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March 1, 2023

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 AND QO17091004  
and  
IN THE MATTER OF THE PETITION OF PUBLIC  
SERVICE ELECTRIC AND GAS COMPANY FOR  
APPROVAL OF ITS CLEAN ENERGY FUTURE -- ENERGY  
EFFICIENCY ("CEF-EE") PROGRAM ON A REGULATED BASIS  
DOCKET NOS. GO18101112 AND EO18101113

**VIA ELECTRONIC MAIL ONLY**

Carmen Diaz, Acting Secretary  
NJ Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Trenton, NJ 08625-0350

Re: Docket No. QO19010040, QO19060748, QO17091004 - EE and PDR Program Quarterly  
Progress Report PY23Q2 – Public Service Electric and Gas Company

Dear Acting Secretary Diaz:

In accordance with the June 10, 2020 Order of the New Jersey Board of Public Utilities ("Board") in the above-referenced EE Framework proceeding, and the Board's September 23, 2020 Order in the above-referenced Public Service Electric & Gas Company Clean Energy Future – Energy Efficiency proceeding, PSE&G is hereby submitting the enclosed EE and PDR Program Quarterly Progress Report PY23Q2.

Copies of this report will be served upon all entities legally required to be noticed. Service will occur via e-mail, only, pursuant to the Board's March 19, 2020 Order in Docket No. EO20020254.<sup>1</sup> The report and attachments will also be e-mailed to the persons identified on the service list associated with this report.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a light blue horizontal line.

Danielle Lopez

Attachments  
cc: K. Fryzowski  
N. Hoque

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<sup>1</sup> *In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic For a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, Docket No. EO20030254, p 3 (March 19, 2020 Order).

March 1, 2023

**DOCKET NOS. QO1901040, QO19060748 & QO17091004 (June 20, 2020 Framework Order) and GO18101112 & EO18101113 (PSE&G’s Clean Energy Future-Energy Efficiency Settlement Order)**

Dear Secretary Camacho-Welch:

Pursuant to the Board’s current filing procedures, herein is the Quarterly Progress Report for Program Year July 2022 through June 2023 (“PY23”) of Public Service Electric and Gas Company (“PSE&G” or “Company”) with respect to its Clean Energy Future – Energy Efficiency Program, pursuant to Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

**Energy Efficiency Program Progress - Executive Summary:**

PSE&G is pleased to report that it has continued its strong performance during the first two quarters of PY23, ending December 31, 2022. The EE program portfolio has delivered over 495 thousand MWh and 1,123 thousand dekatherms of annual savings in the first two quarters. As Table 1 shows, the Company has made good progress towards its PY23 targets. As of December 31, the Company has spent and enrolled approximately 79% of the approved budget. In addition to these enrollments, we have additional leads of approximately \$129 million<sup>1</sup>. Based on expected level of performance through Q2 PY23, the Company continues to forecast that it will fully enroll all program funding by September 2023 as required by its BPU Order.

Tables 1A and 1B shows the Company’s overall performance as a percentage of retail sales, which includes performance achieved by the Comfort Partners program, the primary program serving low-income customers and co-managed by the Division of Clean Energy in conjunction with PSE&G and the other investor-owned electric and gas utility companies. This performance also includes savings from PSE&G’s EE 2017 Program, which continued to complete projects in PY23.

**Table 1A – Program Year 2023 Results - Electric**

Period Covered	Utility-Administered Retail Savings (MWh)	Comfort Partners Retail Savings (MWh)	Other Programs Retail Savings (MWh) <sup>1</sup>	Total Portfolio Retail Savings (MWh)	Compliance Baseline (MWh) <sup>2</sup>	Annual Target (%)	Annual Target (MWh) <sup>3</sup>	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	257,661	535	1,083	259,279				
YTD	492,030	1,038	1,941	495,008	40,189,145	0.74%	297,400	166%

<sup>1</sup> Lead are projects in which customers have shown interested prior to enrollment.

**Table 1B – Program Year 2023 Results – Natural Gas**

Period Covered	Utility-Administered Retail Savings (DTh)	Comfort Partners Retail Savings (DTh)	Other Programs Retail Savings (DTh) <sup>1</sup>	Total Portfolio Retail Savings (DTh)	Compliance Baseline (DTh) <sup>2</sup>	Annual Target (%)	Annual Target (DTh) <sup>3</sup>	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	808,697	3,115	19,220	831,032				
YTD	1,092,571	5,745	24,732	1,123,048	342,056,585	0.34%	1,162,992	97%

<sup>1</sup> Other Programs include Company-specific programs that are not part of the Clean Energy Act energy efficiency program such as legacy programs and pilots. For PSE&G, these include EE 2017 programs and projects completed during PY23.

