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**With Corrections to Tables 1 and 5
Dated April 20, 2023**

VIA ELECTRONIC MAIL
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Carmen D. Diaz
Acting Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: Atlantic City Electric Company Energy Efficiency Program Year Two – Quarter 1 Report

In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism, and Other Related Relief for Plan Years One Through Three
BPU Docket No. EO20090621

In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs
BPU Docket No. QO19010040

Dear Acting Secretary Diaz:

By way of follow up to, and in compliance with, the above referenced Decision and Order Approving Stipulation dated April 27, 2021, and the New Jersey Board of Public Utilities' ("BPU" or the "Board") Order issued in connection with *In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket Nos. QO19010040, QO19060748, and QO17091004, dated June 10, 2020, following for filing is the Quarterly Progress Report for the first quarter ("Q1") of Program Year ("PY") 2023

(“PY23”)¹ of Atlantic City Electric Company (“ACE” or “Company”) with respect to its Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

Energy Efficiency Program Progress - Executive Summary

ACE began offering its portfolio of EE programs on July 1, 2021. The portfolio includes distinct programs across the Residential, Multi-Family, and Commercial and Industrial (“C&I”) sectors. These programs include a diverse array of sub-programs and participation pathways designed to engage each unique segment of customers and make it easy to reduce energy usage.

The Residential and Multi-family sectors are made up of the following offerings:

- Behavioral: This program includes behavioral initiatives and energy education. It can reach a significant portion of the utility customer base, including low- to moderate-income customers, and share personalized education, including guidance on low and no-cost energy-saving strategies.
- Efficient Products: This program provides incentives and rebates for energy-efficient products, including those offered at retail and through the online marketplace, such as lighting, appliances, and heating, ventilation, and air conditioning (“HVAC”) equipment, as well as appliance recycling.
- Existing Homes: Home Performance with ENERGY STAR[®] (“HPwES”): This subprogram provides incentives to encourage customers to pursue comprehensive upgrades to their homes.
- Existing Homes: Quick Home Energy Check-Up (“QHEC”): This subprogram helps customers understand their best opportunities to save energy through an in-home consultation and ensures savings through the direct installation of energy-saving measures. It is designed to help renters as well as homeowners and promotes additional energy-saving programs and opportunities that are appropriate for the customer.
- Existing Homes: Moderate Income Weatherization (“Home Weatherization”): This subprogram provides an opportunity for low- to moderate-income customers to receive energy efficiency measures and upgrades at no cost.

¹For purposes of these quarterly reports, the numbering of the quarters aligns to these dates: **Q1** (7/1/2022 - 9/30/2022); **Q2** (10/1/2022 - 12/31/2022); **Q3** (1/1/2023- 3/31/2023); and **Q4** (4/1/2023 - 6/30/2023).

- Multifamily Program: This program provides maximum customer flexibility to meet the specific needs of each customer. A structured screening review is used to determine the customer’s needs and develop a tailored energy efficiency solution.

The following table provides an overview of all programs that the Company currently offers to residential and multifamily customers and the date ACE launched these programs.

Program	Sub-program	Date Launched
Behavior ¹	Home Energy Reports	Existing program from merger commitment
Efficient Products	HVAC	July 1, 2021
	Lighting	July 1, 2021
	Online Marketplace	October 14, 2021
	Appliance Rebates	July 1, 2021
	Appliance Recycling	July 1, 2021
Existing Homes ¹	HPwES	July 1, 2021
	QHEC	Existing program from merger commitment
	Moderate-Income Weatherization	September 1, 2021
Multi-family	Multi-family	September 1, 2021

¹Merger/legacy commitment programs also defined as “Other Programs.”

The C&I EE and conservation programs included in the program portfolio consist of the following:

- Small Business Direct Install (“SBDI”): This subprogram provides a no-cost audit and direct-install measures, and incentives for comprehensive retrofit projects. Non-residential customers can also receive financing for project costs.
- Energy Solutions for Business: Prescriptive and Custom: This subprogram provides prescriptive and custom measures for lighting, HVAC, controls, and other C&I equipment.
- Energy Solutions for Business: Engineered Solutions: This subprogram provides tailored energy efficiency savings for medium-to large-commercial customers, including municipalities, universities, schools, hospitals, and non-profit entities.
- Energy Solutions for Business: Energy Management: This subprogram provides incentives to C&I customers to allow customers to manage their energy consumption more efficiently at their facilities. The subprogram includes incentives for several

approaches to energy management focused on optimizing equipment and processes at commercial facilities.

The following table provides an overview of all programs that the Company currently offers to C&I customers and the date ACE launched the programs.

Program	Sub-program	Date Launched
Energy Solutions for Business	Prescriptive / Custom	July 1, 2021
SBDI	N/A	August 1, 2021
Energy Solutions for Business	Energy Management	October 1, 2021
Energy Solutions for Business	Engineered Solutions	October 1, 2021

Challenges and Program Observations

The Company has observed a few challenges in the process of deploying its EE programs to customers. Each utility has separate and distinct stipulated orders issued by the Board, though significant coordination is required with utilities that provide electric and natural gas service to customers to ensure that ACE, along with its peer utilities, designs programs and allocate funds to administer programs in a manner that is consistent with each stipulation. This coordination of budgets, participation criteria, and incentive levels may require ACE to shift resources committed to other programs, and additional funding may eventually be needed to ensure that programs remain open for the duration of the triennial plan period. The utilities jointly filed a petition with the BPU to alleviate some of the conditions leading to these budget constraints². The Company will continue to monitor program performance and collaborate with the other utilities, BPU Staff, the New Jersey Division of Rate Counsel (“Rate Counsel”), and other parties in the working groups set by the BPU to address this issue.

