

November 30, 2022

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 quarter of PY23. The EE program portfolio has delivered over 235 thousand MWh and 292 thousand dekatherms of annual savings in the first quarter. As Table 1 shows, the Company has made good progress towards its PY23 targets. As of October 31st, we have spent and enrolled approximately 64% of the approved budget. In addition to these enrollments, we have a robust pipeline of well over \$442 million. Based on expected level of performance through Q1 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 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 PSE&G and the other investor-owned electric and gas utility companies. This 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) ¹	Total Portfolio Retail Savings (MWh)	Compliance Baseline (MWh) ²	Annual Target (%)	Annual Target (MWh) ³	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	234,369	503	858	235,729				
YTD	234,369	503	858	235,729	40,189,145	0.74%	297,400	79%

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) ¹	Total Portfolio Retail Savings (DTh)	Compliance Baseline (DTh) ²	Annual Target (%)	Annual Target (DTh) ³	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	283,874	2,631	5,512	292,016				
YTD	283,874	2,631	5,512	292,016	342,056,585	0.34%	1,162,992	25%

¹ 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 PY22.

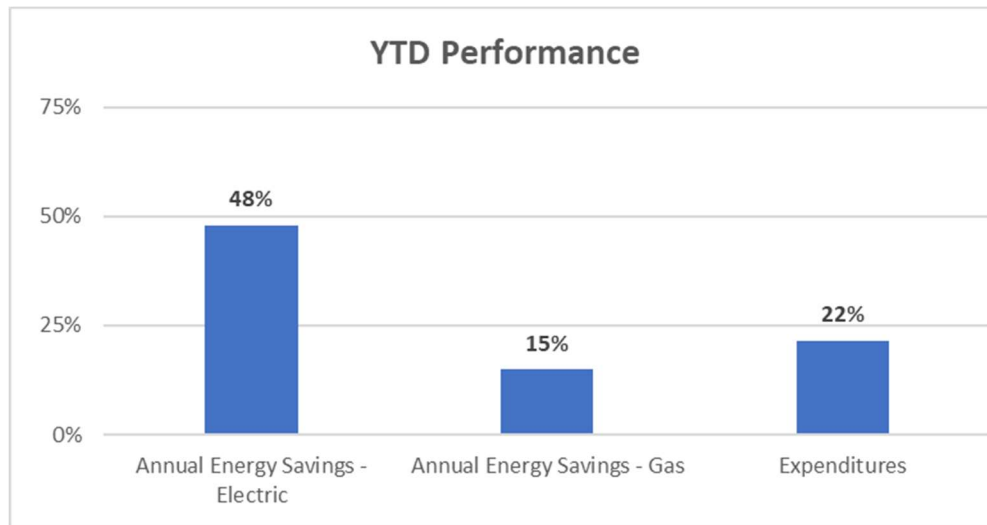
² Calculated as average annual electricity usage in the prior three plan years (i.e., July – June) per N.J.S.A. 48:3-87.9(a). Details are provided in Appendix E.

³ 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 48% of the PY23 annual savings target as filed in the Company’s CEF-EE filing, and natural gas savings is 15% of the PY23 annual savings target as filed in the Company’s CEF-EE filing, while PY23 YTD spending is 22% of the PY23 expenditure projection.

Figure 1



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

Clean Energy Jobs Program - The PSE&G Clean Energy (CE) Jobs Program supported the hiring of more than 1,000 applicants since the program began through the end of Q1 PY23. The program sponsored and coordinated masterclass business training for 50+ companies partnering with African American Chamber of Commerce of NJ and Statewide Hispanic Chamber of Commerce of NJ. Approximately 190

energy efficiency program employees have been trained through monthly training offerings. The program participated in nearly 50 PSE&G cross promotional events through the end of Q1 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 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 (MWh)	234,369	503	858	235,729	234,369	503	858	235,729	487,190	48%
Lifetime Savings (MWh)	3,130,270	7,456	13,233	3,150,959	3,130,270	7,456	13,233	3,150,959	4,705,958	67%
Annual Demand Savings (MW)	28.183	0	0	28.354	28.183	0	0.083	28.354		
Low/Moderate-Income Lifetime Savings (MWh) ²	17,238	7,456	-	24,694	17,238	7,456	-	24,694		
Small Commercial Lifetime Savings (MWh) ³	72,103		1,419	73,522	72,103		1,419	73,522		