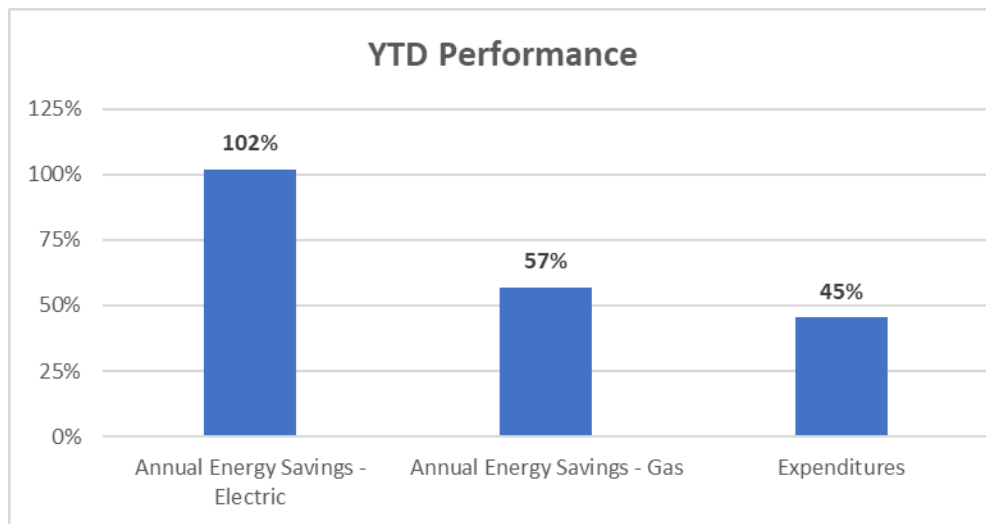
<sup>2</sup> Calculated as average annual electricity usage in the prior three plan years (i.e., July – June) per N.J.S.A. 48:3-87.9(a). Details are provided in Appendix E.

<sup>3</sup> Calculated by multiplying Compliance Baseline by Utility-Administered Annual Energy Reduction Target Percent.

**PY23 YTD Performance of Annual Energy Savings and Expenditures**

Figure 1 shows that the Program Year 2023 YTD electricity savings is 102% of the PY23 annual savings target as filed in the Company’s CEF-EE filing, and natural gas savings is 57% of the PY23 annual savings target as filed in the Company’s CEF-EE filing, while PY23 YTD spending is 45% of the PY23 expenditure projection. See Tables 2 and 4 below for supporting details.

**Figure 1**



In addition to these results, other highlights and issues for the quarter include the following:

**Clean Energy Jobs Program** - Clean Energy Jobs Program - The PSE&G Clean Energy (CE) Jobs Program supported the hiring of more than 1,100 applicants since the program began through the end of Q2 PY23. Approximately 240 energy efficiency program employees have been trained through the

program's monthly training offerings. The program participated in nearly 60 PSE&G cross-promotional events through the end of Q2 PY23.

**CEF-EE Extension** – As discussed in Utility Working Group meetings, PSE&G's program approval cycle (October 2020-September 2023) is not aligned with those of the other utilities nor with the BPU Framework Order's three-year Program Year cycle (July-June). To remedy this misalignment, Board staff requested that PSE&G submit an extension to its current filing for an additional nine months to bring its authorized program cycle in line with the BPU Framework Order. PSE&G submitted its petition for this purpose on September 20, 2022 (Docket numbers GO1818112 and EO1810113). Also contained in the petition is a response to BPU's request to incorporate Butler's Power & Light's ("BPL") customers into PSE&G's Energy Efficiency programs, as BPL's customers reside in PSE&G's gas service territory. Details are contained within the petition and supporting testimonies.

**Statewide Coordination** - As discussed in the prior reports, the joint utilities identified the issue of constrained budgets between gas and electric utilities that share a service territory, and submitted a petition with a proposed solution for the first program cycle of the utilities' energy efficiency programs. The letter petition was approved at the August 17, 2022 Board meeting, and directed the utilities to work together to implement the processes and controls to support the solution detailed in the Order.

The joint utilities continue to hold regular meetings with its Statewide Coordinator ("SWC") vendor to develop the platform needed to accurately share cost and energy savings information between utilities. However, 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 that a Lead utility has secured for the Partner utility. As discussed during Utility Working Group ("UWG") meetings, Lead 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. Accordingly, the information reflected within this quarterly report reflects all investments made for approved energy efficiency programs, including investments made by PSE&G as the Lead utility on behalf of a Partner utility. Energy savings shown within this report reflect all electric and natural gas savings from projects led by PSE&G.