ACE continues to be fully engaged in the multitude of working groups related to EE, including the work related to the Statewide Coordinator (“SWC”), which is responsible for constructing the database system to enable partner (neighboring electric and natural gas) utilities to track data, metrics, and savings between shared customers. The SWC is a critical component to the success of ACE’s EE program, along with all the other utilities. The Company continues to

² *In the Matter of the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and Decision and Order Adopting Stipulation, In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism and Other Related Relief for Plan Years One Through Three*, BPU Docket No. EO20090621 (August 17, 2022), Agenda Item: 8B.

participate in joint utility discussions to complete the build-out of the database which has extended beyond the originally scheduled completion date in PY22 to PY23.

Similarly, ACE continues to build its internal program tracking system (known as “eTRACK+”), which, in coordination with other Company business applications, will enable ACE to track EE program administration, incentive costs, and savings across residential and C&I programs. eTRACK+ is a cornerstone of ACE’s standard tracking framework and the Company is still targeting full implementation with the joint gas and electric partners in PY23, although, in certain programs, full implementation might extend into PY24.

During the fourth quarter of PY22, ACE completed Phase I of the Statement of Work of the full suite of the residential EE programs into eTRACK+. During the last half of Q4 2022 and the first half of Q1 2023, User Acceptance Testing (also known as “UAT”) will begin with the residential programs and partner file integration. Integrating the C&I programs is now underway with targeted completion expected by the end of PY23. Until eTRACK+ is deemed fully operational, ACE will rely on data gathered from legacy systems and implementation contractors to support information for reporting purposes.

Implementation of State Law A5160/S3324 and the U.S. Department of Energy (“DOE”) announcement of the Energy Independence and the Security Act of 2007. The legislation known as A5160, enacted in January 2022, put minimum efficiency standards on several types of measures sold in New Jersey, chiefly State regulated general service lamps which includes reflectors and other specialty lamps are expected to present significant challenges in meeting affected Residential program goals established before these legislative challenges were enacted. Other measures impacted by A5160/S3324 are air purifiers, faucet aerators, low-flow showerheads, computers, and monitors.

Further examining the DOE enforcement of non-compliant bulbs and the allowance of retailers to sell non-compliant bulbs until July 2023, ACE has reconsidered the Company’s lighting strategy. ACE has assessed neighboring utilities’ lighting strategy positions and has extended the lighting program sunset until June 30, 2023. Due to the expected continued availability of inefficient products on retailer shelves, ACE expects that program activity for residential lighting will continue to be viable through the end of PY23.

ACE EE Program Performance

Figure 1 shows that the energy savings Year-to-Date (“YTD”) is behind in terms of meeting the PY23 annual savings goal, while spending less than budgeted.

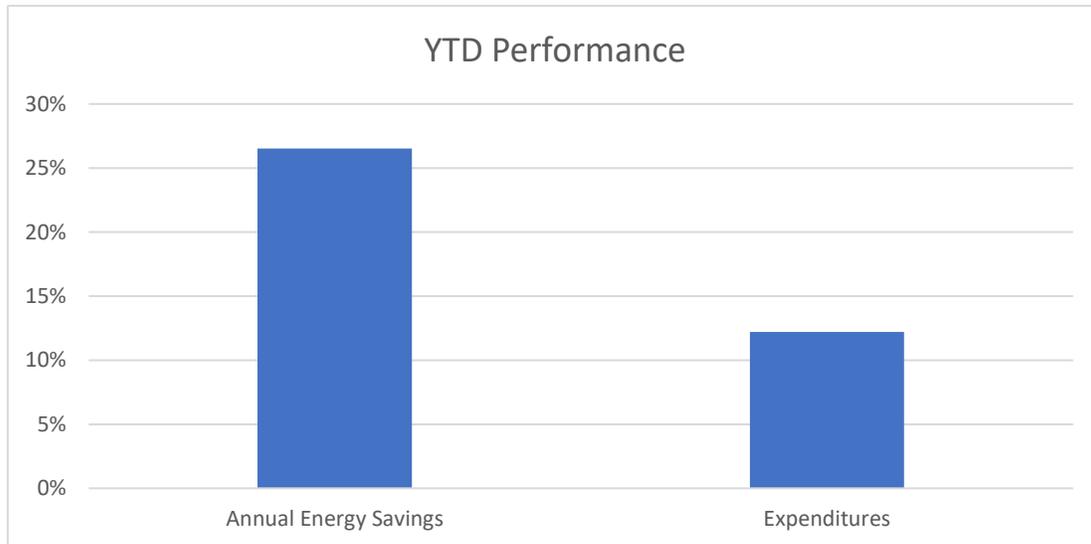


Figure 1: PY23 Performance of Annual Energy Savings and Budget

Table 1 shows the Company’s overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners program, which is the primary program serving low-income customers and is co-managed by the BPU’s Division of Clean Energy in conjunction with ACE and the other investor-owned electric and gas utility companies. As noted, “Other Programs” include merger/legacy commitment EE programs that were authorized or funded by or through a prior filing or authorization.

