

Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

February 1, 2021

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of South Jersey Gas Company for Approval To Continue Its Energy-Efficiency Programs (EEP IV¹) and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1 BPU Docket No. GO18030350

Dear Secretary Camacho-Welch:

On behalf of South Jersey Gas Company (SJG or “the Company”), please accept this submission fulfilling its obligation to provide a Comprehensive Assessment (“Assessment”) that was required by the Board of Public Utilities (“BPU” or “Board”) Order dated October 29, 2018 (“October 2018 Order”) in the above captioned matter. At the time this requirement was established, there was considerable uncertainty regarding the implementation of the Clean Energy Act¹ requirements and the future approach to utility energy efficiency programs. The Board, pursuant to the Clean Energy Act, issued an Order² that provided considerable clarity regarding the Board’s direction for utility energy efficiency programs. Subsequently, pursuant to the June 10, 2020 Order, September 25, 2020, SJG submitted a filing for the first triennial program cycle. That filing is the subject of a separate proceeding.³

The table shown below summarizes the required elements for this Assessment and where the information can be found within this submission. The October 2018 Order also required SJG to schedule an initial meeting, no later than March 31, 2021, among the Parties to review this assessment. The Company will contact the Parties in February 2021 to identify acceptable dates to conduct this meeting.

¹ N.J.S.A. 48:3-87.8 et seq.

² *In The Matter Of The Implementation Of P.L. 2018, c. 17 Regarding The Establishment Of Energy Efficiency And Peak Demand Reduction Programs, et al; Order Directing The Utilities To Establish Energy Efficiency And Peak Demand Reduction Programs (“CEA Order”), BPU Docket Nos. QO19010040; QO19060748; and QO17091004. (June 10, 2020).*

³ *In The Matter Of The Petition Of South Jersey Company For Approval Of New Energy Efficiency Programs And Associated Cost Recovery Pursuant To The Clean Energy Act, BPU Docket No. QO19010040 and GO20090618.*

Requirement	Schedule Reference
<p>1. A Cost Benefit Analysis (“CBA”), reflective of actual costs and customer participation. The CBAs shall be calculated in accordance with prevailing approved NJCEP protocols at the subprogram level and will include:</p> <p>a. CBA ratios for the following tests: Participant Cost Test Program Administrator Cost Test Ratepayer Impact Measure Test Total Resource Cost Test Societal Cost Test</p> <p>b. Energy savings by fuel type c. Monetary savings d. Environmental savings</p>	<p>Cost Benefit Analysis- Schedule 1</p>
<p>2. Summary CBAs will also be provided at the program and portfolio level</p>	<p>Cost Benefit Analysis- Schedule 1</p>
<p>3. The number of participants by subprogram</p>	<p>Summary of Participants - Schedule 2</p>
<p>4. The budgeted dollars per subprogram</p>	<p>Budget Summary- Schedule 3</p>
<p>5. The actual dollars spent through November 30, 2020 by type of expenditure:</p> <p>a. Direct Investment b. On-Bill Repayment/Financing c. Administrative costs</p>	<p>Expenditure Summary-Schedule 4</p>
<p>6. The actual dollars committed through November 30, 2020</p>	<p>Expenditure Summary-Schedule 4</p>
<p>7. Recap of recent policy determinations or NJCEP program changes that are relevant by subprogram</p>	<p>Policy Determinations- Schedule 5</p>
<p>8. Summary of insights and barriers identified to date for the subprograms</p>	<p>Insights and Barriers- Schedule 6</p>
<p>9. Summary of relevant insights regarding the potential for joint/aligned utility efforts by subprogram, including potential timing for advancements in this area; and</p>	<p>Policy Determinations- Schedule 6</p>
<p>10. Description of how the program delivery and administrative mechanisms of those programs which are subsequently determined to</p>	<p>The June 10th Board Order in Clean Energy Act Proceeding did not determine any of the programs that</p>

be more appropriately delivered by NJCEP will be transitioned from SJG to NJCEP management

SJG has been administering should be transitioned to NJCEP management. There is nothing to report for this requirement.

Please do not hesitate to contact me at (908) 662-8448 if you need any additional information.