**Municipal and State Customer Participation in the Utility Led EE Programs** – Concerns were raised by some municipal customers late in 2021 regarding their ability to avoid public bidding regulations when participating in PSE&G Small Business Direct Install Program. DCA has indicated that a prior exemption will no longer be allowed. The utilities are awaiting written notice of this position from DCA. In the meanwhile, the utilities continue to work with BPU staff in good faith to determine a viable alternative to help municipal customers easily access the program. The municipal sector is a key customer segment within the small business community, and a part of the small business Quantitative Performance Indicator ("QPI"), so resolving this issue is a priority.

Additionally, all utilities have been working collaboratively with BPU staff and other relevant state agencies to resolve similar concerns related to State-owned building's participation in the Small Business Direct Install program and the Engineered Solutions programs.

Finally, all utilities have been working collaboratively with BPU staff and other relevant state agencies to determine the most effective methods by which government customers and facilities can participate in utility EE programs concurrent with the State's Energy Savings Improvement Program ("ESIP").

## Quantitative Performance Indicators

Table 2 provides the results of the QPIs for all programs for which utilities are responsible, inclusive of the Clean Energy Act-funded programs, Comfort Partners program and the EE 2017 Program.

As Table 2 shows, PSE&G had strong performance on the metrics that are included in the QPIs.

**Table 2 – Quantitative Performance Indicators Table**

### Electric

Electric	Quarter				Year to Date				Annual Target <sup>1</sup>	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 (MWh)	257,661	535	1,083	259,279	492,030	1,038	1,941	495,008	487,190	102%
Lifetime Savings (MWh)	3,456,360	7,879	15,658	3,479,897	6,586,629	15,335	28,891	6,630,855	4,705,958	141%
Annual Demand Savings (MW)	56.051	0	0	56.231	84.403	0	0.184	84.754		
Low/Moderate-Income Lifetime Savings (MWh) <sup>2</sup>	281,811	7,879	-	289,691	528,255	15,335	-	543,590		
Small Commercial Lifetime Savings (MWh) <sup>3</sup>	1,420,642		6,801	1,427,443	2,483,830		8,220	2,492,051		

### Natural Gas

Natural Gas	Quarter				Year to Date				Annual Target <sup>1</sup>	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)	808,697	3,115	19,220	831,032	1,092,571	5,745	24,732	1,123,048	1,973,667	57%
Lifetime Savings (Dth)	6,434,153	56,079	303,214	6,793,447	9,492,763	104,467	419,246	10,016,476	15,163,130	66%
Annual Demand Savings (Dth Peak Day)										
Low/Moderate-Income Lifetime Savings (Dth) <sup>2</sup>	470,031	56,079	-	526,110	917,176	104,467	-	1,021,643		
Small Commercial Lifetime Savings (Dth) <sup>3</sup>	602,184		1,716	603,900	1,006,477		12,681	1,019,157		

<sup>1</sup> Annual targets reflect estimated impacts as filed in the Company's CEF-EE filing

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

<sup>3</sup> 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 Sector Summary**

PSE&G's CEF-EE Residential programs have delivered 267,433MWh of electric savings and 1,000,207 dekatherms of natural gas savings in the first and second quarters of PY23, approximately 152% of the residential electric and 74% of the residential natural gas Program Year 2 targets. The electric savings continue to be driven by LED lighting, however, the other residential programs are now also contributing significant savings. Availability of On-Bill Repayment (OBR) for the Home Performance with Energy Star program and HVAC equipment has also helped to drive participation.

PSE&G has continued to conduct marketing campaigns to educate and inform customers about the residential and commercial and industrial program offerings, deploying a wide range of digital, print, and conventional tactics. PSE&G continued its sponsorship campaign with the NY Giants NFL team to promote portfolio-wide residential energy efficiency program offerings during televised games, postgame coverage and online videos, the team's podcast, and on display and signage throughout the stadium during home games.

Specific program results include the following:

- The Efficient Products program delivered 198,230 MWh and 750,634 dekatherms of savings through Q2 PY23, driven by 136,832 MWh of electric savings from the mid-stream lighting channel, which equates to approximately 69% of the annual electric savings for this subprogram. Please see Tables 3, 4 and 5 for additional details on participation, expenditures and savings compared to expectations.
- Retail mark downs – Approximately 1.6 million LED bulbs were discounted over the quarter. PSE&G continued running digital banner and paid search ads. Additional marketing efforts included television commercials and streaming video ads, as well as emails in November and December.
- Retail appliance rebates have several pathways for participation: instant rebates at participating retail locations, in-store coupons at participating locations, and post purchase online/mail in rebates. Participation pathways vary by products, and customers utilized all pathways in the past quarter. In total, over 4,800 appliances and water heaters were incentivized over the quarter. Eleven retail store events were completed during the quarter with staff located in prominent locations within the stores to provide program information to customers. The Kits for Kids program, which is bundled into the Appliance Rebates program, was fully launched in December 2022 with 25,000 kits shipped. Under the program, outreach to schools will be conducted to provide energy savings kits and worksheets with energy efficiency activities. Over 25,000 dusk to dawn exterior porch lights were distributed to First Responders (primarily police stations) for distribution in the community. This initiative was designed to improve safety in the communities by providing more energy efficient exterior lighting. Marketing efforts included high impact display, digital banner, and paid search ads, as well as radio and streaming audio commercials into November. Direct outreach included a consistent deployment of emails and a direct mail postcard in November.
- The Appliance Recycling segment of the program saw steady performance. Approximately 4,200 units were picked up during this period. The "Fall Haul Away" LTO event was a success with a