Recognizing the transition to utility programs, the Board’s June 10, 2020, Clean Energy Act (“CEA”) Order did not establish specific energy use reduction requirements for PY23. Annual targets will become applicable in future years.

Table 1 – Program Year-to-Date 2023 Program Results

	Utility-Administered Programs ex-ante energy savings (MWh or DTh)	Comfort Partners ex-ante energy savings (MWh or DTh)	Other Programs ex-ante energy savings (MWh or DTh) ¹	Total ex-ante energy savings (MWh or DTh)	Compliance Baseline (MWh or DTh) ²	Annual Target (%)	Annual Target (MWh or DTh)	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
QTR	12,908	105	2,895	15,908				
YTD	12,908	105	2,895	15,908	9,786,856	0.74%	72,422.73	22%

¹The annual target for Program Year 2023 is derived based on targets for future annual targets. Other Programs include merger/legacy-committed EE programs – QHEC and Behavior.

²Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year).

Quantitative Performance Indicators (“QPIs”)

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

Table 2 – Quantitative Performance Indicators

	Utility-Administered Plan Year Results QTR	Comfort Partners Plan Year Results QTR	Other Programs Plan Year Results QTR	Total Portfolio Retail Savings QTR	Utility-Administered Plan Year Results YTD	Comfort Partners Plan Year Results YTD	Other Programs Plan Year Results YTD	Total Plan Year Results	Annual Target (MWh) ¹	Percent of Annual Target Achieved
Annual Energy Savings (MWh)	12,908	105	2,895	15,908	12,908	105	2,895	15,908	59,556	27%
Lifetime Savings (MWh)	179,554	1,591	2,895	184,040	179,554	1,591	2,895	184,040		
Annual Demand Savings (MW)	1.483	0.017	2.293	3.793	1.483	0.017	2.293	3.793		
Lifetime Persisting Demand Savings (MW-year) ²	20.635	0.258	2.293	23.186	20.635	0.258	2.293	23.186		
Low/Moderate-Income Lifetime Savings (MWh)	0	1,591		1,591	0	1,591		1,591		
Small Commercial Lifetime Savings (MWh)	15,596			15,596	15,596			15,596		

¹Annual Targets reflect estimated impacts as filed the Company's 2021-2024 Clean Energy Filing.

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

Sector-Level Participation, Expenditures, and Annual Energy Savings

In the first quarter of PY23, ACE’s Residential Programs had 287,695 participants across the sector’s programs.

The Efficient Products Program has continued to see significant participation, continuing the wave of momentum that finished out PY22. As the Company heads into what is normally considered lighting season, ACE has seen an increase in lighting sales and have added five

additional industry partners toward the end of the quarter that should lead to bigger gains in Q2. With the addition of these newer partnerships, including a new retail partner in Costco, the Company is continuing to increase the program's visibility with more end caps, more shelving displays, and more exposure in the high-end traffic areas at retail locations. ACE's retail partners have also afforded us the ability to continue with Table Events that have allowed the program to provide a more hands-on experience with customers as they are able to observe the differences between LEDs and incandescent bulbs with Light Box display set ups. With the impending elimination of incandescent, it has become imperative that the customers become better educated on the energy saving capabilities of not just LED bulbs, but energy efficient products in general. This can be accomplished through direct customer interaction and Table Events.

The Appliance and HVAC subprograms have continued to see improvements in the supply chain which plagued PY22 but improved through Q3 and Q4. While supply chain issues still loom, the program continues to see growth in these subprograms. Despite the seasonality of the programs and the lack of availability of computer chips, the Appliance and HVAC subprograms have continually improved. As a result of increased chip production and an increase in available workforce, wait times are almost to pre-pandemic levels. The production of backordered appliances has been filled and production of newer appliance models has moved forward. Typically, the period between Independence Day and Labor Day has been considered a slow period as summer sales typically dip; however, appliances have been trending up. Trade Ally ("TA") partners have also seen the positive effects as they have caught up on their backlog of projects and have a wider array of energy efficient HVAC equipment to offer their clients.

The HPwES Program saw an increase in participation and interest in the program in Q1 with the launch of the zero-interest financing. Additionally, the Home Weatherization Program saw an increase in interest as customers have signed up for audits across the territory. The Multi-family direct install program also scheduled the most appointments in any of the quarters.

The Appliance Recycling Program has seen growth with customer participation, ending Q1 with 674 collections bringing the customer to date total to 1,696 collections. Marketing campaigns running throughout the year consisted of Standard & Responsive Display, Native Display, Discovery ads, Facebook and Instagram ads, and Google AdWords to encourage customers to recycle their equipment.

In the first quarter of PY23, the Company’s C&I programs recorded 71 participants, in part because of enhanced marketing and outreach activities and the onboarding of new TAs. ACE has noted an increase in customer inquiries and applications each quarter with Q1 of PY23 having the greatest participation rate to date. In addition, the Company is participating in ongoing efforts to align within joint utility working groups on the final elements of program design and the delivery strategy for comprehensive dual-fuel projects in the SBDI program that are expected to increase interest and participation.