Respectfully,



Deborah M. Franco
VP, Rates, Regulatory & Sustainability

cc: Service List



**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR
APPROVAL TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS (“EEP IV”)
AND ENERGY EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1
BPU DOCKET NO. GO18030350**

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**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR
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AND ENERGY EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1
BPU DOCKET NO. GO18030350**

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South Jersey Gas EET IV
Assessment 2020 Cost Benefit Analysis

Total Resource Cost Test (TRC)		Total Portfolio	Res Behavior	Res Efficient Products	Res Direct Install	Res Retrofit Weatherization	C&I Engineered Solutions	NJCEP - HPwES	NJCEP - HVAC	NJCEP - Direct Install	NJCEP - Smart Start	NJCEP - P4P
BENEFITS												
1	Lifetime Avoided Wholesale Electric Energy Costs	\$ 3,719,541	\$ 802,909	\$ 2,552,383	\$ 284,657	\$ 79,592	\$ -					
2	Lifetime Avoided Wholesale Electric Capacity Costs	\$ 186,221	\$ 141,472	\$ 7,225	\$ 30,042	\$ 7,481	\$ -					
3	Lifetime Avoided Wholesale Natural Gas Costs	\$ 13,505,272	\$ 2,289,410	\$ 10,674,733	\$ 242,846	\$ 298,283	\$ -					
4	Lifetime DRPE Benefits (E&G)	\$ 2,770,716	\$ 535,572	\$ 1,653,989	\$ 534,766	\$ 46,390	\$ -					
5	Lifetime Avoided RPS REC Purchase Costs	\$ 765,400	\$ 161,269	\$ 530,990	\$ 57,422	\$ 15,719	\$ -					
6	Lifetime Avoided Wholesale Volatility Costs (E&G)	\$ 1,741,103	\$ 323,379	\$ 1,323,434	\$ 55,755	\$ 38,536	\$ -					
7	Lifetime Avoided T&D Costs (E&G)	\$ 97,396	\$ 81,092	\$ 3,247	\$ 11,456	\$ 1,601	\$ -					
	Total Benefits	\$ 22,785,650	\$ 4,335,102	\$ 16,746,002	\$ 1,216,944	\$ 487,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS												
8	Lifetime Incremental Costs	\$ 18,948,139	\$ 2,158,469	\$ 7,729,302	\$ 503,189	\$ 916,372	\$ -	\$ 3,755,270	\$ 3,840,053	\$ 8,627	\$ 36,857	\$ -
9	Lifetime Administration Costs	\$ 4,972,623	\$ 124,088	\$ 437,728	\$ 1,063,026	\$ 288,655	\$ 99,240	\$ 1,219,275	\$ 1,331,248	\$ 336,962	\$ 72,402	\$ -
	Total Costs	\$ 23,920,762	\$ 2,282,557	\$ 8,167,030	\$ 1,566,215	\$ 1,205,027	\$ 99,240	\$ 4,974,545	\$ 5,171,301	\$ 345,589	\$ 109,259	\$ -
	Benefit Cost Ratio	1.0	1.9	2.1	0.8	0.4	0.0	0.0	0.0	0.0	0.0	n/a
Participant Cost Test (PCT)												
Total Portfolio			Res Behavior	Res Efficient Products	Res Direct Install	Res Retrofit Weatherization	C&I Engineered Solutions	NJCEP - HPwES	NJCEP - HVAC	NJCEP - Direct Install	NJCEP - Smart Start	NJCEP - P4P
BENEFITS												
10	Lifetime Avoided Retail Electric Costs	\$ 16,252,202	\$ 3,656,294	\$ 11,064,775	\$ 1,193,999	\$ 337,135	\$ -					
11	Lifetime Avoided Retail Natural Gas Costs	\$ 34,322,878	\$ 5,924,744	\$ 26,926,815	\$ 725,773	\$ 745,546	\$ -					
12	Lifetime Program Incentive Costs	\$ 9,022,334	\$ 2,158,469	\$ 5,403,485	\$ 397,431	\$ 1,062,949	\$ -					
