# STATE OF NEW JERSEY **BOARD OF PUBLIC UTILITIES**

In the Matter of the Verified Petition of Jersey : BPU Docket No.

Central Power & Light Company For Approval of JCP&L's Energy Efficiency and Conservation

Plan Including Energy Efficiency and Peak

Demand Reduction Programs (JCP&L EE&C)

**VERIFIED PETITION** 

#### TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, Jersey Central Power & Light Company (the "Petitioner", the "Company" or "JCP&L"), an electric public utility company of the State of New Jersey, subject to the regulatory jurisdiction of the Board of Public Utilities (the "Board" or "BPU"), and maintaining principal offices at 300 Madison Avenue, Morristown, New Jersey 07962-1911, and 101 Crawfords Corner Road, Building 1, Suite 1-511, Holmdel, New Jersey 07733, respectfully submits this Verified Petition and states:

#### INTRODUCTION

- 1. JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution, and sale of electric energy and related utility services to more than 1,000,000 residential, commercial and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.
- JCP&L files this Petition to seek approval of its proposed Energy Efficiency and Conservation Plan that includes JCP&L's proposed energy efficiency ("EE") and peak demand reduction ("PDR") programs for the three year period starting July 1, 2021 and ending June 30, 2024 (the "JCP&L EE&C Plan," "EE&C Plan," or "Plan"), as well as approval of a cost recovery mechanism.

- 3. The JCP&L EE&C Plan consists of ten (10) EE programs and subprograms and one (1) PDR program to achieve the targeted annual energy savings for the first three program years commencing July 1, 2021 and ending June 30, 2024.
- 4. This Petition is filed in compliance with the Board's Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, Docket Nos. QO19010040; QO19060748 and QO17091004, dated June 10, 2020 ("June 10 Order"), which directed that each electric and gas utility submit program filings by September 25, 2020, compliant with Board approved minimum filing requirements as adopted in the June 10 Order and provided as Appendix B thereto ("MFRs"), for the first three program years commencing July 1, 2021 and ending June 30, 2024.
- 5. As described in the attached direct testimony of Edward C. Miller, the Company's proposed EE and PDR programs further the State's goals to implement EE measures and to provide access to such measures for low- and moderate-income communities. The testimony of Brendon J. Baatz, of Gabel Associates, Inc., describes the Benefit-Cost analyses, which demonstrates that the JCP&L EE&C Plan is cost effective on an overall portfolio basis. The testimonies of Edward C. Miller and Brendon J. Baatz, and attachments thereto, address all of the MFRs except the Company's proposed cost recovery mechanism for the EE&C Plan. The attached testimony of Carol A. Pittavino addresses the Company's proposed cost recovery mechanism and associated MFRs.
- 6. The Company is proposing a budget of \$230.1 million consisting of \$187.5 million in investment and \$42.6 million in expenses for the JCP&L EE&C Plan over the three-year period covered by this filing.
- 7. The programs and subprograms in the proposed JCP&L EE&C Plan are designed to increase energy efficiency and reduce peak demand in all sectors of the economy. Savings

opportunities are offered to the Company's entire customer base of residential, multi-family, commercial and industrial customers, with specific opportunities for low and moderate income, multi-family, small business and local government customers.

#### **BACKGROUND**

- 8. On May 23, 2018, the Clean Energy Act of 2018 ("CEA") was signed into law by Governor Murphy. The CEA established aggressive energy reduction requirements, including the direction that each electric public utility achieve energy reductions by its customers.
- 9. EE is one of seven key strategies identified in New Jersey's 2020 Energy Master Plan ("EMP"), which adopted the goal of having New Jersey's energy customers utilizing 100% clean energy by 2050, in order to provide immediate and long term energy cost reductions and improve health and safety for all households.
- 10. Pursuant to the CEA, the Board authorized the Division of Clean Energy ("DCE") to enter into a contract for a study to develop the potential for EE and PDR for each utility and to develop preliminary energy savings targets and quantitative performance indicators ("QPIs") for electricity and natural gas usage ("EE Potential Study"). Following the EE Potential Study, numerous stakeholder meetings on many issues related to EE and PDR, and after receiving other public input, Board Staff developed the full Energy Efficiency Transition Straw Proposal ("Full Proposal") on March 20, 2020. There followed a public stakeholder meeting and written comments concerning the Full Proposal.
- 11. The June 10 Order adopted many of Staff's proposals, directed further stakeholder proceedings and required utility filings with the Board proposing their initial three-year EE and PDR programs on or before September 25, 2020.
- 12. The Company's proposed investments in the JCP&L EE&C Plan implement requirements of the CEA and comply with the MFRs adopted by the Board in the June 10 Order.

13. Appendix A attached to this petition and made a part hereof, identifies the location in this filing of all the information required in the Boards MFRs. A pre-filing meeting between the Company, Board Staff and Rate Counsel was held on August 21, 2020.