Energy Management and Engineered solutions were the last programs to launch and historically have the longest sales cycles due to the size and complexity of related projects. ACE expects to see increased interest and participation over time as market awareness increases in the large customer segment and specialized TAs familiarize themselves with the new program structures. Correspondingly, there have been no completed projects or reported savings in Q1 for these two programs.

Table 3 –Sector-Level Participation

Sector ¹	Current Quarter Participants	Annual (YTD) Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	287,695	287,695	88,435	325%
Multi-Family	0	0	2,088	0%
C&I ²	71	71	126,748	0%
Reported Totals for Utility Administered Programs	287,766	287,766	217,271	132%
Comfort Partners ³	113	113	574	20%
Utility Total	287,879	287,879	217,845	132%

¹ Note that these numbers are totals across all programs within a sector. The appendix shows the participation numbers for individual programs. Participation from merger-funded programming is not omitted from these values.

² The participant definition for the Prescriptive/Custom component of the Energy Solutions for Business program as agreed upon by the joint utilities represents the count of projects while the forecast established in ACE's filed plan represents the count of measures.

³ Comfort Partners, the primary program serving low-income customers, is co-managed by the BPU’s Division of Clean Energy in conjunction with ACE and the other investor-owned electric and gas utility companies.

ACE Portfolio Expenditures

During this reporting period, ACE’s Residential Programs spent \$2.0 million (“M”) across all cost categories and ACE’s C&I programs recorded approximately \$1.9M in total expenditures across all programs during Q1 of PY23.

Table 4 –Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	Annual (YTD) Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$2,057	\$2,057	\$15,852	13%
Multi-Family	\$165	\$165	\$1,365	12%
C&I	\$1,935	\$1,935	\$17,858	11%
Reported Totals for Utility Administered Programs	\$4,157	\$4,157	\$35,074	12%
Comfort Partners	\$396	\$396	\$2,171	18%
Utility Total	\$4,553	\$4,553	\$37,245	12%

¹ Expenditures include rebates, incentives, and loans, as well as program administration costs allocated across programs. Expenditures from merger-funded programming and Supportive Costs Outside Portfolio are omitted from these values.

ACE Portfolio Annual Energy Savings

During the first quarter of PY23, the Residential programs generated 12,161 MWh of energy savings through the Efficient Products YTD. The Behavioral program reported 2,895 MWh in energy savings and 2.3 MW in demand savings YTD. With respect to C&I programs, the Company had recorded 3,537 MWh of energy savings YTD.

Table 5 –Sector-Level Energy Savings

Annual Energy Savings ¹	Current Quarter Retail (MWh)	Annual (YTD) Retail (MWh)	Annual Target Retail (MWh)	Percent of Annual Target
Residential	12,161	12,161	19,882	61%
Multi-Family	0	0	2,298	0%
C&I	3,537	3,537	37,376	9%
Reported Totals for Utility Administered Programs	15,698	15,698	59,556	26%
Comfort Partners	105	105	N/A	N/A
Utility Total	15,803	15,803	59,556	27%

¹Annual energy savings represent the total expected annual savings from all EE measures within each sector and includes savings from merger-funded programs.

Portfolio Expenditures Breakdown

During the first quarter of PY23, ACE continued spending in the cost categories that support planning, development, coordination, contracting, and systems development. These include Capital Costs, Utility Administration, and Outside Services. As new programs mature, ACE anticipates that spending will increase in the cost categories that represent program delivery.

Those cost categories include Marketing, Rebates, Loans, Evaluation, Measurement and Verification, and Inspections and Quality Control.

Table 6 –Annual Costs and Budget Variances by Category

Total Utility EE/PDR ¹	Quarter Reported (\$000)	Annual Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent ²
Capital Costs	\$108	\$108	\$250	43%
Utility Administration	\$278	\$278	\$1,371	20%
Marketing	\$399	\$399	\$1,499	27%
Outside Services	\$1,173	\$1,173	\$6,555	18%
Rebates	\$1,236	\$1,236	\$22,218	6%
No- or Low-Interest Loans	\$699	\$699	\$2,058	34%
EM&V	\$209	\$209	\$904	23%
Inspections & Quality Control	\$71	\$71	\$420	17%
Utility EE/PDR Total	\$4,175	\$4,175	\$35,274	12%

¹ Categories herein align to ACE’s EE plan as approved by the Board.

² While annual budgets are used for informational purposes, the portfolio is managed to a total not-to-exceed amount established by cost category for the full triennial program cycle.

Equity Metrics

Existing Homes Programs and Efficient Products

The Efficient Products Program has also continued to coordinate with Dollar Tree and Habitat for Humanity ReStore partners to enable ACE to reach additional Overburdened Community (“OBC”) customers and provide them access to additional EE programs.

