



November 29, 2022

Carmen D. Diaz - Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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Trenton, NJ 08625-0350

Submitted via e-mail

DOCKET NOS. QO1901040, QO19060748 & QO17091004

Dear Acting Secretary Diaz:

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for the first quarter for Program Year 2023¹ ("PY23") of New Jersey Natural Gas ("NJNG" or "Company") with respect to its Clean Energy Act of 2018 Energy Efficiency ("EE") and Peak Demand Reduction ("PDR") Programs.

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

Energy Efficiency Program Progress - Executive Summary

Overall Portfolio

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

¹ - For the purposes of the quarterly reports for Program Year 2023, the numbering of the quarters aligns to these dates: **Q1** (7/1/22 - 9/30/22); **Q2** (10/1/22 - 12/31/22); **Q3** (1/1/23 - 3/31/23); **Q4** (4/1/23 - 6/30/23)

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

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

All of NJNG's approved programs that were approved and expected to launch in July were accepting applications from customers and contractors in early July 2021. In addition, as noted in our filing and follow-up discussions, NJNG intended to launch certain newer Additional Utility Led Programs, including Moderate Income Weatherization, Energy Management, and Engineered Solutions, later in the program year. All of these Additional Utility Led Programs have been launched. These newer programs did not have any closed projects as of the end of this reporting quarter, but customer engagement and enrollment were underway during Program Year 2.

The utilities continue to work on developing the Statewide Coordinator (SWC) system that will facilitate the exchange of investments and energy savings between a Lead Utility and a Partner Utility. As of 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 discussions, Utilities are supporting incentives for comprehensive projects that address both fuels with the intention to transfer all information through the SWC when the system is operational and integrated with each utility's program management software and tracking system. Accordingly, the information reflected within this annual report reflects all investments made by NJNG, including those as the Lead Utility on behalf of a Partner Utility. Energy savings shown within this report only reflect savings for NJNG's primary fuel.

Collectively, the programs delivered over 54,000 Dth in savings. More information on the composition of the savings is presented both within this report and in Appendices B through E.

Additionally, NJNG is committed to improving our program. We concluded a competitive solicitation process to select an independent Evaluation, Measurement, and Verification (EM&V) firm to review our program activity. DNV Energy Insights was selected as the primary evaluation contractor, and their proposal included the use of APPRISE, Inc, for work on the Home Performance with ENERGY STAR and Moderate-Income Weatherization Programs. For the purpose of this report, they will collectively be referred to as the "DNV Team". The DNV Team worked closely with NJNG to understand our programs, and the guidance developed by the Statewide Evaluator (SWE) Team under contract to the BPU. Work scopes were submitted to the SWE team and evaluation work is underway.

Residential Sector

Year-to-date highlights include:

- The Energy Efficient Products Program was launched July 2021.
 - The SAVEGREEN residential HVAC Program completed 1,794 measures.
 - There were 24 Community Conservation Kits distributed to NJNG customers.
 - The NJNG Online Marketplace sold 1,052 efficient products online to NJNG customers. The majority of sales were smart thermostats, but NJNG also offered discounted energy conservation kits and other energy saving products for the home. NJNG retained EFI as the vendor.
 - NJNG processed 855 appliance rebates for washer/dryer units.
- The Home Performance with ENERGY STAR (HPwES) Program completed 122 projects.
- The Behavioral Program had more than 247,000 customers in our treatment group.
 - NJNG retained Uplight, as the vendor that provides this service throughout this triennium. The Behavioral Program sends printed Home Energy Reports (HERs) in the fall and winter periods, but electronic Home Energy Reports (eHERS) are provided during the summer months.
- The Quick Home Energy Check-Up (QHEC) Program completed 129 customer visits.
 - NJNG also offered a QHEC+ option that includes a comprehensive Building Performance Institute (BPI) audit and the potential for the installation of a smart thermostat that is purchased on the NJNG Marketplace for a \$49 fee. All QHEC visits and QHEC+ audits are conducted by NJNG employees with full BPI certification.
- CLEARResult, NJNG's Moderate-Income Weatherization Program Implementer, completed 33 audits during PY23-Q1.
 - NJNG's weatherization marketing campaigns are in process. Outreach includes:
 - Approximately 35,000 customers identified as moderate-income had received communications (direct mail or email) on the SAVEGREEN weatherization program. Mailings were staggered and leads for these campaigns were received through September.
 - As a result of last quarter's direct and email campaigns, we received 70 weatherization leads. All customers were screened to determine eligibility. If qualified, we provided all the information to our implementor. Because these mailings were staggered, we continue to receive new leads.
 - Presentations at senior communities were held during July.
 - Information provided to agencies in Monmouth, Ocean, and Morris counties, including Affordable Housing and Ocean Inc. These agencies provide information on the Moderate-Income Weatherization Program to customers who are over income limits for Comfort Partners.
- CLEARResult also serves as our Quality Control vendor.