#### THE JCP&L EE&C Plan

14. The JCP&L EE&C Plan provides for significant investment in EE and PDR programs and subprograms over the first three program years from July 1, 2021 through June 30, 2024. The projected investment in each program and subprogram in that time frame is as follows:

JCP&L Summary of Program Costs			
Program	Sub-Program	Total 2021-2023 Program Budget (\$)	
Efficient Products	Efficient Products	\$67,647,413	
	Home Performance with Energy Star	\$22,463,087	
Existing Homes	Quick Home Energy Check-up	\$7,271,529	
	Moderate Income Weatherization	\$13,709,728	
Home Energy Education and Management	Behavioral	\$4,146,482	
Direct Install	Direct Install	\$26,135,580	
	Prescriptive / Custom	\$64,609,040	
Energy Solutions for Business	Energy Management	\$4,281,446	
	Engineered Solutions	\$10,802,198	
Multifamily	Multifamily	\$5,755,006	
Home Optimization & Peak Demand Reduction	Home Optimization & Peak Demand Reduction	\$3,321,963	
	Total	\$230,143,473	

- 15. The JCP&L EE&C Plan will have a maximum cumulative bill impact over the entire three-year program period of approximately \$2.05 or about 2.0% of the current average residential monthly bill.
- 16. The eleven (11) programs and subprograms which make-up the JCP&L EE&C Plan are summarized in the following table.

			n Summary Description
Program	Subprogram	Program Type	Description
		Residential Prog	grams
Efficient Products	Efficient Products	Core Utility	Provides incentives for HVAC, lighting, appliances, appliance recycling, consumer electronics and other energy saving equipment through a variety of channels
	Home Performance with Energy Star	Core Utility	Provides a customer a whole home approach for direct install of efficient equipment and comprehensive retrofits
Existing Homes	Quick Home Energy Check-up	Additional Utility	Audits with direct installed measures provided at no additional cost to participants with education about the opportunities to save energy including other program opportunities
	Moderate Income W eatherization	Additional Utility	Audits with direct installed measures, we atherization services, and HVAC repair/replacement provided at no additional cost to participating income qualified customers
Home Energy Education and Management	Behavioral	Additional Utility	Provides education of energy usage through Home Energy Reports and on-line audits, with targeted customized messaging to promote energy savings and conservation opportunities
	Com	mercial & Industri	al Programs
Direct Install	Direct Install	Core Utility	Audits with direct installed measures to small business customers including lighting, controls, HVAC upgrades and refrigeration
	Prescriptive / Custom	Core Utility	Provides incentives for HVAC, Lighting, Motors & Drives, Refrigeration, Water Heaters, Air Compressors, Food Service Equipment and other efficient equipment and projects
Energy Solutions for Business	Energy Management	Additional Utility	Customer engagement targeting efficient building operations through building tune-up, retro commissioning and customized energy management solutions.
	Engineered Solutions	Additional Utility	Provides consultative service throughout delivery, including comprehensive audits, detailed analysis and recommendations of energy efficiency measures and development of project specifications, to assist customers in identifying and undertaking large comprehensive energy-efficiency projects
		Multifamily	
Mutifamily	Multifamily	Core Utility	Provides audits, direct install measures, prescriptive and custom incentives as well as comprehensive projects for multifamily buildings
		Other Progra	ms
Home Optimization & Peak Demand Reduction	Home Optimization & Peak Demand Reduction	Additional Utility	Provides control and/or optimization of connected devices (e.g. smart thermostats, smart home energy management systems) to target and achieve energy and peak demand savings

17. As presented in the above table, the EE&C Plan includes a comprehensive portfolio of EE and PDR programs and subprograms for the residential, commercial and industrial, and multifamily sectors, and other Company initiatives included as part of the "Other" sector of the Plan. The Plan incorporates both near-term and longer-term energy savings opportunities for customers including single and prescriptive measures, multiple prescriptive and custom measures, direct install, and comprehensive whole building solutions, in order to provide opportunities for all customer classes to participate in EE programs. The programs and subprograms were designed to address both educational and initial cost barriers and to tap a variety of delivery channels and vendors in order to support customer engagement, education, and participation. Included are direct or targeted programs that engage customers, including specific opportunities that ensure access for all customers, and serve as a portal for other program offerings by serving the dual purpose of

providing customers with energy efficiency education as well as information regarding other program services and opportunities upon which they can act. The programs and subprograms incorporate strategies to change behaviors and include incentives and access to financing in order to address initial cost barriers and to promote the participation of all customers. They also provide opportunities for customers interested in whole building/comprehensive solutions and encourages customers to consider a holistic approach to energy efficiency. Finally, these programs and subprograms support the State's vision for achieving 100% clean energy by 2050 by working to reduce customers' energy bills, create "green" jobs, and lower greenhouse gas emissions while improving the overall utility experience for customers.

- 18. More detailed descriptions of each proposed program are provided in Sections 4.0 and 5.0 of the EE&C Plan, which is Attachment B to the testimony of Edward C. Miller in support of this filing.
- 19. The projected energy savings for the JCP&L EE&C Plan for the three years covered by this filing are summarized in the table below:

Table 4: JCP&L 2021-2023 Summary of Portfolio Energy and Demand Savings 12									
2021				2022		2023		Total	
Sector	Program Type	KWh Savings	kW Savings						
	Total	68,456,009	6,006	84,756,312	9,756	95,047,250	12,845	248,259,571	28,607
Residential	Core Utility	67,164,734	5,794	68,727,412	6,626	66,977,400	6,801	202,869,546	19,221
	Additional Utility	1,291,275	211	16,028,900	3,130	28,069,850	6,045	45,390,025	9,385
	Total	54,782,583	9,211	88,527,604	15,902	109,842,420	20,140	253,152,606	45,253
Commercial & Industrial	Core Utility	54,507,583	9,186	84,658,564	15,339	96,456,156	17,699	235,622,302	42,224
	Additional Utility	275,000	26	3,869,040	563	13,386,264	2.441	17,530,304	
44-14F	Total	982,467	113	1,101,217	127	1,219,967	141	3,303,650	381
Multifamily	Core Utility	982,467	113	1,101,217	127	1,219,967	141	3,303,650	381
	Total	0	0	0	0	2,738,574	13,200	2,738,574	13,200
Other	Additional Utility	0	0	0	0	2,738,574	13,200	2,738,574	13,200
	Total	124,221,059	15,330	174,385,132	25,784	208,848,211	46,326	507,454,402	87,441
EE&C Plan Totals	Core Utility	122,654,784	15,093	154,487,193	22,092	164,653,523	24,641	441,795,499	61,826
	Additional Utility	1,566,275	237	19,897,940	3,692	44,194,688	21,686	65,658,903	25,615

Values are Retail Net Electroity Savings. To reflect actual resisted system-nice savings at the wholesale-generatorize will like loss savings would need to be added to the retail net electricity savings.