	Total Benefits	\$ 59,597,415	\$ 11,739,507	\$ 43,395,075	\$ 2,317,203	\$ 2,145,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS												
13	Lifetime Participant Costs	\$ 3,086,116	\$ -	\$ 2,385,759	\$ 105,758	\$ -	\$ -	\$ 594,599	\$ -	\$ -	\$ -	\$ -
	Total Costs	\$ 3,086,116	\$ -	\$ 2,385,759	\$ 105,758	\$ -	\$ -	\$ 594,599	\$ -	\$ -	\$ -	\$ -
	Benefit Cost Ratio	19.3	n/a	18.2	21.9	n/a	n/a	0.0	n/a	n/a	n/a	n/a
Program Administrator Cost Test (PAC)												
Total Portfolio			Res Behavior	Res Efficient Products	Res Direct Install	Res Retrofit Weatherization	C&I Engineered Solutions	NJCEP - HPwES	NJCEP - HVAC	NJCEP - Direct Install	NJCEP - Smart Start	NJCEP - P4P
BENEFITS												
14	Lifetime Avoided Wholesale Electric Energy Costs	\$ 3,719,541	\$ 802,909	\$ 2,552,383	\$ 284,657	\$ 79,592	\$ -					
15	Lifetime Avoided Wholesale Electric Capacity Costs	\$ 186,221	\$ 141,472	\$ 7,225	\$ 30,042	\$ 7,481	\$ -					
16	Lifetime Avoided Wholesale Natural Gas Costs	\$ 13,505,272	\$ 2,289,410	\$ 10,674,733	\$ 242,846	\$ 298,283	\$ -					
17	Lifetime DRPE Benefits (E&G)	\$ 2,770,716	\$ 535,572	\$ 1,653,989	\$ 534,766	\$ 46,390	\$ -					
18	Lifetime Avoided RPS REC Purchase Costs	\$ 765,400	\$ 161,269	\$ 530,990	\$ 57,422	\$ 15,719	\$ -					
19	Lifetime Avoided Wholesale Volatility Costs	\$ 1,741,103	\$ 323,379	\$ 1,323,434	\$ 55,755	\$ 38,536	\$ -					
20	Lifetime Avoided T&D Costs	\$ 97,396	\$ 81,092	\$ 3,247	\$ 11,456	\$ 1,601	\$ -					
	Total Benefits	\$ 22,785,650	\$ 4,335,102	\$ 16,746,002	\$ 1,216,944	\$ 487,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS												
21	Lifetime Administration Costs	\$ 4,972,623	\$ 124,088	\$ 437,728	\$ 1,063,026	\$ 288,655	\$ 99,240	\$ 1,219,275	\$ 1,331,248	\$ 336,962	\$ 72,402	\$ -
22	Lifetime Program Investment Costs	\$ 22,441,957	\$ 2,158,469	\$ 5,403,485	\$ 397,431	\$ 1,062,949	\$ -	\$ 3,759,820	\$ 5,859,048	\$ 8,628	\$ 36,857	\$ 3,755,270
	Total Costs	\$ 27,414,580	\$ 2,282,557	\$ 5,841,214	\$ 1,460,457	\$ 1,351,604	\$ 99,240	\$ 4,979,095	\$ 7,190,296	\$ 345,589	\$ 109,259	\$ 3,755,270
	Benefit Cost Ratio	0.8	1.9	2.9	0.8	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Ratepayer Impact Measure Test (RIM)												
Total Portfolio			Res Behavior	Res Efficient Products	Res Direct Install	Res Retrofit Weatherization	C&I Engineered Solutions	NJCEP - HPwES	NJCEP - HVAC	NJCEP - Direct Install	NJCEP - Smart Start	NJCEP - P4P
BENEFITS												
23	Lifetime Avoided Wholesale Electric Energy Costs	\$ 3,719,541	\$ 802,909	\$ 2,552,383	\$ 284,657	\$ 79,592	\$ -					
24	Lifetime Avoided Wholesale Electric Capacity Costs	\$ 186,221	\$ 141,472	\$ 7,225	\$ 30,042	\$ 7,481	\$ -					
25	Lifetime Avoided Wholesale Natural Gas Costs	\$ 13,505,272	\$ 2,289,410	\$ 10,674,733	\$ 242,846	\$ 298,283	\$ -					
26	Lifetime DRPE Benefits (E&G)	\$ 2,770,716	\$ 535,572	\$ 1,653,989	\$ 534,766	\$ 46,390	\$ -					
27	Lifetime Avoided RPS REC Purchase Costs	\$ 765,400	\$ 161,269	\$ 530,990	\$ 57,422	\$ 15,719	\$ -					
28	Lifetime Avoided Wholesale Volatility Costs	\$ 1,741,103	\$ 323,379	\$ 1,323,434	\$ 55,755	\$ 38,536	\$ -					