Commercial Sector

Year-to-date highlights include:

- The NJNG outreach team is actively promoting the programs at events across our service territories. They are also engaged in one-on-one discussions with customers who are interested in learning more about available programs.
- The Prescriptive Program completed 3 projects.
- The Direct Install Program completed 1 project.
 - The Utilities considered feedback from customers and trade allies regarding the structure of the incentive calculations for the Direct Install Program and reached agreement on modifications to the screening tool for Direct Install projects that was implemented on July 1, 2022.
- NJNG also had the infrastructure in place to engage eligible customers in our Engineered Solutions program since we have been running a similar program since early 2019. However, no applications were submitted during PY23-Q1.
- NJNG finalized program details to enable the launch of the Energy Management program. No applications were submitted during PY23-Q1, but discussions were held with interested customers.
- As a result of the ramp up of C&I programs, NJNG incurred program costs but had very few closed projects during PY23-Q1, so limited energy savings were reported in this period.

Multi-family Sector

- Our outreach team is engaged in one-on-one discussions with customers who are interested in learning more about the available program.
- The Multi-family HPwES Program completed 308 units.
- NJNG conducted a competitive solicitation and selected CLEAResult as a Third-Party Implementation Contractor to support the launch of Direct Install of energy savings measures for the Multi-family Program. Program details have been put in place to enable the launch of this pathway. However, no customer applications were submitted during PY23-Q1.
- NJNG was available to accept interested customers into the program for the initial screening and to process incentives for Prescriptive measures pathway. However, no customer applications were submitted during PY23-Q1.
- NJNG also had the infrastructure in place to engage Multi-family property owners in Engineered Solutions. However, no customer applications were submitted during PY23-Q1.

Contractor Summary

- 206 Contractors have been onboarded to participate in our OBRP program, this includes 26 contractors for the HPwES Program.
- There were 39 commercial contractors onboarded for our Direct Install Program.
- There were 46 contractors for our Prescriptive program who signed a participation agreement to allow them to offer our OBRP program.
- Additionally, any licensed contractor can offer rebates for qualifying residential HVAC equipment and commercial Prescriptive equipment.
- There were 12 engineering firms for our Engineered Solutions Program.

Table 1 - Program Year 2023 Program Results shows the Company’s overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners Program, which is the primary program serving low-income customers and is co-managed with the Division of Clean Energy in conjunction with NJNG and the other investor-owned electric and gas utility companies.

Table 1 - Program Year 2023 Program Results

Utility-Administered Programs Ex-ante Energy Savings (Dth)	Comfort Partners Ex-ante Energy Savings (Dth)	Other Programs Ex-ante Energy Savings (Dth) 1	Total Ex-ante Energy Savings (Dth)	Compliance Baseline (Dth)	Annual Target (%)	Annual Target (Dth)	Percent of Annual Target (%)
(A)	(B)	(C)	(D) = (A) + (B) + (C)	(E)	(F)	(G) = (E) * (F)	(H) = (D) / (G)
54,453	2,912	-	57,365	68,052,214	0.34%	231,378	24.8%

¹ - Other Programs includes Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs, such as legacy programs and pilots. While NJNG has legacy programs that are expected to contribute to reported savings in PY23 and PY24, all legacy program projects that closed within PY23 reflected the complementary efforts with the NJCEP programs. Accordingly, NJNG is not recording any savings for those legacy programs here. Future years will only reflect savings from legacy programs that do not have an overlap with NJCEP, primarily Engineered Solutions.