14% increase over the Spring LTO event. The Company also hosted an appliance drop-off event in Piscataway, which was promoted through Facebook ads, a Facebook event post, and email marketing. Marketing efforts in this timeframe included digital banner and paid search ads, as well as paid social posts. Billboards and Google discovery ads were also utilized to promote the Recycling Program, with a continued focus on promoting the fall limited-time-offer through email and direct mail postcard campaigns. Further efforts leveraged utility-owned channels including a bill insert, banner ad in the MyEnergy web portal, an on-bill message, and a November MyEnergy Challenge email.

- The HVAC segment of this program continues to gain new trade allies, with participating contractors going from 164 to 173 over the quarter, a 5% increase, and adding one new distributor for a total of 31. Rebates totaled over \$1 million this quarter, and On-Bill Repayments totaling \$9.6 million. Marketing efforts during the second quarter included digital banners, Google discovery, and paid search ads, as well as streaming audio ads. Additional marketing included regular email campaigns over the time period.
- The on-line Marketplace segment of the program has continued to see strong sales throughout the quarter, driven by sales of smart thermostats, with lighting also contributing strong results. For this quarter, PSE&G has rebated 38,200 smart thermostats and 74,000 lighting products. We also added new products to the Marketplace with the addition of 2 new models of ecobee smart thermostats, LED holiday lighting and 3 different energy savings kits (electric savings kits, gas savings kit and dual fuel savings kit). In November, the PSE&G Offer Center was launched, which is an extension of the Marketplace. The PSE&G Offer Center provides Low Income, single family residential customers<sup>2</sup> with smart thermostats at no cost. This offer was marketed to eligible customers thru multiple email marketing campaigns and mailed postcard campaign. The Offer Center rebated over 900 smart thermostats in Q2.
- The Welcome Kits segment of this program provides free welcome kits to new residential customers. Kits continued to be distributed at a high volume for the first quarter, with more than 38,000 electric kits and 35,000 gas kits distributed.
- The Existing Homes Program delivered 9,442 MWh and 74,694 dekatherms of savings for the first two quarters, driven by strong results under the Quick Home Energy Checkup (QHEC) portion of the Program and continued growth in the Home Performance with Energy Star segment.
- The QHEC program completed close to 6,100 QHEC appointments during the quarter. The QHEC online appointment scheduler has been updated to include an enhancement for better end-user experiences. An address/last name lookup function has been added in addition to the account number lookup function to simplify and end-users' experience if they do not have their account number on hand. On December 14, Good Morning America (GMA) producers filmed a QHEC in action and interviewed Karen Reif, PSE&G's Vice President – Renewables & Energy Solutions. The segment aired on January 16<sup>th</sup>. Digital advertising included digital banners, Google discovery, paid social, paid search, and streaming audio ads. Deployed regular email and direct mail postcard campaigns, as well as the distribution of door hangers direct to customer residences. The Company also leveraged utility-owned channels throughout the quarter with a MyEnergy Challenge Email and Home Energy Report messaging, a banner ad in the MyEnergy web portal, and a banner on

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<sup>2</sup> Eligible customers must take both PSE&G gas and electric service.

the PSE&G homepage. Other utility-owned channel placements included a residential e-newsletter article in October, as well as an on-bill message and MyEnergy Report buck slip in December.