29	Lifetime Avoided T&D Costs	\$ 97,396	\$ 81,092	\$ 3,247	\$ 11,456	\$ 1,601	\$ -					
30	Lifetime Avoided Distribution Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	Total Benefits	\$ 22,785,650	\$ 4,335,102	\$ 16,746,002	\$ 1,216,944	\$ 487,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS												
31	Lifetime Administration Costs	\$ 4,972,623	\$ 124,088	\$ 437,728	\$ 1,063,026	\$ 288,655	\$ 99,240	\$ 1,219,275	\$ 1,331,248	\$ 336,962	\$ 72,402	\$ -
32	Lifetime Program Investment Costs	\$ 22,441,957	\$ 2,158,469	\$ 5,403,485	\$ 397,431	\$ 1,062,949	\$ -	\$ 3,759,820	\$ 5,859,048	\$ 8,628	\$ 36,857	\$ 3,755,270
33	Lifetime Re-allocated Distribution Costs	\$ 39,306,968	\$ 5,148,533	\$ 20,338,808	\$ 928,914	\$ 577,347	\$ -	\$ 1,541,404	\$ 4,819,367	\$ 2,066,968	\$ 3,685,628	\$ -
	Total Costs	\$ 66,721,548	\$ 7,431,090	\$ 26,380,021	\$ 2,389,371	\$ 1,928,951	\$ 99,240	\$ 6,520,499	\$ 12,009,663	\$ 2,412,557	\$ 3,794,887	\$ 3,755,270
	Benefit Cost Ratio	0.3	0.6	0.6	0.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Societal Cost Test (SCT)												
Total Portfolio			Res Behavior	Res Efficient Products	Res Direct Install	Res Retrofit Weatherization	C&I Engineered Solutions	NJCEP - HPwES	NJCEP - HVAC	NJCEP - Direct Install	NJCEP - Smart Start	NJCEP - P4P
BENEFITS												
34	Lifetime Avoided Wholesale Electric Energy Costs	\$ 4,479,773	\$ 866,321	\$ 3,150,976	\$ 358,158	\$ 104,317	\$ -					
35	Lifetime Avoided Wholesale Electric Capacity Costs	\$ 221,332	\$ 163,309	\$ 8,446	\$ 39,383	\$ 10,195	\$ -					
36	Lifetime Avoided Wholesale Natural Gas Costs	\$ 16,272,739	\$ 2,455,309	\$ 13,126,125	\$ 303,945	\$ 387,361	\$ -					
37	Lifetime DRPE Benefits (E&G)	\$ 3,761,820	\$ 594,857	\$ 2,277,346	\$ 825,327	\$ 64,289	\$ -					
38	Lifetime Avoided RPS REC Purchase Costs	\$ 921,782	\$ 174,086	\$ 655,178	\$ 72,143	\$ 20,374	\$ -					
39	Lifetime Avoided Wholesale Volatility Costs	\$ 2,097,384	\$ 348,494	\$ 1,628,555	\$ 70,149	\$ 50,187	\$ -					
40	Lifetime Avoided T&D Costs	\$ 107,180	\$ 87,349	\$ 3,608	\$ 14,176	\$ 2,047	\$ -					
41	Lifetime Avoided Emissions Costs	\$ 7,745,923	\$ 1,517,739	\$ 5,439,770	\$ 604,603	\$ 183,811	\$ -					
42	Job and Savings Multiplier Benefits	\$ 11,293,456	\$ 915,923	\$ 6,793,231	\$ 2,210,146	\$ 1,206,184	\$ 167,972					
	Total Benefits	\$ 46,901,389	\$ 7,123,387	\$ 33,083,235	\$ 4,498,029	\$ 2,028,766	\$ 167,972	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS												
43	Lifetime Incremental Costs	\$ 20,358,966	\$ 2,213,090	\$ 8,054,362	\$ 527,434	\$ 950,997	\$ -	\$ 4,255,391	\$ 4,315,672	\$ (357)	\$ 42,378	\$ -
44	Lifetime Administration Costs	\$ 5,183,440	\$ 127,228	\$ 456,137	\$ 1,114,244	\$ 299,852	\$ 103,379	\$ 1,269,594	\$ 1,339,483	\$ 348,567	\$ 75,046	\$ -
	Total Costs	\$ 25,542,407	\$ 2,340,318	\$ 8,510,499	\$ 1,641,677	\$ 1,250,850	\$ 103,379	\$ 5,524,985	\$ 5,705,155	\$ 348,210	\$ 117,425	\$ -
	Benefit Cost Ratio	1.8	3.0	3.9	2.7	1.6	1.6	0.0	0.0	0.0	0.0	n/a