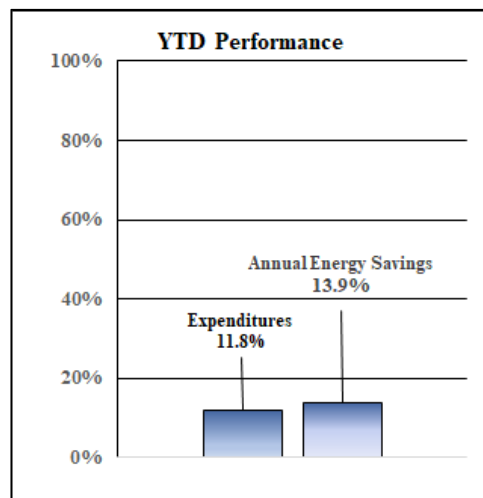


Figure 1: PY23 performance of Expenditures and Annual Energy Savings

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

Table 2 - Quantitative Performance Indicators

	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results	Other Programs Plan Year Results ⁸	Total Plan Year Results	Annual Target ^{5 & 6}	Percent of Annual Target Achieved
Annual Energy Savings (Dth) ¹	54,453	2,912	-	57,365	411,345	13.9%
Lifetime Savings (Dth)	628,196	53,989	-	682,185	4,244,399	16.1%
Annual Demand Savings (Dth Peak Day) ²						
Lifetime Persisting Demand Savings (Dth-year) ⁵						
Low/Moderate-income Lifetime Savings (Dth) ³	1,967	53,989	-	55,956		
Small Commercial Lifetime Savings (Dth) ⁴	471		-	471		
Net Present Value of Utility Cost Test Net Benefits (\$) ⁷	\$ 665,739			\$ 665,739		

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

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

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

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

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

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

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

⁸ - Other Programs includes Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs, such as legacy programs and pilots. While NJNG has legacy programs that are expected to contribute to reported savings in PY23 and PY24, all legacy program projects that closed within PY23 reflected the complementary efforts with the NJCEP programs. Accordingly, NJNG is not recording any savings for those legacy programs here. Future years will only reflect savings from legacy programs that do not have an overlap with NJCEP, primarily Engineered Solutions.

Sector-Level Participation, Expenditures, and Energy Savings

Participation

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

NJNG is not surprised that there were only a few closed commercial projects. Based on experience supporting the commercial energy efficiency programs run by NJCEP, NJNG recognizes longer lead times for those programs. NJNG had similar expectations for the Multi-family program, especially since it launched mid-year during PY22.

Table 3 - Sector-Level Participation

Sector ¹	Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	251,335	251,335	282,647	88.9%
Multi-family	308	308	1,273	24.2%
C&I	4	4	1,386	0.3%
Reported Totals for Utility Administered Programs	251,647	251,647	285,306	88.2%
Comfort Partners	191	191	863	22.1%
Utility Total	251,838	251,838	286,169	88.0%

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

Expenditures

NJNG did not make or request any adjustments to budget or incentives during PY23-Q1. As reflected in Table 4 below, NJNG has spent 23% of the Residential sector budget, approximately 13% of the Multi-family sector budget, and less than 2% of the Commercial sector budget. The smaller relative spend for the Multi-family and Commercial programs reflects that limited incentives were processed during PY23-Q1; however, there is significant activity occurring on projects in process and regarding outreach to engage further customers.

Table 4 - Sector-Level Expenditures

Expenditures ¹	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 8,044	\$ 8,044	\$ 35,045	23.0%
Multi-family	\$ 1,058	\$ 1,058	\$ 8,497	12.5%
C&I	\$ 716	\$ 716	\$ 40,003	1.8%
Reported Totals for Utility Administered Programs	\$ 9,818	\$ 9,818	\$ 83,545	11.8%
Comfort Partners	\$ 1,081	\$ 1,081	\$ 6,082	17.8%
Utility Total	\$ 10,899	\$ 10,899	\$ 89,627	12.2%

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

Energy Savings

Given that this is the second year of activity after the transition of the NJCEP programs, NJNG expected some of the programs to reflect a slower start. NJNG is working to refine procedures to improve the customer experience, including launching our PMSS, to engage more contractors and reach more customers through marketing and outreach. We expect savings to increase significantly in the future.