- The Home Performance with Energy Star portion of the Program participation is up from 140 single-family projects completed per month to 249 projects. The multi-family HPwES program pipeline remained steady compared to the previous quarter. The current quarter saw 440 units (32 buildings) closed, including 28 of those buildings utilizing OBR. Digital advertising efforts included digital banner, Google discovery, high impact display, native display, and paid search ads. HPwES was also cross promoted via general home energy assessment advertising on television commercials, streaming video ads, and smart TV ads. Other marketing efforts included email campaigns from October through December, as well as a digital banner on the PSE&G website homepage in October.
- The *MyEnergy* Behavioral Program delivered 28,612 MWh and 155,235 dekatherms of savings over the first two quarters. About 2.5 million paper reports and 2.2 million digital reports were delivered to customers over the quarter. As referenced in other section, the *MyEnergy* program was leveraged over the quarter to promote other residential programs to its treatment group participants using biweekly email challenges, mailed postcard challenges and buck-slip inserts with the home energy reports. The program also started sending out emailed energy challenges to non My Energy participants in this quarter and have noticed high engagement and open rates from recipient in this group. To optimize gas savings, the My Energy program implemented gas only reports for the dual fuel treatment customers in this quarter. The program also launched a new treatment group that provides solar customers with gas only MyEnergy reports starting October 2022.
- The Income Eligible Program (Home Weatherization) delivered 31,148 MWh and 19,643 dekatherms of savings over the first two quarters. During the quarter, over 1,600 audits and deeper energy efficiency work worth \$3.8 million were performed. The Home Energy Assessment Tool was activated in late 2022. The tool is designed to assist and direct customers to the program that can offer them the most appropriate and effective Energy Efficiency energy assessment options for their residence, including Comfort Partners. In addition, approximately 37,000 Energy Efficiency Kits were distributed to Food Banks throughout PSE&G's service territory during the quarter. The Company continued direct outreach efforts including email campaigns, as well as direct mail postcards to 60,000 customers, as well as door hanger distribution to customer residences in October. Digital marketing efforts included the continuation of high impact display, digital banner, discovery, paid social, paid search and streaming audio ads. Television ads for home energy assessments and Home Weatherization-specific billboards continued to run through November. The Company also leveraged utility-owned channels in November and December to promote Home Weatherization via a bill insert and an e-newsletter article. Finally, the Company hosted a webinar to launch a digital toolkit to assist municipalities and community organizations in outreach efforts to provide program education to customers.

### Commercial and Industrial (C&I) Sector Summary

PSE&G's CEF-EE C&I Programs delivered 222,426 MWh of electric savings and 66,756 dekatherms of natural gas savings in the first two quarters of PY23, approximately 75.7% of PSE&G's C&I electric target and 11.4% of PSE&G's C&I natural gas savings target. See Tables 3, 4 and 5 for additional details on participation, expenditures and savings compared to expectations. The Company's C&I programs saw



a significant increase in project throughput in Q1. The Company continued to see consistent performance for transactional programs.

Similar to the previous quarters, the C&I sector continued to see COVID related delays stemming from lingering supply chain and customer hesitancy.

Specific program results include the following:

- The Prescriptive program delivered the greatest amount of C&I Program electric savings during the quarter, with 205,587 MWh of electric savings in the first two quarters of PY23 which included 152,553 MWh being delivered through its mid-stream lighting channel, and 53,034 MWh through its other channels. The Company ended the calendar year with 274 Trade Allies and 56 distributors. The Prescriptive program has approximately \$17 million in the project pipeline<sup>3</sup>.
- The C&I Small Business Direct Install Urban Enterprise Zone (UEZ)/Municipal program delivered 5,646 MWh and 42,586 dekatherms for the first two quarters. Ramp up still remains uncertain due to COVID concerns, customer hesitancy, supply-chain issues and in part due to the issue with DCA discussed earlier. PSE&G has a robust pipeline of interested customers, valued at about \$109 million.
- The C&I Small Business Direct Install Non-UEZ Program delivered 1,624 MWh and 1,040 dekatherms of savings during over the first two quarters. The Small Business Direct Install – Non-UEZ program has approximately \$5 million in the project pipeline as of December 31, 2022.
- The Engineered Solutions Program currently has 4 projects in construction, 10 in design, and over 50 in the audit phase. The pipeline for this program has grown considerably with about \$393 million in pipeline value. The Company expects to see results from additional projects later in PY23.
- The C&I Custom Program delivered 8,660 MWh of electric savings and 14,871 dekatherms of natural gas savings over the first two quarters. The C&I Custom program has approximately \$2 million in the project pipeline as of December 31, 2022.
- As a result of the transition between Implementation Contractors, the C&I Energy Management Program has simplified the process by eliminating Memorandums of Understanding (MOU's) and absorbing them into Participation Agreements (PA). As of December 31, 2022, 12 customers are reviewing PA's. The C&I Energy Management program has approximately \$0.7 million in the project pipeline as of December 31, 2022.
- In total, the Company's C&I sector has a project pipeline of \$527 million.

### Multifamily Sector Summary

The Company's Multifamily Direct Install (MFDI) program installs low cost high efficiency measures at no cost to the resident. The Multifamily DI program delivered 2,171 MWh and 25,609 Dekatherms of savings in the first two quarters of PY23, approximately 12% of PSE&G's Multifamily electric target and 92% of PSE&G's Multifamily natural gas savings target.

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<sup>3</sup> Pipeline represents enrollments and customer leads prior to enrollment.

The outreach pipeline has grown to over 124,000 units with over 4,300 units completed during the quarter. Marketing efforts included digital banner and paid search ads into December 2022, as well as an email and direct mail campaign to property managers and building owners to emphasize hot water-saving direct install measures.