Natural Gas

Natural Gas	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)	283,874	2,631	5,512	292,016	283,874	2,631	5,512	292,016	1,973,667	15%
Lifetime Savings (Dth)	3,058,609	48,388	116,032	3,223,029	3,058,609	48,388	116,032	3,223,029	15,163,130	21%
Annual Demand Savings (Dth Peak Day)										
Low/Moderate-Income Lifetime Savings (Dth) ²	38,067	48,388	-	86,455	38,067	48,388	-	86,455		
Small Commercial Lifetime Savings (Dth) ³	22,232		10,965	33,197	22,232		10,965	33,197		

¹ Annual targets reflect estimated impacts as filed in the Company's CEF-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 Sector Summary

PSE&G's CEF-EE Residential programs have delivered 135,174 MWh of electric savings and 243,234 dekatherms of natural gas savings in Q1 PY23, approximately 77% of the electric and 18% of the 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. Additionally, PSE&G launched a sponsorship with the NY Giants organization to promote portfolio-wide residential energy efficiency program offerings to both broadcast and live event audiences.

Specific program results include the following:

- The Efficient Products program delivered 99,827 MWh and 180,861 dekatherms of savings in Q1 PY23, driven by 76,880 MWh of electric savings from the mid-stream lighting channel, which equates to approximately 77% of the annual electric savings for this subprogram. Please see Tables 2, 3, and 4 for additional details on participation, expenditures and savings compared to expectations.
- Retail mark downs - Just under 1.6 million LED bulbs were discounted over the quarter. One "Virtual Limited Time Offer" was conducted during the quarter. Virtual Limited Time Offers provide the opportunity to purchase kits comprised of energy efficient lighting or gas kits, marketed through companies with large employee bases within PSE&G territory. PSE&G continued running digital banner and paid search ads, as well as a television media buy to promote the benefits of LED lighting to customers. Additional marketing efforts included direct mail postcards in August and an email campaign in September. Finally, advanced power strips were added to the retail mark down channel in July 2022, with over 67,000 discounted over the quarter.
- 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 5,000 appliances were incentivized over the quarter. Twelve retail store events were completed during the quarter with staff located in prominent locations within the stores to provide program information to customers. PSE&G continued running digital banner and paid search ads, as well as radio and streaming audio ads in August and September, and high impact display ads in July. Additional marketing efforts included monthly email campaigns, highlighting Labor Day sale savings in early September, as well as a direct mail postcard in August.
- The Appliance Recycling segment of the program saw steady performance. The Fall Haul-Away LTO (Limited Time Offer) commenced and is currently performing in line with the previous Spring LTO. During the LTO period (pickup scheduled between September 1 – November 30), refrigerator and freezer recycling rebates are increased from \$50 to \$100 and room air conditioner and dehumidifier recycling rebates are increased from \$25 to \$35. Marketing efforts that ran from

July through September included digital banner and paid search ads. Google discovery and high impact display ads, billboards, and paid social media posts launched in September to coincide with the start of the fall limited-time offer which has been branded the “Fall Haul-Away Event.” Other efforts included email campaigns, a direct mail postcard in September, and promotion of the recycling program in the July and the September e-Newsletter.

- The HVAC segment of this program continues to gain new trade allies, with participating contractors going from 139 to 164 over the quarter, an 18% increase, and adding one new distributor for a total of 30. Rebates totaled \$1.1 million this quarter, an increase of 190% from the previous quarter, and On-Bill Repayments totaling \$11 million, an increase of 200% from the prior quarter. PSE&G continued digital advertising on channels including Google discovery, paid search and digital banner ads, and streaming audio. Additional marketing included email campaigns in August and September. HVAC Rebates were additionally featured across several utility-owned channels in July including a bill insert, an on-bill message, a *MyEnergy* Challenge email and callout in the Home Energy Report, a banner ad in the *MyEnergy* web portal, and a *MyEnergy* direct mail postcard.
- 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 17,599 smart thermostats and 22,690 lighting products.
- 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 45,000 electric kits and 27,000 gas kits distributed.
- The Existing Homes Program delivered 5,077 MWh and 39,132 dekatherms of savings for the quarter, 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 6,500 QHEC appointments during the quarter, an increase of 15% from the previous quarter. PSE&G’s Regional Public Affairs team supported efforts to obtain canvassing approval for additional locations in the service territory. Current canvassing efforts for certain areas are in full effect and resulting in three times more weekly appointments being completed compared to before canvassing efforts were in place. Utilizing the PSE&G reusable bag with the All-Programs Brochure has been a big driver of the success of canvassing. The QHEC online appointment scheduler is in the process of being enhanced to allow an end user to schedule an appointment using a search function for both account number and address. Digital advertising continue on channels including Google discovery, paid search, paid social media, digital banner ads, and streaming audio. Additional marketing included 8 email campaigns and 4 direct mail postcard campaigns over the period, as well as the deployment of door hangers to 105,000 customers. Utility-owned channels were leveraged in August to promote the program in a *MyEnergy* Challenge Email and Home Energy Report, an on-bill message, and a banner ad in the *MyEnergy* web portal; QHEC was further cross-promoted in an August e-newsletter and a September bill insert featuring all home energy assessment program offerings.
- The Home Performance with Energy Star portion of the Program participation remained steady from the previous quarter with an average of 140 single-family projects completed per month, and OBR participation has increased from 85% to 91% of all single-family projects. The multi-family HPwES program had the strongest pipeline this quarter compared to previous quarters, with a total