Table 5 - Sector-Level Energy Savings

Annual Energy Savings ¹	Quarter Retail (Dth)	YTD Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	50,809	50,809	283,490	17.9%
Multi-family	3,173	3,173	10,936	29.0%
C&I	471	471	116,920	0.4%
Reported Totals for Utility Administered Programs	54,453	54,453	411,345	13.2%
Comfort Partners ²	2,912	2,912	N/A	N/A
Utility Total	57,365	57,365	411,345	13.9%

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

² - The New Jersey Comfort Partners Program does not forecast annual target retail savings (Dth).

Portfolio Expenditures Breakdown

Table 6 provides quarterly, and year-to-date costs compared to the full program year budget. Company expenditures during the annual reporting period were approximately 33% of the budget for Program Year 1. Spending will accelerate quickly as other Commercial and Multi-family Programs begin to close.

Table 6 - Annual Costs and Budget Variances by Category

Total Utility EE/PDR ¹	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs	\$ 369	\$ 369	\$ 527	70.1%
Utility Administration	\$ 867	\$ 867	\$ 5,960	14.5%
Marketing	\$ 187	\$ 187	\$ 1,482	12.6%
Outside Services	\$ 493	\$ 493	\$ 1,935	25.5%
Rebates	\$ 2,569	\$ 2,569	\$ 38,151	6.7%
No or Low-Interest Loans	\$ 5,066	\$ 5,066	\$ 34,225	14.8%
Evaluation, Measurement & Verification (EM&V)	\$ 428	\$ 428	\$ 2,651	16.1%
Inspections & Quality Control	\$ 22	\$ 22	\$ 163	13.5%
Utility Total	\$ 10,001	\$ 10,001	\$ 85,094	11.8%

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

Equity Metrics

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

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

NJNG has pursued distinct outreach strategies to benefit our low-to moderate income customers living in (and outside, e.g., senior populations) OBCs. These strategies provide our customers with information about special programs and enhanced incentives the energy efficiency programs have to help lower their energy bills and potentially improve the comfort and safety of their homes. Activities include outreach events, customer bill inserts and newsletters, email campaigns, social media advertising, and direct mail. NJNG has begun to work with community partners to reach customers in OBC communities. We continue to develop new approaches and strategies to increase participation. For example, NJNG sponsored a Montclair University Sustainable Institute Green Team to develop outreach strategies for OBC communities. Together with NJNG, this team worked directly with Interfaith Neighbors, a nonprofit organization based in Asbury Park to brainstorm and develop strategies that can then be replicated in other OBCs in our territory.

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 6 reflect those communities where at least 35 percent of the households qualify as low-income households but exclude those communities that are solely designated as Minority, Limited English, or Minority and Limited English.

Table 7 - Equity Performance

Territory-Level Benchmarks	Over-Burdened ¹	Non-Over-Burdened	Total	Ratio ²
# of Household Accounts ³	63,531	461,291	524,822	0.12
# of Large Commercial Accounts ³	1,021	4,630	5,651	0.18
# of Small Commercial Accounts ³	4,545	28,690	33,235	0.14
Totals	69,097	494,611	563,708	0.12
Territory-Level Benchmarks				
Territory-Level Benchmarks	Over-Burdened ¹	Non-Over-Burdened	Total	Ratio ²
Household Accounts - Annual Energy	50,795,592	447,697,984	498,493,576	0.10
Large Commercial Accounts - Annual Energy	27,595,311	104,746,321	132,341,632	0.21
Small Commercial Accounts - Annual Energy	41,411,785	235,537,917	276,949,702	0.15
Totals (Therms) ⁴	119,802,688	787,982,222	907,784,910	0.13
Totals (Dth) ⁴	11,980,269	78,798,222	90,778,491	0.13