Does not include savings from the Co-Managed Combt/Planness program is be a Co-Managed Combt/Planness program will be established as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program in the Co-Managed Combt/Planness program will be established as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staffand the utilities as part of three-year program plans de véloped and filed jointly by Staff

Projections of participation and savings by program year, for each EE and PDR programs and subprogram are provided in Appendix D of the EE&C Plan.

- 20. The portfolio of programs and subprograms in the JCP&L EE&C Plan achieved a 3.5 benefit-to-cost ratio with the New Jersey Cost Test, which is in excess of the 1.0 minimum benefit-to-cost ratio required by the MFRs. In the other benefit-to-cost analyses required by the June 10 Order, the JCP&L EE&C Plan also achieved benefit-to-cost ratios exceeding the 1.0 minimum benefit-to-cost ratio. These analyses are described in detail in the testimony of Brendon J. Baatz.
- 21. The portfolio of programs and subprograms proposed for inclusion in the JCP&L EE&C Plan is expected to meet the targets established for the Company in each program year for the QPI values delineated in the MFRs. The metrics of the anticipated QPIs to be achieved by the portfolio of programs and subprograms is provided in Section 8.0 of the EE&C Plan.
- 22. A reporting plan for Quarterly Progress Reports, Annual Progress Reports and Triennial Reports is provided in the testimony of Edward C. Miller and Section 9.0 of the EE&C Plan.

#### **COST RECOVERY**

- 23. As detailed in the attached direct testimony of Carol Pittavino, the Company proposes to recover the revenue requirement associated with the costs of the JCP&L EE&C Plan. These include all costs related to EE&C Plan expenditures, including, but not limited to: Customer Incentives; Outside Services; Inspections and Quality Control; information technology ("IT") costs; and operation and maintenance costs, including related administrative costs and marketing evaluation expense. These costs would be offset by any revenue offsets from PJM Capacity Resources related to EE programs.
- 24. The proposed method of calculation of the Company's revenue requirement for the JCP&L EE&C Plan is set forth in detail in the attached direct testimony of Carol Pittavino and is consistent with the Board's June 10 Order. Schedule CP-3 to this testimony shows the calculation of the revenue requirements for the first three years of the JCP&L EE&C Plan.

- 25. Consistent with the June 10 Order, the amortization expense to recover the investment in the JCP&L EE&C Plan assets is based on a ten-year amortization of such investments.
- 26. The June 10 Order adopted Board Staff's recommendation that incentives and penalties will not be awarded or imposed until after the conclusion of Program Year 5. Accordingly, the Company has not included an adjustment for the three-year period covered by this filing for performance incentives and penalties.
- 27. The Company proposes to recover the revenue requirements associated with the JCP&L EE&C Plan through a separate surcharge clause of its tariff, Rider EE&C. The Company requests that the rates for the first year of the JCP&L EE&C Plan be approved in this proceeding. The Company proposes that in subsequent years, its annual rate filing for its JCP&L EE&C Plan be made by March 31 of each year with rates effective the following July 1. Each rate filing after this filing will true-up the prior period's actual expenditures and estimate the projected revenue requirement for the subsequent recovery period. The calculation of the estimated proposed rate adjustments for each of the first three years of the JCP&L EE&C Plan are shown on Schedule CP-5 of the direct testimony of Carol Pittavino.

28. The target schedule for the Company's annual rate filing is as follows:

	JCP&L EE&C Plan Rate Filing Schedule					
Filing	Filing (On or	Projected Spending Through	True-Up of Prior Period	Rates Effective		
	About)	G	Actuals			
0	This Petition	June 30, 2022	N/A	July 1, 2021		
(Initial						
Rate)						
1	March 31, 2022	June 30. 2023	July 1, 2021 through February 28, 2022	July 1, 2022		
2	March 31, 2023	June 30, 2024	March 1, 2022 through	July 1, 2023		

	February 28,	
	2023	

- 29. The Company will continue annual filings on the above schedule for so long as the JCP&L EE&C Plan remains in effect. Changes for the rates in Rider EE&C would occur once a year.
- 30. The projected revenue requirement for Program Year 1 is currently forecasted to be \$18,695,588 million. *See* Direct Testimony of Carol Pittavino, Schedule CP-4.
- 31. The proposed rate design for all applicable rate changes to recover JCP&L EE&C Plan expenditures is described in the direct testimony of Carol Pittavino and detailed calculations supporting initial rates are shown in Schedule CP-4.
- 32. Based upon the forecasted rates, the bill impacts for a typical residential customer as well as rate class average customers for Program Years 1,2 and 3 are set forth in Schedule CP-5. The bill impact in the first year of the EE&C Plan for the typical residential customer using 768 kWh per month is an increase of 1.2% or approximately \$1.25 per month. The maximum incremental bill impact on such a residential customer over the entire three-year Program period covered by this filing is an estimated increase of approximately \$2.05 per month, or approximately 2.0% of the current monthly bill.
- 33. The Company proposes to recover lost revenues from reduced electricity sales associated with the JCP&L EE&C Plan by way of a reconcilable tariff clause, Rider LRAM. The rate for Rider LRAM will be set initially based upon forecasted energy efficiency sales loss targets, with rates effective July 1, 2021. The Company will reconcile the actual energy efficiency sales losses to the energy efficiency forecasted sales loss targets and include the (over)/under collection in the following year Rider LRAM rate calculation. The Company proposes to reconcile Rider LRAM on the same schedule as the proposed reconciliation schedule for Rider EE&C, as set forth

above, and anticipates making a joint filing annually for the reconciliation and update of rates for both riders.