The Company has continued to extend outreach to OBCs with its Energy Efficiency Kit efforts through the canvassing of local food pantries and town-based organizations, like the Food Bank of South Jersey (“FBSJ”), which originally began in Q4 of PY22. In addition to the 10,000 kits donated in Q4 PY22, the Company started off Q1 PY23 with 2,500 kits. Due to the upcoming holidays, the Food Banks are prioritizing food distribution over EE kits. The Company will resume its partnership with the FBSJ in January 2023.

With the canvassing of leads through different events, such as the Gloucester County Senior Picnic, Winslow Township Family Day, and other such events, the programs saw a strong Q1 regarding EE kit distribution, as well as sign-ups for the Home Weatherization Program. The focus was directed to Low/Moderate Income (“LMI”) residents, as well as the senior citizen community in the ACE territory. In general, LMI customers sometimes lack the monetary means to convert to more energy efficient products and as such, may not be as well educated on EE. The same can be said of a good portion of the senior community, often on fixed incomes, and often lacking EE knowledge and the benefits that LEDs provide. Through participation in community

events, the program distributed over 4,300 kits. Combined with the donation to FBSJ, in total, the Company distributed 6,800 EE kits overall. In addition, the Company was able to disseminate information to attendees on EE, QHEC Program, and other rebated subprograms. ACE's attendance at these events enabled the Company to generate leads for future events as well as continue to reinforce current partnerships.

Commercial and Industrial

During Q1 PY23, outreach to OBCs focused on increasing awareness of the ACE Energy Solutions for Business Programs among customers and contractors. In-person events, virtual and in-person meetings, along with phone and email campaigns, were part of an equitable focus on customers and contractors located in OBCs.

In July 2022, the outreach team conducted in-person visits to 10 targeted contractors located in the OBCs of Bridgeton, Millville, and Vineland to encourage the contractors to join the ACE network of C&I TAs. The outreach team educated the network of TAs on how to share program information with customers and to submit program applications on behalf of OBC customers. In addition to discussing the ACE C&I EE programs, the outreach team shared program collateral with the contractors. While visiting these contractors, the outreach team also visited six businesses located near the targeted contractors to share program information and inquire about potential projects. Also in July 2022, the outreach team held a calling and email campaign to recruit contractors from OBCs to become approved TAs. The outreach team engaged with 47 contractors who are in OBCs within the ACE service territory. Communication is ongoing with many of these contractors.

On August 2, 2022, the outreach team staffed ACE's vendor table at the Buena Vista Township National Night Out. ACE's sponsorship of the event included a vendor table that enabled the outreach team to participate and network with contractors and customers. The outreach team engaged with 76 people, sharing program information with attendees and other vendors who were ACE customers and/or potential TAs. Large portions of Buena Vista Township are identified by the New Jersey Department of Environmental Protection as being an OBC.

In August and September 2022, the team also concentrated efforts on working with organizations focused on diversity, equity, and inclusion throughout the State to increase awareness of the ACE Energy Solutions for Business Programs with minority, woman-owned, and service-disabled veteran-owned businesses. In doing so, the outreach team connected and held meetings with the Statewide African American Chamber of Commerce, the Hispanic Chamber of

Commerce, and the Black Ministers Council of New Jersey to discuss presentations and other means of communicating with their members. Furthermore, the outreach team attended meetings and provided program marketing materials at Gloucester County Chamber of Commerce, Salem County Chamber of Commerce, and the Greater Wildwood’s Chamber of Commerce event and meetings. Each of these chambers of commerce cover(s) territories that include OBCs and whose membership includes Minority, Women, Service-Disabled Veteran (“MWSDV”)-owned businesses.

On September 21, 2022, the outreach team attended and staffed an ACE vendor booth at the Cumberland County Business Expo and Job Fair, which was presented by the Bridgeton Area Chamber of Commerce, the Greater Millville Chamber of Commerce, and the Greater Vineland Chamber of Commerce. Each of these chambers of commerce cover(s) territories that include OBCs and whose membership includes MWSDV-owned businesses. The outreach team shared program information with a total of 76 attendees and participating vendors who were ACE customers and/or potential TAs.

One of nine (or 11%) of the newly approved TAs in Q1 PY23 were located in a New Jersey OBC. The new TA located in an OBC was one of three newly approved Prescriptive and Custom Program TAs, representing 33.3% of newly approved Prescriptive and Custom Program TAs in Q1 PY23. In Q1 PY23, 53.5% (or 38 projects) out of a total of 71 completed projects were in an OBC and were paid a total of \$153,400 in incentives.

Table 7 – Equity Performance

Territory-Level Benchmarks	Over-burdened ¹	Non-Over-burdened	Ratio ²
# of Household Accounts	438,501	377,689	0.54
# of Business Accounts	56,869	44,320	0.56
Total Annual Energy (MWh)	3,072,068	2,449,103	0.56