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Over-burdened ¹	Quarter Non-Over-burdened	Quarter Ratio ²	YTD Over-burdened ¹	YTD Non-Over-burdened	YTD Ratio ²
Participation								
Residential - Efficient Products ⁵	HVAC	Core	90	1,704	0.05	90	1,704	0.05
	Community Kits	Core	6	18	0.25	6	18	0.25
	Online Marketplace	Core	89	963	0.08	89	963	0.08
	Appliance Rebates - Washers/Dryers	Core	175	680	0.20	175	680	0.20
	Total Efficient Products Participation		360	3,365	0.10	360	3,365	0.10
Residential - Existing Homes	Home Performance with Energy Star	Core	30	92	0.25	30	92	0.25
	Quick Home Energy Check-Up	Additional	12	117	0.09	12	117	0.09
	Moderate-Income Weatherization	Additional	-	-	-	-	-	-
Home Energy Education & Management	Behavioral	Additional	24,812	222,547	0.10	24,812	222,547	0.10
Total Residential Participation		25,214	226,121	0.10	25,214	226,121	0.10	
C&I Direct Install	Direct Install	Core	-	1	-	-	1	-
Energy Solutions for Business	Prescriptive/Custom	Core	1	2	0.33	1	2	0.33
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Participation		1	3	0.25	1	3	0.25	
Multi-family	HPwES	Core	-	308	-	-	308	-
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multi-family Participation		-	308	-	-	308	-	
Total Core Participation ⁶			391	3,768	0.09	391	3,768	0.09
Total Additional Participation ⁶			24,824	222,664	0.10	24,824	222,664	0.10
TOTAL PARTICIPATION ⁶			25,215	226,432	0.10	25,215	226,432	0.10

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Over-burdened ¹	Quarter Non-Over-burdened	Quarter Ratio ²	YTD Over-burdened ¹	YTD Non-Over-burdened	YTD Ratio ²
Annual Energy Savings (Dth)								
Residential - Efficient Products ⁵	HVAC	Core	1,116	22,243	0.05	1,116	22,243	0.05
	Community Kits	Core	30	91	0.25	30	91	0.25
	Online Marketplace	Core	261	3,174	0.08	261	3,174	0.08
	Appliance Rebates - Washers/Dryers	Core	125	426	0.23	125	426	0.23
	Total Efficient Products Annual Energy Savings (Dth)		1,532	25,934	0.06	1,532	25,934	0.06
Residential - Existing Homes	Home Performance with Energy Star	Core	352	2,271	0.13	352	2,271	0.13
	Quick Home Energy Check-Up	Additional	6	76	0.07	6	76	0.07
	Moderate-Income Weatherization	Additional	-	-	-	-	-	-
Home Energy Education & Management	Behavioral	Additional	1,863	18,775	0.09	1,863	18,775	0.09
Total Residential Annual Energy Savings (Dth)		3,753	47,056	0.07	3,753	47,056	0.07	
C&I Direct Install	Direct Install	Core	-	154	-	-	154	-
Energy Solutions for Business	Prescriptive/Custom	Core	204	113	0.64	204	113	0.64
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Annual Energy Savings (Dth)		204	267	0.43	204	267	0.43	
Multi-family	HPwES	Core	-	3,173	-	-	3,173	-
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multi-family Annual Energy Savings (Dth)		-	3,173	-	-	3,173	-	
Total Core Annual Energy Savings ⁶			2,088	31,645	0.06	2,088	31,645	0.06
Total Additional Annual Energy Savings ⁶			1,869	18,851	0.09	1,869	18,851	0.09
TOTAL ANNUAL ENERGY SAVINGS ⁶			3,957	50,496	0.07	3,957	50,496	0.07