**Program Participation**

Participation levels can vary substantially due to changes in market channel approach, and ramp up time. The quantity of C&I participants is far greater than planned due to the inclusion of a small business kit approach that was developed during the year but had not been planned. Multifamily participation lagged due to ramp up challenges.

**Table 3 – Annual Sector-Level Participation**

Sector <sup>1</sup>	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	2,101,152	2,761,093	3,787,000	73%
Multifamily	4,181	6,618	19,200	35%
C&I	1,806	3,046	6,968	44%
Reported Totals for Utility Administered Programs	2,107,139	2,770,757	3,813,168	73%
Comfort Partners	611	1,166	2,800	42%
Utility Total	2,107,750	2,771,923	3,815,968	73%

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

**Program Expenditures**

Program expenditures over the quarter continued to reflect the ramp up delivery of all programs over time, building program awareness, adding new contractors and trade allies to its qualified list, and completing project designs for C&I customers. Only the Comfort Partners program spending reflects a steady state of quarterly expenditures relative to the Program Year budget.

**Table 4 – Annual Sector-Level Expenditures**

Expenditures <sup>1</sup>	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 54,076	\$ 103,719	\$ 117,366	88%
Multifamily	\$ 1,238	\$ 2,063	\$ 4,970	42%
C&I	\$ 40,256	\$ 76,627	\$ 280,009	27%
Reported Totals for Utility Administered Programs	\$ 95,571	\$ 182,409	\$ 402,346	45%
Comfort Partners	\$ 4,470	\$ 8,755	N/A	N / A
Utility Total	\$ 100,041	\$ 191,164	\$ 402,346	48%

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

## Program Savings

The Residential sector continues to produce the strongest performance relative to its targets for the Program Year, primarily due to the transactional nature of the programs, and the swift growth in several programs driven by customer interest. Additionally, the Comfort Partners program has been on-going for over a decade, so the results represent a steady state, mature program.

**Table 5 – Annual Sector-Level Annual Energy Savings**

### **Electric**

Annual Energy Savings <sup>1</sup>	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	132,259	267,433	175,806	152%
Multifamily	1,304	2,171	17,675	12%
C&I	124,098	222,426	293,708	76%
Reported Totals for Utility Administered Programs	257,661	492,030	487,190	101%
Comfort Partners	535	1,038	3,485	30%
Utility Total	258,196	493,068	490,675	101%

### **Natural Gas**

Annual Energy Savings <sup>1</sup>	Quarter Retail (Dth)	YTD Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	756,972	1,000,207	1,358,502	74%
Multifamily	16,504	25,609	27,716	92%
C&I	35,221	66,756	587,449	11%
Reported Totals for Utility Administered Programs	808,697	1,092,571	1,973,667	55%
Comfort Partners	3,115	5,745	18,665	31%
Utility Total	811,812	1,098,316	1,992,332	55%

<sup>1</sup> Annual energy savings represent the total expected annual savings from all CEF-EE programs within each sector and Comfort Partners. Appendix B shows the annual energy savings results for individual programs or offerings.

## **Portfolio Expenditures Breakdown**

For PY23 Q1, PSE&G's energy efficiency programs had approximately \$91 million in total expenditures. Overall spending reflects the initial ramp up of customers into the various programs. Capital cost spending is driven by the Company's IT projects, bringing additional elements of its new tracking system on line, as well as other IT projects that will enhance the customer experience when interacting with PSE&G via its customer service center, digitally, or through social media.

**Table 6 – Quarterly costs and budget variances by category<sup>1</sup>**

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs	\$ 626	\$ 4,052	\$ -	N/A
Utility Administration	\$ 3,901	\$ 7,530	\$ 58,604	13%
Marketing	\$ 1,640	\$ 4,149	\$ 3,587	116%
Outside Services	\$ 18,133	\$ 38,567	\$ -	N/A
Rebates	\$ 55,324	\$ 107,108	\$ 183,756	58%
No- or Low-Interest Loans	\$ 16,623	\$ 24,781	\$ 158,988	16%
Evaluation, Measurement & Verification ("EM&V")	\$ 1,140	\$ 2,120	\$ 7,018	30%
Inspections & Quality Control	\$ 760	\$ 1,785	\$ 7,790	23%
Utility EE/PDR Total	\$ 98,149	\$ 190,094	\$ 419,743	45%

<sup>1</sup> Totals do not include expenditures at the portfolio level. PSE&G's full year budget reporting categories, established with the approved settlement of PSE&G's CEF-EE Program, did not align with the current reporting categories. The Company has worked to align Full Year Budget values with current reporting. All reported actuals are aligned with current reporting categories.