of 474 units (26 buildings) closed, including multi-family customers utilizing OBR. Digital advertising efforts included banner ads, high impact displays ads, paid social media ads, and paid search ads. HPwES was also cross-promoted in general home energy assessment advertising on television commercials, streaming video ads, and smart TV ads, as well as in an August e-newsletter and September bill insert. HPwES was promoted in a digital banner on the PSE&G homepage in September, as well as direct mail postcards and email campaigns in August and September. A program brochure was developed to utilize as a leave-behind for customers who receive a QHEC assessment to help guide customers towards the next steps in deeper energy savings. Also, a version of the HPwES brochure was created which can be co-branded by participating contractors to enable them to better promote the program to interested customers.

- The *MyEnergy* Behavioral Program delivered 16,783 MWh and 16,644 dekatherms of savings over the quarter. About 2 million paper reports and 2.4 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 in on-line challenges and reports.
- The Income Eligible Program (Home Weatherization) delivered 13,487 MWh and 6,596 dekatherms of savings over the quarter. During the quarter, over 1,700 audits and deeper energy efficiency work worth \$3 million were performed, double the amount in the previous quarter. An online scheduling tool was launched in early July, providing flexibility to customers scheduling audits; customers can now schedule online or by phone. In addition, over 85,000 Energy Efficiency Kits were distributed to Food Banks throughout PSE&G's service territory. PSE&G continued digital advertising with banner ads, streaming audio, paid search, paid social media, Google discovery, and high impact display ads. Additional marketing included monthly direct mail postcards and email campaigns, as well as the deployment of door hangers to 70,000 customers across August and September. Television ads for home energy assessments and Home Weatherization-specific billboards continued to run during the quarter. PSE&G leveraged utility-owned channels in September to promote Home Weatherization in a MyEnergy Challenge Email and Home Energy Report, an on-bill message, a MyEnergy postcard, and a banner ad in the MyEnergy web portal; further cross-promoted Home Weatherization on the PSE&G homepage in July and August, as well as in an August e-newsletter and a September bill insert featuring all home energy assessment program offerings.

Commercial and Industrial (C&I) Sector Summary

PSE&G's CEF-EE C&I Programs delivered 98,328 MWh of electric savings and 31,535 dekatherms of natural gas savings in Q1 PY23, approximately 34% of PSE&G's electric target and 5% of PSE&G's natural gas savings target. See Tables 2, 3 and 4 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 90,958 MWh of electric savings in Q1 PY23 which included 73,897 MWh being

delivered through its mid-stream lighting channel, and 17,061 MWh through its other channels. The Company continues to see growth in the Trade Ally (TA) network, with certified TAs growing from 242 to 259 including 44 Distribution partners. The Prescriptive program has approximately \$20 million in the project pipeline.

- The C&I Small Business Direct Install Urban Enterprise Zone (UEZ)/Municipal program delivered 2,311 MWh and 19,052 dekatherms for the quarter. 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 \$65 million.
- The C&I Small Business Direct Install Non-UEZ Program delivered 625 MWh and 291 dekatherms of savings during over the quarter.
- The Engineered Solutions Program completed its first project in Q1 delivering 909 MWh of savings for the quarter. There are currently 3 projects in construction, 10 in design, and over 40 in the audit phase. The pipeline for this program has grown considerably with about \$335 million in pipeline value. The Company expects to see results from additional projects in PY23.
- The C&I Custom Program delivered 3,526 MWh of electric savings and 12,194 dekatherms of natural gas savings over the quarter. The pipeline for Custom projects also grew significantly with projects under development worth about \$2 million.
- The C&I Energy Management Program continues to receive applications for projects with two Memorandums of Understanding (MOU's) having been signed by large industrial customers, and outreach continues in this segment. The Company expects to see results from this program later in PY23.
- In total, the Company's C&I sector has a project pipeline of \$425 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 867 MWh and 9,105 Dekatherms of savings for the quarter. The outreach pipeline has grown to over 84,000 units with over 2,400 units completed during the quarter. The outreach team has been actively working with some of the larger property management companies that own over 1,000 units and are showing interest in participating in the program. The prospective pipeline for the last calendar quarter of 2022 is strong. Additional marketing efforts included the continued use of digital banner ads and paid search ads.