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Over-burdened ¹	Quarter Non-Over-burdened	Quarter Ratio ²	YTD Over-burdened ¹	YTD Non-Over-burdened	YTD Ratio ²
Lifetime Energy Savings (Dth)								
Residential - Efficient Products ⁵	HVAC	Core	21,427	427,954	0.05	21,427	427,954	0.05
	Community Kits	Core	453	1,360	0.25	453	1,360	0.25
	Online Marketplace	Core	1,965	24,080	0.08	1,965	24,080	0.08
	Appliance Rebates - Washers/Dryers	Core	1,505	5,115	0.23	1,505	5,115	0.23
	Total Efficient Products Lifetime Energy Savings (Dth)		25,350	458,509	0.05	25,350	458,509	0.05
Residential - Existing Homes	Home Performance with Energy Star	Core	5,284	34,064	0.13	5,284	34,064	0.13
	Quick Home Energy Check-Up	Additional	62	758	0.08	62	758	0.08
	Moderate-Income Weatherization	Additional	-	-	-	-	-	-
Home Energy Education & Management	Behavioral	Additional	3,911	39,427	0.09	3,911	39,427	0.09
Total Residential Lifetime Energy Savings (Dth)		34,607	532,758	0.06	34,607	532,758	0.06	
C&I Direct Install	Direct Install	Core	-	3,077	-	-	3,077	-
Energy Solutions for Business	Prescriptive/Custom	Core	2,446	1,364	0.64	2,446	1,364	0.64
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Lifetime Energy Savings (Dth)		2,446	4,441	0.36	2,446	4,441	0.36	
Multi-family	HPwES	Core	-	53,943	-	-	53,943	-
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multi-family Lifetime Energy Savings (Dth)		-	53,943	-	-	53,943	-	
Total Core Lifetime Energy Savings ⁶			33,080	550,957	0.06	33,080	550,957	0.06
Total Additional Lifetime Energy Savings ⁶			3,973	40,185	0.09	3,973	40,185	0.09
TOTAL LIFETIME ENERGY SAVINGS ⁶			37,053	591,142	0.06	37,053	591,142	0.06

¹ - Across all programs, participation/expenditures/savings are classified as either in an Environmental Justice Overburdened Community census block or not based on the program participant's address. Overburdened Community census blocks were developed and defined by the NJ Department of Environmental Protection (www.nj.gov/dep/ej/communities.html). The Overburdened Community (OBC) census blocks are defined with three criteria: at least 35% of households qualify as low-income, at least 40% of residents identify as minority, and at least 40% of households have limited English proficiency. If any of the three criteria is satisfied, the census block is defined as OBC. Staff directed to only include OBC census blocks where at least 35% of households qualify as low-income. For example, a census block that only satisfies the limited English proficiency criteria is not included.

² - The %OBC column shows the ratio of the overburdened metric over the total of overburdened plus non-overburdened. Comparing the territory-level benchmark %OBC (upper table) versus the program %OBC (lower table) shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program %OBC is greater than the benchmark %OBC, then the overburdened population is better represented in the program relative to the percentage of overburdened households or business in the utility territory.

³ - Estimation of accounts with overburdened designation determined to be active immediately preceding the current Plan Year.

⁴ - Estimation of usage with overburdened designation for the 12-month period immediately preceding the current Plan Year.

⁵ - Efficient Products Program, Lighting participants represent sales of products originating from stores located within an Overburdened Community. This metric is not intended to identify individual participants who reside in Overburdened Community, but rather the proportion of retail lighting sales stemming from locations serving Overburdened Communities aligned to BPU Staff's modifications.

⁶ - Individual line items or totals as listed in the OBC table may differ slightly from those results in Appendix B table due to rounding.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Anne-Marie Peracchio". The signature is written in a cursive, flowing style.