	SCT	TRC	PCT	PAC	RIM
	Societal Cost Test (SCT)	Total Resource Cost Test (TRC)	Participant Cost Test (PCT)	Program Administrator Cost Test (PAC)	Ratepayer Impact Measure Test (RIM)
Total Portfolio	1.8	1.0	19.3	0.8	0.3
Res Behavior	3.0	1.9	n/a	1.9	0.6
Res Efficient Products	3.9	2.1	18.2	2.9	0.6
Res Direct Install	2.7	0.8	21.9	0.8	0.5
Res Retrofit Weatherization	1.6	0.4	n/a	0.4	0.3
C&I Engineered Solutions	1.6	0.0	n/a	0.0	0.0
NJCEP - HPwES	0.0	0.0	0.0	0.0	0.0
NJCEP - HVAC	0.0	0.0	n/a	0.0	0.0
NJCEP - Direct Install	0.0	0.0	n/a	0.0	0.0
NJCEP - Smart Start	0.0	0.0	n/a	0.0	0.0
NJCEP - P4P	n/a	n/a	n/a	0.0	0.0

**South Jersey Gas
EET IV Assessment 2020
Savings Summary by Program**

Natural Gas Savings (therms)

Subprogram	2018	2019	2020	Total
Res Behavior	0	1,368,099	1,368,099	2,736,198
Res Efficient Products	0	1,392,764	1,338,146	2,730,909
Res Direct Install	0	23,024	46,745	69,768
Res Retrofit Weatherization	0	38,070	19,612	57,682
C&I Engineered Solutions	0	0	0	0
NJCEP - HPwES	11,427	80,314	104,135	195,876
NJCEP - HVAC	18,360	376,740	530,280	925,380
NJCEP - Direct Install	12,908	14,752	29,504	57,164
NJCEP - Smart Start	2,863	25,768	31,494	60,125
NJCEP - P4P	0	0	0	0
Education	0	0	0	0
Emerging Technologies & Approaches	0	0	0	0
Portfolio Costs	0	0	0	0
Total	45,559	3,319,530	3,468,014	6,833,103

Electric Savings (kWh)

Subprogram	2018	2019	2020	Total
Res Behavior	0	5,647,080	5,647,080	11,294,160
Res Efficient Products	0	3,742,910	3,596,129	7,339,040
Res Direct Install	0	243,030	493,425	736,456
Res Retrofit Weatherization	0	112,107	57,752	169,859
C&I Engineered Solutions	0	0	0	0
NJCEP - HPwES	66,658	468,486	607,436	1,142,580
NJCEP - HVAC	23,766	487,669	686,418	1,197,853
NJCEP - Direct Install	379,834	434,096	868,192	1,682,122
NJCEP - Smart Start	153,388	1,380,494	1,687,270	3,221,152
NJCEP - P4P	0	0	0	0
Education	0	0	0	0
Emerging Technologies & Approaches	0	0	0	0
Portfolio Costs	0	0	0	0
Total	623,647	12,515,873	13,643,703	26,783,222

Electric Demand Savings (kW)

Subprogram	2018	2019	2020	Total
Res Behavior	0	941	941	1,882
Res Efficient Products	0	17	16	34
Res Direct Install	0	20	41	61
Res Retrofit Weatherization	0	19	10	29
C&I Engineered Solutions	0	0	0	0
NJCEP - HPwES	19	135	175	329
NJCEP - HVAC	46	940	1,324	2,310
NJCEP - Direct Install	95	109	218	422
NJCEP - Smart Start	42	378	462	882
NJCEP - P4P	0	0	0	0
Education	0	0	0	0
Emerging Technologies & Approaches	0	0	0	0
Portfolio Costs	0	0	0	0
Total	202	2,560	3,187	5,949

Emissions

Subprogram	CO2 Emissions	SO2 Emissions	NOx Emissions
	Reduction (tons)	Reduction (tons)	Reduction (tons)
Res Behavior	40,620	18	31
Res Efficient Products	194,035	67	151
Res Direct Install	8,175	7	6
Res Retrofit Weatherization	5,802	2	5
C&I Engineered Solutions	0	0	0
NJCEP - HPwES	33,967	24	26
NJCEP - HVAC	113,718	24	89
NJCEP - Direct Install	18,356	27	14
NJCEP - Smart Start	32,483	56	25
NJCEP - P4P	0	0	0
Education	0	0	0
Emerging Technologies & Approaches	0	0	0
Portfolio Costs	0	0	0
Total	447,155	225	348

**South Jersey Gas
EET IV Assessment 2020
Participation Summary**

Program Subprogram	Participation Metric	# Participants (November 2018 - November 2020)
Residential Behavior	Per Unique Customer in Period	188,236
Residential Efficient Products	Per Marketplace Order	36,247
Residential Direct Install	Per Audit	750
Residential Retrofit Weatherization	Per Weatherization Project	167
C&I Engineered Solutions	Per Customer	1*
Home Performance Loans	Per Loan	1,217
HVAC Loans	Per Loan	2,554
HVAC Rebates	Per Rebate	2,587
Commercial Direct Install Loan	Per Loan	31
Smart Start Loan	Per Loan	21