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 ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	1,939,888	1,939,888	3,787,000	51%
Multifamily	2,437	2,437	19,200	13%
C&I	1,240	1,240	6,968	18%
Reported Totals for Utility Administered Programs	1,943,565	1,943,565	3,813,168	51%
Comfort Partners	555	555	2,800	20%
Utility Total	1,944,120	1,944,120	3,815,968	51%

¹ 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 ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 49,643	\$ 49,643	\$ 117,366	42%
Multifamily	\$ 824	\$ 824	\$ 4,970	17%
C&I	\$ 36,371	\$ 36,371	\$ 280,009	13%
Reported Totals for Utility Administered Programs	\$ 86,838	\$ 86,838	\$ 402,346	22%
Comfort Partners	\$ 4,285	\$ 4,285	N/A	N/A
Utility Total	\$ 91,123	\$ 91,123	\$ 402,346	23%

¹ 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 ¹	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	135,174	135,174	175,806	77%
Multifamily	867	867	17,675	5%
C&I	98,328	98,328	293,708	34%
Reported Totals for Utility Administered Programs	234,369	234,369	487,190	48%
Comfort Partners	503	503	3,485	14%
Utility Total	234,871	234,871	490,675	48%

Natural Gas

Annual Energy Savings ¹	Quarter Retail (Dth)	YTD Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	243,234	243,234	1,358,502	18%
Multifamily	9,105	9,105	27,716	33%
C&I	31,535	31,535	587,449	5%
Reported Totals for Utility Administered Programs	283,874	283,874	1,973,667	14%
Comfort Partners	2,631	2,631	18,665	14%
Utility Total	286,504	286,504	1,992,332	14%

¹ 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 category¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs	\$ 3,425	\$ 3,425	\$ -	N/A
Utility Administration	\$ 3,629	\$ 3,629	\$ 58,604	6%
Marketing	\$ 2,509	\$ 2,509	\$ 3,587	70%
Outside Services	\$ 20,434	\$ 20,434	\$ -	N/A
Rebates	\$ 51,785	\$ 51,785	\$ 183,756	28%
No- or Low-Interest Loans	\$ 8,158	\$ 8,158	\$ 158,988	5%
Evaluation, Measurement & Verification ("EM&V")	\$ 980	\$ 980	\$ 7,018	14%
Inspections & Quality Control	\$ 1,025	\$ 1,025	\$ 7,790	13%
Utility EE/PDR Total	\$ 91,945	\$ 91,945	\$ 419,743	22%

¹ 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 Justice¹. 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 ¹	Non-Overburdened	%OBC ²
Population	1,146,769	3,437,919	25%
# of Household Accounts ³	999,706	3,122,864	24%
# of Business Accounts ³	147,063	315,055	32%
Total Annual Energy (MWh) ⁴	9,451,669	33,861,332	22%
Total Annual Energy (Dth) ⁴	60,690,600	225,316,104	21%