Anne-Marie Peracchio
Managing Director Marketing and Energy Efficiency

Cc:
Philip Chao
Brian Lipman
Maura Caroselli
Stacy Richardson

List of Appendices

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

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

Appendix A - Participant Definitions

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

Appendix B - Energy Efficiency and PDR Savings Summary

For Period Ending PY23Q1																
NJNG		Participation				Actual Expenditures				Ex Ante Energy Savings						
		A	B	C	D = C / B	E	F	G	H = G / F	I	J	K	L = K / J	M	O	P
		Current Quarter	Annual Forecasted Participation Number	Reported Participation Number YTD	YTD % of Annual Participants	Current Quarter (\$000)	Forecasted Annual Program Costs 1 (\$000)	Reported Program Costs YTD (\$000)	YTD % of Annual Budget	Current Quarter Annual Retail Energy Savings (Dth)	Annual Forecasted Retail Energy Savings (Dth)	Reported Retail Energy Savings YTD (Dth)	YTD % of Annual Energy Savings	Current Quarter Reported Wholesale Energy Savings (Dth)	Current Quarter Lifetime Retail Savings (Dth)	YTD Lifetime Retail Savings (Dth)
Residential Programs	Sub-Program															
Efficient Products *	HVAC	1,794	7,024	1,801	25.6%	\$ 5,398	N/A	\$ 5,398	N/A	23,360	63,277	23,360	36.9%	23,593	449,381	449,381
	Community Kits	24	10,000	24	0.2%	\$ 8	N/A	\$ 8	N/A	121	11,200	121	1.1%	122	1,813	1,813
	Others (Online Marketplace & Washers/Dryers)	1,907	21,126	1,907	9.0%	\$ 238	N/A	\$ 238	N/A	3,986	57,048	3,986	7.0%	4,026	32,665	32,665
	Total Efficient Products	3,725	38,150	3,732	9.8%	\$ 5,644	\$ 19,205	\$ 5,644	29.4%	27,467	131,525	27,467	20.9%	27,741	483,859	483,859
Existing Homes	Home Performance with Energy Star *	122	737	122	16.6%	\$ 1,885	\$ 10,088	\$ 1,885	18.7%	2,623	22,763	2,623	11.5%	2,649	39,348	39,348
	Quick Home Energy Check-Up	129	1,650	129	7.8%	\$ 319	\$ 1,709	\$ 319	18.7%	82	2,160	82	3.8%	83	820	820
	Moderate-Income Weatherization	-	110	-	0.0%	\$ 143	\$ 2,287	\$ 143	6.3%	-	3,770	-	0.0%	-	-	-
Home Energy Education & Management	Behavioral ²	247,359	242,000	247,359	102.2%	\$ 53	\$ 1,756	\$ 53	3.0%	20,637	123,272	20,637	16.7%	20,844	43,339	43,339
Total Residential		251,335	282,647	251,342	88.9%	\$ 8,044	\$ 35,045	\$ 8,044	23.0%	50,809	283,490	50,809	17.9%	51,317	567,366	567,366
Business Programs	Sub-Program															
C&I Direct Install	Direct Install *	1	248	1	0.4%	\$ 246	\$ 16,485	\$ 246	1.5%	154	34,029	154	0.5%	156	3,077	3,077
Energy Solutions for Business	Prescriptive/Custom *	3	1,080	3	0.3%	\$ 134	\$ 7,801	\$ 134	1.7%	317	46,452	317	0.7%	320	3,810	3,810
	Energy Management	-	12	-	0.0%	\$ 27	\$ 1,047	\$ 27	2.6%	-	2,769	-	0.0%	-	-	-
	Engineered Solutions	-	46	-	0.0%	\$ 309	\$ 14,670	\$ 309	2.1%	-	33,670	-	0.0%	-	-	-
Total Business		4	1,386	4	0.3%	\$ 716	\$ 40,003	\$ 716	1.8%	471	116,920	471	0.4%	476	6,887	6,887
Multi-family *	HPwES	308	N/A	308	N/A	\$ 1,058	N/A	\$ 1,058	0.0%	3,173	N/A	3,173	0.0%	3,205	53,943	53,943
	Direct Install	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
	Prescriptive/Custom	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
	Engineered Solutions	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
Total Multi-family		308	1,273	308	24.2%	\$ 1,058	\$ 8,497	\$ 1,058	12.5%	3,173	10,936	3,173	29.0%	3,205	53,943	53,943
Other Programs																
Home Optimization & Peak Demand Reduction		-	-	-	0.0%	\$ -	\$ -	\$ -	0.0%	-	-	-	0.0%	-	-	-
Total Other		-	-	-	0.0%	\$ -	\$ -	\$ -	0.0%	-	-	-	0.0%	-	-	-
Portfolio Total		251,647	285,306	251,654	88.2%	\$ 9,818	\$ 83,545	\$ 9,818	11.8%	54,453	411,345	54,453	13.2%	54,998	628,196	628,196
Supportive Costs Outside Portfolio						\$ 182	\$ 1,023	\$ 182	17.8%							

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

¹ - Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR filings and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.