## **Equity Metrics**

The equity metrics provided in Table 7 reflect designations of overburdened communities (OBC), established by the New Jersey office of Environmental Justice<sup>4</sup>. Per guidance from the BPU, identified overburdened communities contained in Table 7 reflect customers who are identified as low income, low income & limited English, low income & minority, and low income, minority, & limited English. Census tracks identified as overburdened were overlaid with geocode information on PSE&G accounts to determine the OBC state of each customer and each EE program participant.

## **Table 7 Annual Equity Performance**

Territory-Level Benchmarks	Overburdened <sup>1</sup>	Non-Overburdened	%OBC <sup>2</sup>
Population			
# of Household Accounts <sup>3</sup>	999,706	3,169,739	23%
# of Business Accounts <sup>3</sup>	147,063	317,090	31%
Total Annual Energy (MWh) <sup>4</sup>	9,451,669	34,178,986	21%
Total Annual Energy (Dth) <sup>4</sup>	60,690,600	226,882,621	21%

<sup>4</sup> See <https://www.nj.gov/dep/ej/communities.html>

	Type of Program / Offering	Quarter Overburdened <sup>1</sup>	Quarter Non-Overburdened	%OBC <sup>2</sup>	Annual Overburdened <sup>1</sup>	Annual Non-Overburdened	%OBC <sup>2</sup>
<b>Participation</b>							
Residential - Online Marketplace <sup>5</sup>	Core	3,579	30,560	10%	4,234	44,804	9%
Residential - Other Efficient Products <sup>5</sup>	Core	15	61,363	0%	15,699	114,080	12%
Residential - HPwES	Core	5	575	1%	22	1,028	2%
Residential - Quick Home Energy Checkups	Non-core	613	5,740	10%	2,454	9,815	20%
Residential - Income-Eligible Weatherization	Non-core	67	2,449	3%	566	3,360	14%
Residential - Behavioral	Non-core	298,493	1,179,168	20%	306,871	1,212,469	20%
C&I - Prescriptive	Core	1,091	4,167	21%	1,306	4,783	21%
C&I - Custom	Core	12	33	27%	14	47	23%
C&I - Direct Install	Core	32	215	13%	42	247	15%
<b>Total Core Participation</b>		4,734	96,913	5%	21,317	164,989	11%
<b>Total Non-Core Participation</b>		299,173	1,187,357	20%	309,891	1,225,644	20%
<b>Total Participation</b>		303,907	1,284,270	19%	331,208	1,390,633	19%
<b>Annual Energy Savings - Electric (MWh)</b>							
Residential - Online Marketplace <sup>5</sup>	Core	727	7,887	8%	832	11,830	7%
Residential - Other Efficient Products <sup>5</sup>	Core	18	13,859	0%	3,091	25,446	11%
Residential - HPwES	Core	3	364	1%	5	710	1%
Residential - Quick Home Energy Checkups	Non-core	297	3,701	7%	824	7,021	11%
Residential - Income-Eligible Weatherization	Non-core	34	1,296	3%	111	1,804	6%
C&I - Prescriptive	Core	23,972	86,322	22%	36,591	144,539	20%
C&I - Custom	Core	418	1,526	21%	441	2,209	17%
C&I - Direct Install	Core	487	1,267	28%	1,060	2,691	28%
<b>Total Core Annual Energy Savings</b>		25,625	111,224	19%	42,021	187,425	18%
<b>Total Non-Core Annual Energy Savings</b>		331	4,997	6%	935	8,825	10%
<b>Total Annual Energy Savings (MWh)</b>		25,956	116,222	18%	42,956	196,249	18%
<b>Lifetime Energy Savings - Electric (MWh)</b>							
Residential - Online Marketplace <sup>5</sup>	Core	7,334	83,937	8%	8,413	120,559	7%
Residential - Other Efficient Products <sup>5</sup>	Core	91	154,759	0%	38,838	292,352	12%
Residential - HPwES	Core	46	6,562	1%	100	12,883	1%
Residential - Quick Home Energy Checkups	Non-core	4,057	53,776	7%	11,479	99,942	10%
Residential - Income-Eligible Weatherization	Non-core	456	18,356	2%	1,548	25,613	6%
C&I - Prescriptive	Core	350,470	1,233,286	22%	538,059	2,075,371	21%
C&I - Custom	Core	5,430	19,833	21%	5,735	28,865	17%
C&I - Direct Install	Core	1,017	9,961	9%	5,769	15,802	27%
<b>Total Core Lifetime Energy Savings</b>		364,388	1,508,337	19%	596,915	2,545,831	19%
<b>Total Non-Core Lifetime Energy Savings</b>		4,513	72,133	6%	13,027	125,556	9%
<b>Total Lifetime Energy Savings (MWh)</b>		368,901	1,580,470	19%	609,943	2,671,386	19%