# PREFILED TESTIMONY, SCHEDULES, EXHIBITS AND APPENDICES

34. Attached hereto and made part of this Verified Petition are the following Exhibits, including pre-filed Direct Testimony (which further includes schedules and appendices thereto):

<u>Witness</u>	Exhibit No.	<b>Topics</b>
This petition	JC-1	EE&C Plan Overview, Minimum Filing Requirements Chart (Appendix A), Public Notice (Appendix B)
Edward C. Miller Direct Testimony	JC-2	EE&C Plan Description, Budgets, Reporting
Carol Pittavino Direct Testimony	JC-3	Cost Recovery Mechanism, Revenue Requirements, Rate Filings, Bill Impacts
Brendon J. Baatz Direct Testimony	JC-4	Benefit-Cost Analysis

#### PUBLIC HEARING, NOTICE AND SERVICE OF FILING

35. JCP&L proposes that two virtual public hearings be held in its service territory. Pursuant to MFR I.F., a draft form of public notice of the public hearing, setting forth the dates, times and places of the public hearings, the maximum dollar amount JCP&L seeks to recovery through its tariff Rider EE&C and the estimated overall impact on customers attributable to implementation of the Program, is attached as Appendix B to this Petition. JCP&L proposes that notice of this JCP&L EE&C Plan filing be combined with notice of the public hearing and be published in daily and weekly newspapers published and/or circulated in the Company's service areas, after the dates, times and places of all such public hearings thereon have been scheduled by

the Board or the Presiding Officer. The notice will also be served by mail upon the municipal clerks, the clerks of the Boards of Chosen Freeholders and, where appropriate, the County Executive Officers of all counties and municipalities located in the Company's service territory.

36. Copies of this Verified Petition and of all appendices, supporting testimony (including schedules and exhibits thereto) have been or will be duly served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101, and upon the Director, Division and Rate Counsel, 140 East Front Street, 4<sup>th</sup> Floor, P.O. Box 003, Trenton, N.J. 08625-0003 in accordance with the Board's requirements.

#### REQUEST FOR DIRECT BOARD REVIEW

37. JCP&L EE&C Plan investment plans are based on a July 31, 2021 start date for the Plan. JCP&L requests that the Board retain jurisdiction of this filing, directly review it and designate a Commissioner as the Presiding Officer to oversee the proceeding. The Board's direct review will facilitate the expeditious resolution of the Petition and will ensure that the procedures utilized in the review of the filing are consistent with June 10 Order and MFRs therein approved.

38. Copies of all correspondence and other communications relating to this proceeding should be addressed to:

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#### CONCLUSION AND REQUEST FOR APPROVAL

WHEREFORE, the Petitioner, Jersey Central Power & Light Company, respectfully requests that the Board issue a final decision and order no later than at its June 2021 Agenda meeting.

- (1) finding that the JCP&L EE&C Plan satisfies the requirements of the June 10 Order and the EE&C Plan MFRs approved therein,
- (2) finding that the JCP&L EE&C Plan as described in this Petition is reasonable and prudent,
- (3) authorizing JCP&L to implement the EE&C Plan (and included programs and subprograms) starting July 1, 2021 under the terms set forth in this Petition.
- (4) determining that the cost recovery mechanism set forth in this Petition and the testimony of Ms. Pittavino (including Riders EE&C and LRAM) will provide for just and reasonable rates and is approved,

(5) authorizing JCP&L to recover EE&C Plan costs, on a full and timely basis, under the cost recovery mechanism set forth in this Petition and in the testimony of Ms. Pittavino; and

(6) granting such other and further relief as the Board shall deem just, lawful and proper.

Dated: September 25, 2020

Respectfully submitted,
RIKER DANZIG SCHERER HYLAND &
PERRETTI, LLP
Attorneys for Petitioner,
Jersey Central Power & Light Company

By:\_\_/s/ James C. Meyer

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#### **CERTIFICATE OF SERVICE**

I hereby certify that on the within date I caused this Verified Petition along with supporting testimony and attachments to be served by email upon those individuals listed on a service list attached to the cover letter including attorneys for the Division of Rate Counsel and Deputy Attorneys General representing Board Staff.

/s/James C. Meyer James C. Meyer

# STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Jersey : BPU Docket No. Central Power & Light Company For Approval of JCP&L's Energy Efficiency and Conservation Plan Including Energy Efficiency and Peak: Demand Reduction Programs (JCP&L EE&C)

# **AFFIDAVIT** OF VERIFICATION

Edward C. Miller, being duly sworn upon his oath, deposes and says:

- I am Manager, Compliance & Development, in the Energy Efficiency Department for FirstEnergy Service Company, and I am duly authorized to make this Affidavit of Verification on behalf of Jersey Central Power & Light Company ("JCP&L"), the Petitioner named in the foregoing Verified Petition.
- I have read the contents of the foregoing Verified Petition by JCP&L for approval 2. of the proposed JCP&L EE&C Plan and cost recovery, and I hereby verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information and belief.