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

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

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

For Period Ending PY23Q1							
NJNG		Participation		Incentive Expenditures (Customer Rebates & Low/No-Cost Financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$000)		Reported Retail Energy Savings YTD (Dth)	
Residential Programs	Sub-Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	100	1,694	\$ 411	\$ 4,384	1,201	22,159
	Community Kits	24	-	\$ 8	\$ -	121	-
	Others (Online Marketplace - Washers/Dryers)	-	1,907	\$ -	\$ 238	-	3,986
Existing Homes	Home Performance with Energy Star ¹	-	122	\$ -	\$ 1,586	-	2,623
	Quick Home Energy Check-Up	-	129	\$ -	\$ 3	-	82
	Moderate Income Weatherization	-	-	\$ -	\$ -	-	-
Home Energy Education & Management	Behavioral ²	5,629	241,730	\$ -	\$ -	646	19,992
Total Residential		5,753	245,582	\$ 419	\$ 6,211	1,967	48,842
Multi-family Program	Sub-Program						
Multi-family	HPwES	-	308	\$ -	\$ 952	-	3,173
	Direct Install	-	-	\$ -	\$ -	-	-
	Prescriptive/Custom	-	-	\$ -	\$ -	-	-
	Engineered Solutions	-	-	\$ -	\$ -	-	-
Total Multi-family		-	308	\$ -	\$ 952	-	3,173
Other Programs							
Home Optimization & Peak Demand Reduction		-	-	\$ -	\$ -	-	-
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		5,753	245,890	\$ 419	\$ 7,163	1,967	52,015
Supportive Costs Outside Portfolio				\$ -	\$ -		

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

² - Wave of LMI treatment group participants.

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

For Period Ending PY23Q1							
NJNG		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost Financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$000)		Reported Retail Energy Savings YTD (Dth)	
Business Programs	Sub-Program	Small Commercial ¹	Large Commercial	Small Commercial ¹	Large Commercial	Small Commercial ¹	Large Commercial
C&I Direct Install	Direct Install	1	-	\$ 50	\$ -	154	-
Energy Solutions for Business	Prescriptive/Custom	3	-	\$ 4	\$ -	317	-
	Energy Management	-	-	\$ -	\$ -	-	-
	Engineered Solutions	-	-	\$ -	\$ -	-	-
Total Business		4	-	\$ 54	\$ -	471	-
Other Programs							
Home Optimization & Peak Demand Reduction		-	-	\$ -	\$ -	-	-
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		4	-	\$ 54	\$ -	471	-
Supportive Costs Outside Portfolio				\$ -	\$ -		

¹ - Customers with average annual peak demand less than 200 kW.

Appendix E - Annual Baseline Calculation

Energy Efficiency Compliance Baselines and Benchmarks (therms)												
Gas Utility	Plan Year	Sales Period	Sales (therms)	Adjustments	Adjusted Retail Sales	Compliance Baseline ²	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (therms)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (therms)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (therms)
			(A)	(B)	(C) = (A) - (B)	(D) = Average (C)	(E) ¹	(F) = (E) * (D)	(G) ¹	(H) = (G) * (D)	(I) ¹	(J) = (I) * (D)
NJNG	2020	7/1/19 - 6/30/20	672,480,094	5,866,252	666,613,842							
	2021 ³	7/1/20 - 6/30/21	699,330,177	6,556,593	692,773,584							
	2022	7/1/21 - 6/30/22	687,821,314	5,642,322	682,178,992							
						680,522,140	0.50%	3,402,611	0.16%	1,088,835	0.34%	2,313,775
						68,052,214 (Dth)						
<p>(A) Includes calendar sales for firm and interruptible service classifications.</p> <p>(B) Includes adjustments to remove Distributed Generation volumes.</p> <p>¹ - (E,G,I) No formal targets established for PY22 in the June 2020 CEA Framework Order.</p> <p>² - Calculated as average annual gas usage in the prior three plan years (July - June) per N.J.S.A. 48:3-87.9(a).</p> <p>³ - Adjusted retail sales for 2021 to match actuals in this report, previous quarterly reports (PY1 Q1-Q2-Q3) reflected an estimate.</p>												