¹ See <https://www.nj.gov/dep/ej/communities.html>

Participation							
Residential - Online Marketplace ⁵	Core	388	15,482	2%	388	15,482	2%
Residential - Other Efficient Products ⁵	Core	15,174	57,877	21%	15,174	57,877	21%
Residential - HPwES	Core	17	503	3%	17	503	3%
Residential - Quick Home Energy Checkups	Non-core	1,217	4,336	22%	1,217	4,336	22%
Residential - Income-Eligible Weatherization	Non-core	238	999	19%	238	999	19%
Residential - Behavioral	Non-core	268,059	1,006,004	21%	268,059	1,006,004	21%
C&I - Prescriptive	Core	215	616	26%	215	616	26%
C&I - Custom	Core	2	14	13%	2	14	13%
C&I - Direct Install	Core	10	32	24%	10	32	24%
Total Core Participation		15,806	74,524	17%	15,806	74,524	17%
Total Non-Core Participation		269,514	1,011,339	21%	269,514	1,011,339	21%
Total Participation		285,320	1,085,863	21%	285,320	1,085,863	21%
Annual Energy Savings - Electric (MWh)							
Residential - Online Marketplace ⁵	Core	105	3,943	3%	105	3,943	3%
Residential - Other Efficient Products ⁵	Core	3,072	11,588	21%	3,072	11,588	21%
Residential - HPwES	Core	3	346	1%	3	346	1%
Residential - Quick Home Energy Checkups	Non-core	527	3,320	14%	527	3,320	14%
Residential - Income-Eligible Weatherization	Non-core	77	508	13%	77	508	13%
C&I - Prescriptive	Core	12,619	58,217	18%	12,619	58,217	18%
C&I - Custom	Core	24	683	3%	24	683	3%
C&I - Direct Install	Core	573	1,423	29%	573	1,423	29%
Total Core Annual Energy Savings		16,396	76,200	18%	16,396	76,200	18%
Total Non-Core Annual Energy Savings		604	3,828	14%	604	3,828	14%
Total Annual Energy Savings (MWh)		17,000	80,028	18%	17,000	80,028	18%
Lifetime Energy Savings - Electric (MWh)							
Residential - Online Marketplace ⁵	Core	1,079	36,622	3%	1,079	36,622	3%
Residential - Other Efficient Products ⁵	Core	38,747	137,593	22%	38,747	137,593	22%
Residential - HPwES	Core	54	6,321	1%	54	6,321	1%
Residential - Quick Home Energy Checkups	Non-core	7,423	46,166	14%	7,423	46,166	14%
Residential - Income-Eligible Weatherization	Non-core	1,092	7,257	13%	1,092	7,257	13%
C&I - Prescriptive	Core	187,589	842,085	18%	187,589	842,085	18%
C&I - Custom	Core	306	9,032	3%	306	9,032	3%
C&I - Direct Install	Core	4,752	5,840	45%	4,752	5,840	45%
Total Core Lifetime Energy Savings		232,527	1,037,494	18%	232,527	1,037,494	18%
Total Non-Core Lifetime Energy Savings		8,515	53,423	14%	8,515	53,423	14%
Total Lifetime Energy Savings (MWh)		241,042	1,090,917	18%	241,042	1,090,917	18%

Annual Energy Savings - Natural Gas (Dth)							
Residential - Online Marketplace ⁵	Core	1,382	61,586	2%	1,382	61,586	2%
Residential - Other Efficient Products ⁵	Core	19,931	85,979	19%	19,931	85,979	19%
Residential - HPwES	Core	1,549	18,346	8%	1,549	18,346	8%
Residential - Quick Home Energy Checkups	Non-core	3,473	13,789	20%	3,473	13,789	20%
Residential - Income-Eligible Weatherization	Non-core	872	4,026	18%	872	4,026	18%
C&I - Prescriptive	Core	0	0	0%	0	0	0%
C&I - Custom	Core	0	0	0%	0	0	0%
C&I - Direct Install	Core	2,407	16,645	13%	2,407	16,645	13%
Total Core Annual Energy Savings		25,269	182,556	12%	25,269	182,556	12%
Total Non-Core Annual Energy Savings		4,344	17,815	20%	4,344	17,815	20%
Total Annual Energy Savings (Dth)		29,613	200,371	13%	29,613	200,371	13%
Lifetime Energy Savings - Natural Gas (Dth)							
Residential - Online Marketplace ⁵	Core	10,416	464,446	2%	10,416	464,446	2%
Residential - Other Efficient Products ⁵	Core	199,156	847,064	19%	199,156	847,064	19%
Residential - HPwES	Core	31,566	383,348	8%	31,566	383,348	8%
Residential - Quick Home Energy Checkups	Non-core	34,460	134,166	20%	34,460	134,166	20%
Residential - Income-Eligible Weatherization	Non-core	11,350	53,753	17%	11,350	53,753	17%
C&I - Prescriptive	Core	0	0	0%	0	0	0%
C&I - Custom	Core	0	0	0%	0	0	0%
C&I - Direct Install	Core	43,734	302,454	13%	43,734	302,454	13%
Total Core Lifetime Energy Savings		284,871	1,997,313	12%	284,871	1,997,313	12%
Total Non-Core Lifetime Energy Savings		45,810	187,919	20%	45,810	187,919	20%
Total Lifetime Energy Savings (Dth)		330,681	2,185,232	13%	330,681	2,185,232	13%

- 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,

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
Residential	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
Commercial and Industrial	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
Multifamily	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