Sworn to and subscribed before me this ZJH day of September, 2020.

(Notary Public)

ATTORNEY AT LAW STATE OF NEW JUNEY

	Minimum Filing Requirement for petitions under N.J.S.A. 48:3-98.1	Location in Filing
	I. General Program Requirements	
a.	The utility shall provide with all filings, information and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.	Ex. JC-2 (Miller) and Att. B (Plan); Ex JC-3 (Pittavino): Ex. JC-4 (Baatz)
b.	All filings shall contain information and financial statements for the proposed program(s) in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the accounts and account numbers that will be utilized in booking the revenues, costs, expenses, and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.	Ex. JC-3 (Pittavino); Sch. CP-3
C.	The utility shall provide supporting explanations, assumptions, calculations, and work papers as necessary for each proposed program and cost recovery mechanism petition filed under N.J.S.A. 48:3-98.1. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.	Attachments to Ex. JC-2 (Miller), JC-3 (Pittavino) and JC-4 (Baatz)
d.	The filing shall include testimony supporting the petition, including all proposed programs.	Ex. JC-2 (Miller); Ex. JC- 3 (Pittavino); Ex. JC-4 (Baatz)
e.	For any proposed program, the utility shall be subject to the requirements in this and all subsequent Sections. If compliance with Section V of these requirements would not be feasible for a particular program or sub-program, the utility may request an exemption but must demonstrate why such exemption should be granted. Examples of historical situations that have qualified for exemption include programs that had an educational rather than equipment-based focus and programs that introduced novel ideas where documentation supporting estimated costs/benefits may not be easily produced.	N/A
f.	If the utility is filing for an increase in rates, charges, etc. or for approval of a program that may increase rates/changes to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.	Petition, App. B
	II. Program Description	

a.	The utility shall provide a detailed description of each proposed program for which the utility seeks approval, including, if applicable:	Ex. JC-2 (Miller) and Att. B (Plan)
i.	Program description/design	Ex JC-2 (Miller) and Att. B, Sec. 3 (Plan)
ii.	Target market segment/efficiency – including eligible customers, properties, and measures/services – and eligibility requirements and processes	Ex. JC-2 (Miller) and Att. B, Sec. 4 and 5 (Plan)
iii.	Existing incentives	Ex JC-2 (Miller) and Att. B, Sec. 4 and 5 (Plan)
iv.	Proposed incentives, including incentive payment processes and timeframes	Ex. JC-2 (Miller) and Att. B, Sec. 4 and 5 and App. A (Plan)
V.	Program delivery method	Ex. JC-2 (Miller) and Att. B, Sec. 4 and 5 (Plan)
vi.	Customer financing options	Ex JC-2 (Miller) and Att. B, Sec. 4 and 5 and App. B (Plan)
vii.	Customer access to current and historic energy usage data	Ex. JC-2 (Miller) and Att. B, Sec. 4, 5 and 10 (Plan)
viii.	Contractor requirements and role: The utility shall provide a description of the extent to which the utility intends to utilize employees, contractors, or both to deliver the program(s) and, to the extent applicable, a description of contractor requirements, training, and procurement, including for minority-, women-, and veteran-owned businesses.	Ex. JC-2 (Miller) and Att. B, Section 6 (Plan)
ix.	Estimated program participants, by year	Ex. JC-2 (Miller) and Att. B, App. D (Plan)
X. •	Projected energy savings and associated calculations for each program year  Net annual energy savings	Petition, Par. 19: Ex. JC-2 (Miller) and Att. B, App. D (Plan)

•	Net annual peak demand savings	
•	Net lifetime energy savings	
•	Net lifetime demand savings	
•	Net lifetime energy savings derived from qualifying low-income customers	
•	Net lifetime energy savings derived from qualifying small commercial customers	
xi.	Program budget, by year	Ex. JC-2 (Miller) and Att. B, App. E (Plan)
xii.	Projected program costs, by year, broken down into the following categories, as applicable: capital cost; utility administration; marketing; outside services; incentives (including rebates and low- or no-interest loans); inspections and quality control; and evaluation. To the extent that the Board directs New Jersey's Clean Energy Program ("NJCEP") to report additional categories, the utility shall provide additional categories, as applicable.	Ex. JC-2 (Miller) and Att. B, App. E (Plan)
xiii.	Implementation plan for all proposed programs	Ex. JC-2 (Miller) and Att. B, Sec. 6 (Plan)
xiv.	Marketing plan: The utility shall provide a description of where and how the proposed program(s)/project(s) will be marketed or promoted throughout the demographic segments of the utility's customer base and how it will be done in coordination with statewide marketing. This shall include an explanation of how the specific service, along with prices, incentives, and energy bill savings for each proposed program/project, will be conveyed to customers, where available and applicable. The marketing plan shall also include a description of any known market barriers that may impact the program(s) and strategies to address known market barriers.	Ex. JC-2 (Miller) and Att. B, Sec. 4 and 5 and App. A and B (Plan)
b.	The utility shall provide the following information about the proposed portfolio:	
i.	Quality control standards and remediation policies: The utility shall provide a detailed description of the process(es) for ensuring the quality of the programs and resolving any customer complaints related to the program(s).	Ex. JC-2 (Miller) and Att. B, Sec. 7 (Plan)
ii.	Workforce development and job training partnerships and pipelines for energy efficiency jobs, including for local, underrepresented, and disadvantaged workers	Ex. JC-2 (Miller) and Att. B, Sec. 6.4 (Plan)
iii.	Total budget summary, including an annual budget summary	Ex. JC-2 (Miller) and Att. B, App. E (Plan)