	Type of Program / Offering	Quarter Overburdened <sup>1</sup>	Quarter Non-Overburdened	%OBC <sup>2</sup>	Annual Overburdened <sup>1</sup>	Annual Non-Overburdened	%OBC <sup>2</sup>
<b>Annual Energy Savings - Natural Gas (Dth)</b>							
Residential - Online Marketplace <sup>5</sup>	Core	15,086	121,985	11%	16,468	183,571	8%
Residential - Other Efficient Products <sup>5</sup>	Core	0	71,101	0%	19,931	157,080	11%
Residential - HPwES	Core	200	15,625	1%	1,749	33,971	5%
Residential - Quick Home Energy Checkups	Non-core	1,874	17,004	10%	5,347	30,793	15%
Residential - Income-Eligible Weatherization	Non-core	151	12,867	1%	1,023	16,893	6%
C&I - Prescriptive	Core	0	6,530	0%	0	6,530	0%
C&I - Custom	Core	46	1,801	3%	46	1,801	3%
C&I - Direct Install	Core	1,219	12,688	9%	3,626	28,115	11%
<b>Total Core Annual Energy Savings</b>		16,551	229,731	7%	41,820	411,068	9%
<b>Total Non-Core Annual Energy Savings</b>		2,025	29,871	6%	6,369	47,686	12%
<b>Total Annual Energy Savings (Dth)</b>		18,576	259,601	7%	48,189	458,754	10%
<b>Lifetime Energy Savings - Natural Gas (Dth)</b>							
Residential - Online Marketplace <sup>5</sup>	Core	112,096	909,364	11%	122,512	1,373,810	8%
Residential - Other Efficient Products <sup>5</sup>	Core	0	708,670	0%	199,156	1,555,735	11%
Residential - HPwES	Core	4,270	328,035	1%	35,835	711,383	5%
Residential - Quick Home Energy Checkups	Non-core	18,557	159,626	10%	53,017	293,793	15%
Residential - Income-Eligible Weatherization	Non-core	1,319	173,339	1%	12,669	227,092	5%
C&I - Prescriptive	Core	0	127,838	0%	0	127,838	0%
C&I - Custom	Core	601	23,418	3%	601	23,418	3%
C&I - Direct Install	Core	0	12,576	0%	0	23,880	0%
<b>Total Core Lifetime Energy Savings</b>		116,966	2,109,901	5%	358,103	3,816,063	9%
<b>Total Non-Core Lifetime Energy Savings</b>		19,876	332,965	6%	65,686	520,884	11%
<b>Total Lifetime Energy Savings (Dth)</b>		136,842	2,442,866	5%	423,789	4,336,948	9%

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 Program Year.

4 Estimation of usage with overburdened designation for the 12-month period immediately preceding the current Program 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 from those results in Appendix B table due to elements of some programs not having a customer addresses, rounding, or other issues matching customer addresses with OBC data.

## **Conclusion**

PSE&G is pleased to provide the results contained in this report and the detailed spreadsheet that accompanies this report. The Company looks forward to continued collaboration with Board Staff, Rate Counsel, and other stakeholders in achieving the State's energy savings goals. Please contact the undersigned should you have any questions or concerns regarding this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", is written over a light gray rectangular background.

Danielle Lopez

## **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

Sector	Program	Sub-Program	Participant Definition as Lead Utility
<b>Residential</b>	Efficient Products	On-line Marketplace	Quantity of units sold (based on SKU), net of returns
		Residential Lighting - Midstream	Quantity of units sold (based on SKU), net of returns
		HVAC	Quantity of HVAC units sold
		Appliance Recycling	Count of visits to a premise to pick up equipment
		Appliance Rebates	Quantity of units rebated (based on SKU)
		Energy Efficiency Kits	Count of kits delivered to customers
	Existing Homes	Home Performance with Energy Star	Count of completed projects
		Quick Home Energy Checkup	Count of completed visits
	Behavioral	Behavioral	Count of treatment group customers at the end of the reporting period quarter
	Income Eligible	Income Eligible – Home Weatherization	Count of completed projects Count of kits distributed
<b>Commercial and Industrial</b>	C&I Direct Install	Direct Install	Count of applications/projects completed
	Prescriptive	Prescriptive	Count of applications/projects completed
	Engineered Solutions	Engineered Solutions	Count of applications/projects completed
	Custom	Custom	Count of applications/projects completed
	Energy Management	Energy Management	Count of applications/projects completed
<b>Multifamily</b>	Multifamily	Multifamily (Direct Install)	Count of units with completed visits
		Home Performance with Energy Star	Count of projects completed, which are based on buildings
		C&I Prescriptive	Count of applications/projects completed with property owner
		C&I Custom	Count of applications/projects completed with property owner
		Engineered Solutions	Count of applications/projects completed with property owner