** South Jersey Gas has been working with Salem Memorial Hospital but due to concerns from COVID-19, the project has been put on hold*

**South Jersey Gas
EET IV Assessment 2020
Budgeted Dollars per Subprogram**

Cost	Residential Behavior	Residential Efficient Products	Residential Direct Install	Residential Retrofit Weatherization	C&I Engineered Solutions	NJCEP Residential Programs	NJCEP Commercial Programs	EM&V Cost	Total
Administration	\$90,989	\$286,677	\$207,234	\$166,196	\$344,064	\$763,549	\$234,482		\$2,093,192
Marketing and Sales	\$103,022	\$656,730	\$294,146	\$168,869	\$277,453	\$2,392,059	\$580,567		\$4,472,846
Contractor Training		\$225,000							\$225,000
Rebate Processing, Inspections, and Quality Control	\$35,580	\$93,202	\$75,977	\$59,295	\$118,689	\$212,570	\$106,876		\$702,188
Evaluation	\$18,954	\$43,263	\$39,113	\$33,098	\$62,187	\$91,109	\$72,337	\$1,335,637	\$1,695,699
O&M Budget	\$248,545	\$1,304,872	\$616,470	\$427,458	\$802,393	\$3,459,287	\$994,262	\$1,335,637	\$9,188,925
Incentives (Including Rebates, Loans, & Other Incentives)	\$3,591,900	\$7,645,635	\$3,208,651	\$4,692,103	\$3,616,523	\$44,681,901	\$4,676,969		\$72,113,682
Total Budget	\$3,840,445	\$8,950,507	\$3,825,121	\$5,119,561	\$4,418,916	\$48,141,188	\$5,671,231	\$1,335,637	\$81,302,607

**South Jersey Gas
EET IV Assessment 2020
Expenditure Summary by Subprogram**

Program/Subprogram	Direct Investment	Loan Investment	Administrative Costs	Total Expenditures
Residential Behavior	\$2,258,722	\$0	\$129,851	\$2,388,573
Residential Efficient Products	\$6,970,117	\$0	\$188,677	\$7,158,795
Residential Direct Install	\$1,256,506	\$0	\$431,478	\$1,687,984
Residential Retrofit Weatherization	\$1,190,679	\$0	\$254,864	\$1,445,543
C&I Engineered Solutions	\$0	\$0	\$106,881	\$106,881
NJCEP Residential Programs HVAC	\$2,688,663	\$21,300,000	\$932,761	\$24,921,423
NJCEP Residential Programs Home Perf	\$58,750	\$18,300,000	\$1,258,342	\$19,617,092
NJCEP Commercial Programs Direct Install	\$40,288	\$150,000	\$318,105	\$508,392
NJCEP Commercial Programs Smart Start	\$0	\$150,000	\$77,275	\$227,275
EM&V Cost	\$0	\$0	\$1,448,840	\$1,448,840
Total	\$14,463,724	\$39,900,000	\$5,147,073	\$59,510,798

Schedule 5 -Recent Policy Determination/NJCEP Program Changes and Insights

Program/Subprogram	Recent Policy Determination or NJCEP Program Changes	Insights or Joint/Aligned Utility Efforts
Residential- Behavioral	The June 10 th Clean Energy Act Order (“CEA Order”) does not specifically reference Behavioral programs. SJG, as well as the other utilities, all included Behavioral programs in their proposed program portfolio.	Behavioral program require integration with specific utility billing systems, there are no plans to coordinate Home Energy Reports between gas and electric utilities. The Home Energy Reports also provide customer specific insights on different energy sources so there can be situations where a customer may be doing a good job at conserving their usage on one energy source but not on the other.
Residential- Efficient Products	The CEA Order established that the utilities should run the Efficient Products Program as a Core Program that includes retail products, with a midstream component and appliance rebates, a single statewide online marketplace with utility specific interfaces and appliance recycling. NJCEP recently expanded their list of eligible products for the Fiscal 2021 year.	The utilities collaborated on the program design for the Efficient Products Program, which is reflected by the high level of consistency in the filings between the utilities for the Program Template descriptions and the proposed incentives. The utilities continue discussions to support the launch of the Energy Efficient Products programs with consideration of the elements that are required to be coordinated.
Residential- Home Energy Assessments	The CEA Order did not specifically reference the need for a Home Energy Assessment or audit program but did call a focus on comprehensive projects.	The utilities collaborated on program design for the Quick Home Energy Check-Up subprogram. The goal is to use the Lead Utility concept to have one utility perform the assessment with the direct installation of measures and then use the Statewide Coordinator (SWC) system to allocate energy savings and costs for the measures installed.
Residential - HVAC Incentives	HVAC equipment is included as part of the proposed Energy Efficient Products program. Please refer to the information captured in that row.	
Residential- Home Performance with ENERGY STAR (HPwES)	The CEA Order directed utilities to run HPwES as a Core Program .	The utilities worked together on the program design for the HPwES subprogram, including Program descriptions and the proposed incentives. The utilities continue discussions to support the launch of the HPwES subprogram with consideration of the elements that are required to be coordinated. Additionally, the goal is to use the Lead Utility concept to have one utility perform the assessment with the direct installation of measures and then use the SWC system to