Programs	Sub Program or Offering	Type of Sub Program/Offering	Quarter Over-burdened ¹	Quarter Non-Over-burdened	Ratio ²	YTD Over-burdened	YTD Non-Over-burdened	Ratio
Participation								
Efficient Products	HVAC	Core	35	350	0.09	35	350	0.09
	Appliance Rebates	Core	139	1,023	0.12	139	1,023	0.12
	Appliance Recycling	Core	107	567	0.16	107	567	0.16
	Online Marketplace	Core	57	457	0.11	57	457	0.11
	Food Banks	Core	0	0	0.00	0	0	0
	Others - Lighting	Core	TBD	TBD	TBD	TBD	TBD	TBD
Existing Homes	Home Performance with Energy Star	Core	3	13	0.19	3	13	0.19
	Quick Home Energy Check-Up	Additional	0	0	0.00	0	0	0.00
	Moderate Income Weatherization	Additional	0	0	0.00	0	0	0.00
Home Energy Education & Management	Behavioral	Additional	0	0	0.00	0	0	0.00
C&I Direct Install	Direct Install	Core	0	0	0.00	0	0	0.00
Energy Solutions for Business	Prescriptive/Custom	Core	38	33	35.00	38	33	0.54
	Energy Management	Additional	0	0	0.00	0	0	0.00
	Engineered Solutions	Additional	0	0	0.00	0	0	0.00
Multi-Family	HPwES	Core	0	0	0.00	0	0	0.00
	Direct Install	Core	0	0	0.00	0	0	0.00
	Prescriptive/Custom	Core	0	0	0.00	0	0	0.00
	Engineered Solutions	Core	0	0	0.00	0	0	0.00
Total Core Participation			379	2,443	0.00	379	2,443	0.13
Total Additional Participation			0	0	0.00	0	0	0.00
Total Participation			379	2,443	0.00	379	2,443	0.13

Annual Energy Savings								
Efficient Products	HVAC	Core	21	184	0.10	21	184	0.10
	Appliance Rebates	Core	21	120	0.15	21	120	0.15
	Appliance Recycling	Core	90	524	0.15	90	524	0.15
	Online Marketplace	Core	8	67	0.10	8	67	0.10
	Food Banks	Core	0	0	0.00	0	0	0.00
	Others - Lighting	Core	TBD	TBD	TBD	TBD	TBD	TBD
Existing Homes	Home Performance with Energy Star	Core	3	18	0.00	3	18	0.16
	Quick Home Energy Check-Up	Additional	0	0	0.00	0	0	0.00
	Moderate Income Weatherization	Additional	0	0	0.00	0	0	0.00
Home Energy Education & Management	Behavioral	Additional	0	0	0.00	0	0	0.00
C&I Direct Install	Direct Install	Core	0	0	0.00	0	0	0.00
Energy Solutions for Business	Prescriptive/Custom	Core	583	2,954	0.16	583	2,954	0.16
	Energy Management	Additional	0	0	0.00	0	0	0.00
	Engineered Solutions	Additional	0	0	0.00	0	0	0.00
Multi-Family	HPwES	Core	0	0	0.00	0	0	0.00
	Direct Install	Core	0	0	0.00	0	0	0.00
	Prescriptive/Custom	Core	0	0	0.00	0	0	0.00
	Engineered Solutions	Core	0	0	0.00	0	0	0.00
Total Core Annual Energy Savings			726	3,866	0.00	726	3,866	0.16
Total Additional Annual Energy Savings			0	0	0.00	0	0	0.00
Total Annual Energy Savings			726	3,866	0.00	726	3,866	0.16

Lifetime Energy Savings			0.00					
Efficient Products	HVAC	Core	348	2,942	0.11	348	2,942	0.11
	Appliance Rebates	Core	230	1,351	0.15	230	1,351	0.15
	Appliance Recycling	Core	437	2,558	0.15	437	2,558	0.15
	Online Marketplace	Core	72	624	0.10	72	624	0.10
	Food Banks	Core	0	0	0.00	79	0	0.00
	Others - Lighting	Core	TBD	TBD	TBD	TBD	TBD	TBD
Existing Homes	Home Performance with Energy Star	Core	0	0	0.00	0	0	0.50
	Quick Home Energy Check-Up	Additional	0	0	0.00	0	0	0.00
	Moderate Income Weatherization	Additional	0	0	0.00	0	0	0.00
Home Energy Education & Management	Behavioral	Additional	0	0	0.00	0	0	0.00
C&I Direct Install	Direct Install	Core	0	0	0.00	0	0	0.00
Energy Solutions for Business	Prescriptive/Custom	Core	8,699	43,536	0.17	8,699	43,536	0.17
	Energy Management	Additional	0	0	0.00	0	0	0.00
	Engineered Solutions	Additional	0	0	0.00	0	0	0.00
Multi-Family	HPwES	Core	0	0	0.00	0	0	0.00
	Direct Install	Core	0	0	0.00	0	0	0.00
	Prescriptive/Custom	Core	0	0	0.00	0	0	0.00
	Engineered Solutions	Core	0	0	0.00	0	0	0.00
Total Core Lifetime Energy Savings			9,786	51,012	0.16	9,865	51,012	0.16
Total Additional Lifetime Energy Savings			0	0	0.00	0	0	0.00
Total Lifetime Energy Savings			9,786	51,012	0.16	9,865	51,012	0.16

¹ Across all programs, subprograms or offerings, participation/expenditures/savings are classified as either in an Environmental Justice Overburdened Community census block or not based on the program participant's address. Overburdened Community census blocks were developed and defined by the New Jersey Department of Environmental Protection (www.nj.gov/dep/ej/communities.html).

