Lifetime Repayment Benefits	\$ 5,965,342	\$ 70,092	\$ -	\$ -	\$ 6,035,434
Benefit Cost Ratio = (11+12+13)/9	3.0	13.2	3.6		3.1
Program Administrator Cost Test (PAC)					
Benefit Cost Ratio = (1+2+3+4+5+6+7+8)/(10+11+13)	1.5	0.5	1.8		1.5
Ratepayer Impact Measure Test (RIM)					
14 Lifetime utility Revenue Gained	\$ -	\$ -	\$ -	\$ -	\$ -
15 Lifetime Utility Cost	\$ 17,628,456	\$ 340,701	\$ 151,641	\$ -	\$ 18,120,798
Benefit Cost ratio = (1+2+3+4+5+6+7+8+14)/(10+11+13+15)	0.8	0.4	0.9		0.8
Societal Cost Test (SC)					
16 Lifetime Avoided Electric Supply Costs	\$ 542,228	\$ 105,684	\$ 70	\$ -	\$ 647,982
17 Lifetime Avoided Electric Capacity Costs	\$ 419,723	\$ 15,746	\$ 7	\$ -	\$ 435,475
18 Lifetime Avoided Natural Gas Supply Costs	\$ 12,940,150	\$ 267,133	\$ 114,536	\$ -	\$ 13,321,819
19 Lifetime (DRIPE) Energy Benefits	\$ 611,754	\$ 40,655	\$ 24	\$ -	\$ 652,433
20 Natural Gas Demand Reduction Induced Price Effects (DRIPE)	\$ 315	\$ 21	\$ 6	\$ -	\$ 342
21 Avoided RPS REC Purchase Costs	\$ 249,761	\$ 47,814	\$ 34	\$ -	\$ 297,610
22 Avoided Wholesale Volatility Costs	\$ 1,390,210	\$ 38,856	\$ 11,461	\$ -	\$ 1,440,528
23 Lifetime Avoided Wholesale T&D Costs	\$ 23,491,384	\$ 468,455	\$ 198,259	\$ -	\$ 24,158,099
24 Lifetime Emission Savings	\$ 10,791,480	\$ 323,624	\$ 91,565	\$ -	\$ 11,206,669
25 Avoided SO ₂ + NO _x Emissions Damages	\$ 3,356,452	\$ 174,333	\$ 24,479	\$ -	\$ 3,555,264
26 Job and Energy Savings Economic Value-Added Multiplier Benefits	\$ 128,131,605	\$ 583,628	\$ 271,965	\$ -	\$ 128,987,198
Total Benefit = (16+17+18+19+20+21+22+23+24+25+26)	\$ 181,925,063	\$ 2,065,949	\$ 712,406	\$ -	\$ 184,703,418
27 Lifetime Participant Costs	\$ 17,808,790	\$ 185,147	\$ 117,472	\$ -	\$ 18,111,410
28 Lifetime Administration Costs	\$ 4,577,229	\$ 97,307	\$ 41,177	\$ -	\$ 4,715,713
Total Costs = (27+28)	\$ 22,386,019	\$ 282,454	\$ 158,649	\$ -	\$ 22,827,123
Benefit Cost Ratio = (16+17+18+19+20+21+22+23+24+25+26)/(27+28)	8.1	7.3	4.5		8.1
New Jersey Cost Test (NJCT)					
29 Lifetime Merit Order (DRIPE) Capacity Benefits	\$ 611,754	\$ 40,655	\$ 24	\$ -	\$ 652,433
30 Lifetime Avoided Ancillary Services Costs ¹	\$ -	\$ -	\$ -	\$ -	\$ -
31 Lifetime Avoided T&D Costs	\$ -	\$ -	\$ -	\$ -	\$ -
32 Lifetime Non Energy Benefits	\$ 1,900,262	\$ 44,884	\$ 15,645	\$ -	\$ 1,960,790
33 Lifetime Avoided Emissions Damages	\$ 242,390	\$ -	\$ -	\$ -	\$ 242,390
34 Low-Income Adder	\$ 50,939,371	\$ 1,266,180	\$ 420,106	\$ -	\$ 52,625,656
Total Benefit = 16+17+18+29+30+31+32+33+34	2.3	4.5	2.6	-	2.3
Benefit Cost Ratio = (116+17+18+29+30+31+32+33+34)/(27+28)					

¹ Included in item 16

Appendix I – Program Changes

Program	Summary of Program Changes
Efficient Products	1) Expanded our third-party trade ally network 2) Implemented Spanish-language customer care call center on the South Jersey Gas Marketplace
Existing Homes	1) Expanded both our direct subcontractor network and our third-party trade ally network 2) Added new technologies to the Quick Home Energy Check-Up program to address savings opportunities and support improved savings
Multi-Family	N/A
C&I Direct Install	N/A
Energy Solutions for Business	N/A
Behavioral	1) Launched Spanish-language Instant Home Energy Analysis online audit tool