		allocate energy savings and costs for the measures installed.
Commercial and Industrial-Direct Install and Smart Start	The CEA Order directed that the utilities should run Commercial and Industrial-Direct Install and Smart Start as Core Programs.	The utilities collaborated on the program design for both the Direct Install program and the Prescriptive and Custom Measures subprogram of Energy Solutions for Business (the replacement to SmartStart Buildings). There is a high level of consistency in the filings between the utilities for the Program descriptions and the proposed incentives. The utilities continue discussions to support the launch of these programs with consideration of the elements that are required to be coordinated. Additionally, the intention is to use the Lead Utility concept to have one utility perform the assessment with the direct installation of measures and then use the SWC system to support to allocate energy savings and costs for the measures installed for the Direct Install program and when for comprehensive projects under the Prescriptive and Custom subprogram.
Commercial and Industrial-Engineered Solutions	The CEA Order did not specifically reference the need for a Commercial and Industrial Engineered Solutions but did call a focus on comprehensive projects.	The utilities collaborated on the program design for the Engineered Solutions subprogram of the Energy Solutions for Business Program. There is a high level of consistency in the filings between the utilities for the Program descriptions and the proposed incentives. The utilities continue discussions to support the launch of these programs with consideration of the elements that are required to be coordinated. Additionally, the intention is to use the Lead Utility concept to have one utility perform the assessment with the direct installation of measures and then use the SWC system to support to allocate energy savings and costs for the measures installed through Engineered Solutions.

Schedule 6 – Insights and Barriers

Program/Subprogram	Insights and Barriers
Residential-Behavior	<p>SJG previously used Opower as the vendor to deliver the Home Energy Reports (HERs). For this program cycle, SJG conducted a Request for Proposal (RFP) process for our Behavioral Program vendor. SJG selected Tendril to run the program, and Tendril subsequently merged with Uplight.</p> <ul style="list-style-type: none"> • Approximately 188,236 customers receive HERs • Reports includes tips to conserve and features program details to engage customers in opportunities to save • Customers are allowed to opt out of the program. The total opt out rate for this SJG program is approximately .6% for the combined paper HERs and email distribution. <p>Overall recommendation: The behavioral program reaches a large group of customers, delivers energy savings and allows for targeted messaging.</p>
Residential-Efficient Products	<p>SJG launched the Efficient Products program during this program cycle. There were two primary components- an online marketplace and energy savings kits distributed to customers in need.</p> <ul style="list-style-type: none"> • SJG learned that Efficient Products program was an entry way to engage customers in energy efficiency • SJG was able to offer manufacturer’s limited time offer promotions to offer additional savings • Our online marketplace featured smart thermostats, water saving products, light bulbs, advanced power strips • Smart thermostats represent approximately 79% of the products sold • For the thermostats, SJG offered two installation options- a customer could install the units on their own or SJG HEA contractors would install for free the units when the purchase was paired with the \$49 Home Energy Assessment program. The marketplace included installation videos from the manufacturers. • During the pandemic, with more customers struggling and spending more time at home, Efficient Products marketplace allowed them to take advantage of no to low cost smart thermostats and other energy saving products. • SJG worked with our Outreach Team to provide free energy efficiency kits at the Community Foodbank of NJ, faith based group food pantries and Title 1 schools in Atlantic City (where students participate in the free breakfast and lunch program). Due the pandemic, events have been cancelled, we shifted our approach to reaching customers in need. SJG partnered with Uplight, our marketplace vendor, to enable eligible customers to order the free energy efficiency kit online and have it shipped to their home. SJG provides advertising flyers at the outreach events that promotes the free energy saving kits. SJG believes this will allow more customers