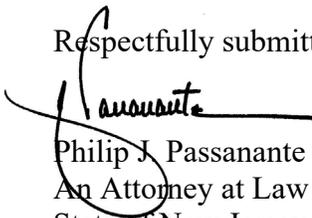
² The Ratio column shows the ratio of the overburdened metric over the non-overburdened metric. Comparing the territory-level benchmark ratios versus the program ratios shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program ratio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

Conclusion

ACE is pleased to provide the above information regarding the performance of the Company's portfolio of energy efficiency core programs. ACE looks forward to continued collaboration with Board Staff, Rate Counsel, and other parties to address the challenges noted above.

Consistent with the Order issued by the Board in connection within *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*, BPU Docket No. EO20030254, Order dated March 19, 2020, this quarterly update is being electronically filed with the Secretary of the Board, the Division of Law, and Rate Counsel. No paper copies will follow.

Feel free to contact the undersigned should you have any questions or concerns regarding this report.

Respectfully submitted,

 Philip J. Passanante
 An Attorney at Law of the
 State of New Jersey

Enclosures
 cc: Service List

Appendices

Appendix A – Participation Definitions

NJ Program		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Lighting - Upstream	Quantity of packages sold (based on SKU) - net of returns (negative in current period)
	Rebated Products	Quantity of units rebated (based on SKU)
	Mid-Stream Products	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	Appliance Recycling	Count of visits to premise not units
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
	Consumer Electronics	For rebated programs, count of rebate applications For Midstream, every measure is considered a participant - net of returns (negative in current period)
Existing Homes	Home Performance with Energy Star	Count of completed HPwES projects
	Quick Home Energy Checkup	Count of completed visits
	Moderate Income Weatherization	Same as HPwES - (distinction would be paying for audit in this program)
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
Multifamily	HPwES	Count of completed HPwES projects - Projects are based on the building or could be several buildings (not units within a building) participation is the number of projects completed. A MF site with multiple buildings (e.g. garden apartment) will have multiple projects. Account numbers will need to be collected if measures are done associated with that account.
	Direct Install	Count based on number of projects completed - One to one - Project = participant and based on individual occupant/unit, participation as well as common areas. Account numbers will need to be collected if measures are done associated with that account and to tie to that location.
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number - Projects are based on the MF site /property owner, regardless of # of buildings or occupants. Participation is the number of completed projects.
	Engineered Solutions	Count based on number of applications/projects completed, not account number - Projects are based on the MF site /property owner, regardless of # of buildings or occupants. Participation is the number of completed projects.
	Reporting Template Total	Count based on number of applications/projects completed, not account number

Appendix B – Energy Efficiency and PDR Savings Summary

		Participation				Actual Expenditures				Ex Ante Energy Savings						
		A	B	C	D=C/B	E	F	G	H=G/F	I	J	K	L=K/J	M	N	O
		Current Quarter	Annual Forecasted Participation Number	Reported Participation Number YTD	YTD % of Annual Participants	Current Quarter (\$000)	Annual Forecasted Program Costs (\$000)2	Reported Program Costs YTD (\$000)	YTD % of Annual Budget	Current Quarter Annual Retail Energy Savings (MWh)	Annual Forecasted Retail Energy Savings (MWh)	Reported Annual Retail Energy Savings YTD (MWh)	YTD % of Annual Energy Savings	Current Quarter Annual Wholesale Energy Savings (MWh)	Retail Peak Demand Savings YTD (MW)	Current Quarter Lifetime Retail Energy Savings (MWh)
Residential Programs	Sub Program or Category¹															
Efficient Products*	HVAC	402	N/A	402	N/A	\$ 404	N/A	\$ 404	N/A	204	N/A	204	N/A	228	0.086	3,275
	Appliance Rebates	1,037	N/A	1,037	N/A	\$ 184	N/A	\$ 184	N/A	125	N/A	125	N/A	139	0.016	1,402
	Appliance Recycling	552	N/A	552	N/A	\$ 203	N/A	\$ 203	N/A	614	N/A	614	N/A	685	0.099	2,995
	Online Marketplace	514	N/A	514	N/A	\$ 90	N/A	\$ 90	N/A	74	N/A	74	N/A	83	0.020	696
	Food Banks	6,892	N/A	6,892	N/A	\$ -	N/A	\$ -	N/A	1,864	N/A	1,864	N/A	2,078	0.169	23,000
	Others - Lighting	42,564	N/A	42,564	N/A	\$ 194	N/A	\$ 194	N/A	6,364	N/A	6,364	N/A	7,096	0.477	95,457
	Subtotal Efficient Products	51,961	81,204	51,961	64.0%	1,075	\$ 5,013	\$ 1,075	21.4%	9,245	11,595	9,245	79.7%	10,308	0.867	126,825
Existing Homes	Home Performance with Energy Star*	15	281	15	5.3%	\$ 330	\$ 2,943	\$ 330	11.2%	21	627	21	3.3%	23	-	494
	Quick Home Energy Check-Up ³	-	6,500	-	0.0%	\$ 398	\$ 3,681	\$ 398	10.8%	-	6,835	-	0.0%	-	-	-
	Moderate Income Weatherization	-	450	-	0.0%	\$ 254	\$ 4,215	\$ 254	6.0%	-	824	-	0.0%	-	-	-
Home Energy Education & Management	Behavioral ⁴	235,719	-	235,719	N/A	\$ -	\$ -	\$ -	0.0%	2,895	-	2,895	N/A	3,228	2,293	2,895
Total Residential		287,695	88,435	287,695	325.3%	\$ 2,057	\$ 15,852	\$ 2,057	13.0%	12,161	19,882	12,161	61.2%	13,560	3.160	130,214
Business Programs	Sub-Program															
C&I Direct Install	Direct Install*	-	180	-	0.0%	\$ 563	\$ 12,370	\$ 563	4.6%	-	8,363	-	0.0%	-	-	-
	Prescriptive/Custom** ⁴	71	126,542	71	0.1%	\$ 1,055	\$ 4,062	\$ 1,055	26.0%	3,537	27,604	3,537	12.8%	3,859	0.616	52,235
	Energy Management	-	25	-	0.0%	\$ 135	\$ 280	\$ 135	48.1%	-	801	-	0.0%	-	-	-
	Engineered Solutions	-	1	-	N/A	\$ 183	\$ 1,146	\$ 183	15.9%	-	608	-	0.0%	-	-	-
Total Business		71	126,748	71	0.1%	\$ 1,935	\$ 17,858	\$ 1,935	10.8%	3,537	37,376	3,537	9.5%	3,859	0.616	52,235
Multi-Family*	HPwES	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-
	Direct Install	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-
	Prescriptive/Custom*	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-
	Engineered Solutions	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-
	Subtotal Multi-Family	-	2,088	-	0.0%	\$ 165	\$ 1,365	\$ 165	12.1%	-	2,298	-	0.0%	-	-	-
Other Programs																
Home Optimization & Peak Demand Reduction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Comfort Partners	113	574	113	19.7%	\$ 396	\$ 2,171	\$ 396	18.2%	105	N/A	105	N/A	113	0.017	N/A	
Total Other	113	574	113	19.7%	\$ 396	\$ 2,171	\$ 396	18.2%	105	-	105	N/A	113	0	-	
Portfolio Total		287,879	217,845	287,879	132.1%	\$ 4,553	\$ 37,245	\$ 4,553	12.2%	15,803	59,556	15,803	26.5%	17,532	3.793	182,449
Supportive Costs Outside Portfolio						\$ 18	\$ 200	\$ 18	8.9%							