iv.	Benefit-cost analysis (as defined in Section V)	Ex. JC-4 and Ex. BJB-2 to 7 (Baatz)
V.	EM&V strategies/plan (as defined in Section VI)	Ex. JC-2 (Miller) and Att. B, Sec. 2 and 3 (Plan)
vi.	Assessment of how the programs comprising the portfolio are designed to achieve the targets established pursuant to the utility's quantitative performance indicators (as defined in Section VII)	Ex. JC-2 (Miller) and Att. B, Sec. 8 (Plan)
vii.	Reporting plan (as defined in Section VIII)	Ex. JC-2 (Miller) and Att. B, Sec. 9 (Plan)
C.	In areas where gas and electric service territories overlap, the utility shall also provide a description of the program structure for coordinated, consistent delivery of programs among utilities and allocation of costs and energy savings among the utilities.	Ex JC-2, pp. 8-10 (Miller) and Att. B, Sec. 6.2 (Plan)
	III. Additional Filing Information	
a.	The utility shall propose the method for treatment of Renewable Energy Certificates ("RECs"), including solar incentives, or any other renewable energy incentive developed by the Board of Public Utilities ("BPU" or "Board"), including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership and use of the certificate revenue stream(s).	N/A
b.	The utility shall also propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets, including ownership and use of the certificate revenue stream(s). For programs that are anticipated to reduce electricity sales in its service territory, the utility shall quantify the expected associated annual savings in REC, solar incentive, and any other renewable energy incentive costs.	N/A for credits and offsets; for savings from reduced sales, Ex. JC-4, Table 1 (Baatz)
	IV. Cost Recovery Mechanism	
a.	The utility shall provide appropriate financial data for the proposed program(s), including estimated revenues, expenses, and capitalized investments for each of the first three years of operations and at the beginning and end of each year of the three-year period. The utility shall include pro forma income statements for the proposed program(s) for each of the first three years of operations and actual or estimated balance sheets at the beginning and end of each year of the three-year period.	Ex. JC-3, Sch. CP-3 and 9 (Pittavino); Ex. JC-2 (Miller), Att. B, App. E (Plan)

b.	The utility shall provide detailed spreadsheets of the accounting treatment of the proposed cost recovery, including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed program cost recovery method.	Ex JC-3 and attached Schedules (Pittavino)
C.	The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program(s), including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other mechanisms.	Ex. JC-3 (Pittavino)
d.	The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the New Jersey Division of Rate Counsel simultaneous to its submission to the Board.	Petition (Verification attached); simultaneous email service per BPU's Covid Order
e.	The utility shall provide a rate impact summary by year for the proposed program(s) and a cumulative rate impact summary by year for all approved and proposed programs showing the impact of individual programs, based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. Such rate impacts shall be calculated for each customer class. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.	Petition, par. 32; Ex. JC- 3, Sch. CP-2 to 4 (Pittavino); Ex. JC-2 (Miller), Att. B, Sec. 2, App. C, D and E and Table 5 (Plan)
f.	The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program(s), identified by cost segment (capitalized costs, operating expenses, administrative expenses, etc.). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program(s), with all supporting documentation. Embedded costs are costs that are provided for in the utility's base rates or through another rate mechanism. Incremental costs are costs associated with or created by the proposed program that are not provided for in base rates or another rate mechanism.	Ex. JC-3, Sch. CP-4 (Pittavino); Ex. JC-2 (Miller), Att. B., App. E and Table 5 (Plan)
g.	The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated annual program costs and revenues for the proposed program(s), including effects upon rate base and pro forma income calculations.	Ex. JC-3 and attached schedules (Pittavino)
h.	The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure, as well as its calculation of the capital structure approved by the Board in its most	Ex. JC-3 and Sch. CP-1 (Pittavino)

	recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.	
i.	If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility.	Ex. JC-3 (Pittavino)
j.	A utility seeking incentives shall provide all supporting justifications and rationales for incentives, along with supporting documentation, assumptions, and calculations. Utilities that have approved rate mechanisms or incentive treatment from previous cases and are not seeking a modification of such treatment through the current filing are not subject to this requirement.	N/A
	V. Benefit-Cost Analysis	
a.	The utility shall conduct a benefit-cost analysis of the programs and portfolio using the New Jersey Cost Test, Participant Cost Test, Program Administrator Cost Test, Ratepayer Impact Measure Test, Total Resource Cost Test, and Societal Cost Test that assesses all program costs and benefits from a societal perspective i.e., that includes the combined financial costs and benefits realized by the utility and the customer. The utility may also provide any additional benefit-cost analysis that it believes appropriate with supporting rationales and documentation.	Ex. JC-4 (Baatz)
b.	The utility must demonstrate how the results of the tests in Section V(a) support Board approval of the proposed program(s), including how the programs are designed to achieve a benefit-to-cost ratio greater than or equal to 1.0 at the portfolio level when using the New Jersey Cost Test.	Ex. JC-4 (Baatz)
C.	Renewable energy programs shall not be subject to a benefit-cost test, but the utility must quantify all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs.	N/A
d.	The level of energy and capacity savings utilized in these calculations shall be based upon the most recent Protocols to Measure Resource Savings approved by the Board to measure energy savings for NJCEP. To the extent that a protocol does not exist or an alternative protocol is proposed for a filed program, the utility must submit a measurement methodology for the program or contemplated measure for approval by the Board.	Ex. JC-4 (Baatz)
e.	For cost effectiveness calculations, the utility shall also estimate and reflect in the energy and capacity savings any free rider and spillover effects, i.e., savings associated with participating customers who would have implemented energy efficiency or renewable energy measures without N.J.S.A. 48:3-98.1 benefits or incentives.	Ex. JC-4 (Baatz)
	VI. Evaluation, Measurement, and Verification	