¹ Subprograms provide relevant forecasts as included in the Company's approved EE/PDR Plans. Program delivery elements are generally listed as categories for informational purposes only.

² Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR proposals and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.

³ Quick Home Energy Check-Up and Behavioral Program costs in PY23 are supported by merger funding. Savings and costs from these programs are supported by CEA, as permitted by the June 10th Board Order.

⁴ The participant definition for the Prescriptive/Custom component of the Energy Solutions for Business program as agreed upon by the joint utilities represents the count of projects while the forecast established in ACE's filed plan represents the count of measures.

* 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.

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

		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 (MWh)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	5	397	\$ 2.80	\$ 120.90	1.302	203.171
	Food Banks	6,892	-	\$ 190.98	\$ -	1,863.936	0.000
	Others	-	44,667	\$ -	\$ 278.09	-	7,102.781
Existing Homes	Home Performance with Energy Star ¹		15	\$ -	\$ 58.63	3.410	18.400
	Quick Home Energy Check-Up	-	-	\$ -	\$ -	652.079	815.799
	Moderate Income Weatherization	-	N/A	\$ -	N/A	-	N/A
Home Energy Education & Management	Behavioral	TBD	TBD	TBD	TBD	TBD	TBD
Total Residential		6,897	45,079	\$ 193.78	\$ 457.62	2,520.727	8,140.151
Multi-Family	HPwES			\$ -	\$ -		
	Direct Installation/MF QHEC			\$ -	\$ -		
Total Multi-Family		0	0	\$ -	\$ -	-	-
Other Programs							
NONE		N/A	N/A	N/A	N/A	N/A	N/A
Total Other		0	0	\$ -	\$ -	-	-
Portfolio Total		6,897	45,079	\$ 193.78	\$ 457.62	2,520.727	8,140.151
Supportive Costs Outside Portfolio				\$ -	\$ -		

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

Appendix E - Annual Baseline Calculation¹

Energy Efficiency Compliance Baselines and Benchmarks (MWh)												
Electric Utility	Plan Year	Sales Period	Sales	Adjustments	Adjusted Retail Sales	Compliance Baseline	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (MWh)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (MWh)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (MWh)
			(A)	(B)	(C) = (A)-(B)	(D) = Average (C)	(E)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
FERC ¹												
ACE	2019	07/01/2018-06/30/2019	10,342,185	-	10,342,185							
	2020	07/01/2019-06/30/2020	9,434,779	-	9,434,779							
	2021	07/01/2020-06/30/2021	9,725,505	-	9,725,505							
	Plan Year 2022	07/01/2021-06/30/2022	10,200,284	-	10,200,284	9,925,688	1.10%	109,183	0.36%	35,732	0.74%	73,450

¹Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year).

In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program,
Cost Recovery Mechanism and Other Related Relief for Plan Years One Through Three
BPU Docket No. EO20090621

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• Does **not** receive Discovery