a.	The utility shall describe the methodology, processes, and strategies for monitoring and improving program and portfolio performance related to the utility's targets established pursuant to the quantitative performance indicators.	Ex. JC-2 (Miller), Att. B. Sec. 7 (Plan)
	VII. Quantitative Performance Indicators: Targets	
a.	The utility shall file quantitative performance indicator ("QPI") values based on the metrics applicable to each program year of the three-year program filing cycle.	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)
b.	The utility shall provide a description of how the proposed portfolio achieves the targets established for each utility pursuant to the following QPIs, as applicable for each program year:	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)
i.	Net annual energy savings	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)
ii.	Net annual peak demand savings	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)
iii.	Net lifetime energy savings	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan).
iv.	Net lifetime demand savings	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)
V.	Net present value of net benefits as determined by the Utility Cost Test	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)
vi.	Net lifetime energy savings derived from qualifying low-income customers	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan)

vii.	Net lifetime energy savings derived from qualifying small commercial customers	Ex. JC-2 (Miller), Att. B, Sec. 8 and Tables 11 and 12 (Plan()
	VIII. Reporting Plan: The utility shall provide a plan to comply with the following reporting	g requirements:
a.	Quarterly progress reports: No later than 60 days following the end of each quarter, the utility shall submit a user-friendly, public report, with accompanying spreadsheet(s), that includes an overview of program performance, a narrative about customer participation and incentives paid, and results on the following program-level parameters compared to program projections and goals:	Ex. JC-2, Sec. IV (Miller) and Att. B., Sec. 9 (Plan)
i.	Energy savings: gross and net savings	Ex. JC-2, Sec. IV (Miller) and Att. B., Sec. 9 (Plan)
ii.	Number of program participants: total, low-income, moderate-income, and small commercial	Ex. JC-2, Sec. IV (Miller) and Att. B, Sec. 9 (Plan)
iii.	Program expenditures	Ex. JC-2, Sec. IV (Miller) and Att. B, Sec. 9 (Plan)
b.	Annual progress reports: No later than 75 days following the end of each program year, the utility shall submit a user-friendly, public report, with accompanying spreadsheet(s), that includes the same program-level data and accompanying progress/performance narratives as those that are included in the quarterly reports. The annual report will show overall progress and performance of programs that are seasonal or cyclical in nature. In addition, the annual report shall include the utility program administrator's initial and final benefit-cost test results for the programs and portfolio (as defined in Section V), assessment of the portfolio's compliance with the targets established pursuant to the QPIs (as defined in Section VII), and any proposed changes or additions for the next year or cycle.	Ex. JC-2, Sec. IV (Miller) and Att. B, Sec. 9 (Plan)
C.	Triennial reports:	Ex. JC-2, Sec. IV (Miller) and Att. B, Sec. 9 (Plan)
i.	Progress reports: No later than 90 days following the end of the third program year, the utility shall submit a public report that takes the place of the annual report for that year. This report will be identical to the annual report but will also review the portfolio's data and assess the portfolio's success over the three-year program cycle.	Ex. JC-2, Sec. IV (Miller) and Att. B, Sec. 9 (Plan)

# **APPENDIX A**

ii.	Evaluation studies: No later than 365 days following the end of the third program year, the utility shall submit the process and impact evaluations pursuant to requirements issued by the Board.	Ex. JC-2, Sec. IV (Miller) and Att B, Sec. 9 (Plan)"
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# APPENDIX B NOTICE TO JERSEY CENTRAL POWER & LIGHT COMPANY CUSTOMERS

# IN THE MATTER OF THE PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY FOR APPROVAL OF JCP&L's ENERGY EFFICIENCY AND CONSERVATION PLAN INCLUDING ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS

Notice of a Filing A	And Notice of Public	<b>Hearings BPU Docket No</b>	).

**TAKE NOTICE** that, on September 25, 2020, Jersey Central Power & Light Company ("JCP&L" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking the Board's approval of the proposed JCP&L energy efficiency and peak demand reduction programs ("JCP&L EE&C Plan" or the "Plan"), including its associated cost recovery mechanism.

JCP&L seeks Board approval of its proposed JCP&L EE&C Plan for the three-year period starting July 1, 2021 and ending June 30, 2024. The Plan consists of 10 energy efficiency programs and subprograms and 1 peak demand reduction program which provide energy efficiency, reduce peak demand and promote access to such measures for low income communities. The Plan includes dedicated programs for residential, commercial and industrial, and multifamily customers. The Company is proposing up to \$187.5 million in investment and up to \$42.6 million in expenses for the JCP&L EE&C Plan over the three-year period covered by this filing. The Company submits that the JCP&L EE&C Plan will further the goal of achieving energy reduction as set forth in the Clean Energy Act of 2018 and the New Jersey's 2020 Energy Master Plan, and complies with the requirements of the Board's June 10, 2020 Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs.

In conjunction with implementation of the Plan, JCP&L will seek Board approval to recover in rates via proposed Tariff Riders EE&C and LRAM for the revenue increases associated with the capital investment costs, operation and maintenance expense, and lost revenues associated with the JCP&L EE&C Plan. Although the Company is not seeking an increase at this time, JCP&L seeks authority to recover a return on and return of its investment through annual adjustments to these reconcilable clauses beginning on July 1, 2021. The Company estimates that rate changes for electric rates effective July 1, 2021 would increase rates by approximately \$18,695,588 million in the first Plan Year. These rate changes are only current estimates and are subject to change.

The following illustrative chart shows the estimated monthly bill impacts (by cumulative dollars and percentages) to typical and class average customers based on a comparison of present and proposed rates at each rate adjustment date under JCP&L EE&C Plan and the approximate net effect on customers in various rate classes of the proposed increases in charges, although the actual effect on specific customers will vary according to the applicable rate schedule and level of the customer's usage.

# STATEMENT OF THE MONTHLY EFFECT OF PROPOSED INCREASE IN RIDER EE&C CHARGES AS COMPARED TO THE RATES IN EFFECT AS OF September 1, 2020

Summary of Bill Impact				
		Proposed Cumulative Monthly Increase (Overall Class Average per Customer/Fixture)		
	Current			
	<b>Monthly</b>	Year 1	Year 2	Year 3
Effective Date:	Bill	7/1/2021	7/1/2022	7/1/2023
Rate Class				
Residential (RS)	\$ 107.43	\$ 1.25	\$ 1.53	\$ 2.06
Residential Time of Day (RT)	\$ 138.75	\$ 1.72	\$ 2.09	\$ 2.82
General Service - Secondary (GS)	\$ 577.19	\$ 4.40	\$ 6.90	\$ 10.23
General Service - Secondary Time of Day (GST)	\$ 29,235.49	\$ 167.20	\$ 274.21	\$ 528.36
General Service - Primary (GP)	\$ 35,157.93	\$ 214.85	\$ 352.36	\$ 678.94
General Service - Transmission (GT)	\$ 94,847.86	\$ 727.37	\$ 1,192.89	\$ 2,298.50
Lighting (Average Per Fixture)	\$ 10.45	\$ 0.04	\$ 0.07	\$ 0.10

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	Proposed Cumulative Monthly		
	Increase in %		
	Year 1	Year 2	Year 3
Effective Date:	7/1/2021	7/1/2022	7/1/2023
Rate Class			
Residential (RS)	1.17%	1.42%	1.90%
Residential Time of Day (RT)	1.24%	1.50%	2.02%
General Service - Secondary (GS)	0.76%	1.19%	1.76%
General Service - Secondary Time of Day (GST)	0.57%	0.94%	1.80%
General Service - Primary (GP)	0.62%	1.00%	1.92%
General Service - Transmission (GT)	0.77%	1.25%	2.41%
Lighting (Average Per Fixture)	0.43%	0.67%	1.00%

The percentage increases noted above are based on rates in effect at September 1, 2020, including applicable Basic Generation Service ("BGS") charges and assuming customers receive commodity service from JCP&L. They are also based on current projections that assume full implementation of the Plan as proposed. It is anticipated that the Company will make annual filings each year of the Plan to request the Board's approval to implement that Program Year's revenue requests. The Board's decision in this matter regarding JCP&L EE&C Plan and its decisions on those annual filings may increase or decrease the dollars and percentage impacts as shown above. Any assistance required by customers with regard to the bill impacts will be furnished by the Company upon request.

Any rate adjustments with resulting bill impacts found by the Board to be just and reasonable as a result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:2-21 and for other legally sufficient reasons to any class or classes of customers of the Company or any rate or schedule. Therefore, the described impacts may increase or decrease based upon the Board's decisions.

Subject to any applicable restrictions due to the COVID pandemic, copies of the petition and supporting documents will be made available for inspection at the Company's regional headquarters at 300 Madison Avenue, Morristown, New Jersey 07962; 101 Crawford Corner Road, Building 1, Suite 1-511, Holmdel, New Jersey 07733; each of the Company's local business offices; and the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Box 350, Trenton, New Jersey 08625 during normal business hours 9:00 a.m. to 4:30 p.m. Monday through Friday. A copy of the filing is also available on the Company's website at: https://www. firstenergycorp.com/jersey\_central\_power\_light/regulatory.html.

PLEASE TAKE NOTICE that public hearings on this matter have been scheduled at the following dates, times and places:

Public Hearing 1 Fime: Location:	1:30 p.m. Freehold Township Municipal Building One Municipal Plaza (Schanck Road at Stillwells Corner Road) Freehold, New Jersey 07728
Public Hearing 2: Time: Location:	5:30 p.m.  Morris County Administration & Records Building Public Meeting Room, 5 <sup>th</sup> Floor 10 Court Street

Morristown, New Jersey

[Alternative language approved by Staff and Rate Counsel to be inserted in the event virtual public hearings are necessary at the time hearings are scheduled]

Members of the public are invited to attend and present their views. Information provided at the public hearings will become part of the record of the case and will be considered by the Board in making its decision. To encourage full participation in this opportunity for public comments, please submit any requests for needed accommodations for disabled citizens to the Office of the Secretary of the Board at (609) 777-3300 at least 48 hours prior to the scheduled hearing so that appropriate arrangements can be made.

Customers may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 3rd Floor, Suite 314, PO Box 350, Trenton, New Jersey 08625-0350, ATTN: Aida Camacho-Welch, regardless of whether they attend the public hearings.

# JERSEY CENTRAL POWER & LIGHT COMPANY