	<p>in need to participate and receive a free kit. We plan to target USF customers through email to encourage them to order the free energy saving kit.</p> <p>Overall recommendation: SJG believes it is important to continue the energy efficient products program. It is an easy way to engage customers with products that offers immediate energy savings. It offers an opportunity to include low-income customers. It will be critical to achieving annual energy savings targets.</p>
<p>Residential – Residential Direct Install</p>	<p>The Residential Direct Install is a \$49 Home Energy Assessment program that included energy savings measures and the free installation of a smart thermostat if it had been purchased on our marketplace.</p> <ul style="list-style-type: none"> • The assessments are performed by SJG contractors that were selected through a competitive RFP process. Two contractors were selected to share the SJG territory and both have Building Performance Institute (“BPI”) certifications. This is a full home energy audit performed to BPI standards. Each customer receives a customized report showing them the best opportunities to save energy in their home and provides information on the programs and incentives that are available to make the implementation of those recommended improvements more accessible. • During the assessment SJG also provides a customer with a United States Department of Energy Home Energy Score (“HES”). Like a miles-per-gallon rating for a car, the HES is based on a standard assessment of energy-related assets to easily compare energy use across the housing market. The HES report estimates home energy use, associated costs, and provides energy solutions to cost-effectively improve the home’s efficiency. Each HES is shown on a simple one-to-ten scale, where a ten represents the most efficient homes <p>Overall recommendation: SJG believes it is important to continue to offer an audit program to help customers identify their best opportunities to save energy. This program would be replaced by the proposed Quick Home Energy Checkup (“QHEC”) program that would provide a walk-through audit at no charge to the customer.</p>
<p>Residential – HVAC Incentives</p>	<p>SJG has offered this program in prior program cycles. The program allowed our customers to access additional incentives and financing for WARMAdvantage qualified furnaces, boilers and water heaters.</p> <ul style="list-style-type: none"> • More than 360 contractors have participated in this program to date • The financing continues to be helpful in engaging customers and making energy efficiency more accessible. • SJG’s approach to screening eligibility based on prior utility payment history and lack of recent bankruptcy is also an effective tool from an outreach perspective since most customers instinctively know whether they should pass the criteria. This helps contractors reassure potentially eligible customers as well. SJG can review customer eligibility in advance. <p>Overall recommendation: SJG believes it is critical to maintain HVAC incentives, and plans to add On-Bill Repayment Program (OBRP) to</p>

	<p>make it easier for customers to participate in the financing program. It is necessary to continue this program to achieve the annual energy savings targets. Many contractors continue to promote standard efficiency equipment, so it is important to have incentives that encourage customers to pursue the higher efficiency equipment and make it more accessible. The availability of no interest financing has prompted customers to bundle measures that otherwise may not have done so, leading to greater energy savings. For the new filing cycle, these types of incentives are included in the Energy Efficient Products program.</p>
<p>Residential – Home Performance with Energy Star (HPwES)</p>	<p>Similar to prior program cycles, SJG continued to offer financing for customers participating in the NJCEP HPwES program. Because the comprehensive nature of most HPwES projects and the corresponding higher cost, the financing helped make these projects more accessible for customers.</p> <ul style="list-style-type: none"> • As of this month, the NJCEP Trade Ally search tool indicates there are 95 HPwES contractors statewide with the majority of those contractors on that list average less than 10 projects per year. To date, SJG’s program has not had approval to support the HPwES multi-family projects. We look forward to supporting these customers through the proposed Multi-family Core Program. <p>Overall recommendation: SJG believes it is important to continue this program and is included as a Core Program within the new filing. SJG will take on a larger role as we take overall responsibility for management of the program. SJG believes it is critical to increase the number of contractors participating in this program to allow it to make a greater contribution to the annual energy savings targets, especially as they escalate in the next triennial.</p>
<p>Commercial and Industrial – Direct Install and Smart Start</p>	<p>SJG continued to offer financing during this program cycle to customers participating in the NJCEP Direct Install (“DI”) or SmartStart Building programs. Given the high cost of many commercial energy efficiency projects, the financing plays a critical role in making these projects more accessible for customers.</p> <ul style="list-style-type: none"> • SJG worked closely with the assigned DI contractors in our territory on outreach efforts. Many customers are skeptical of the level of incentives referenced for the DI program (currently up to 80%) that a contractor may be promoting but that is cleared up when they learn that SJG is affiliated with the project. • In Fiscal 2020, NJCEP made a slight adjustment in program design that allowed for a sliding scale on incentives. This approach allowed a customer to accept a lower incentive level in order to have a more comprehensive project approved through the program. SJG believes this adjustment was critically helpful in getting more projects to screen and allowing customers to include more measures during the project.

	<p>Overall recommendation: SJG believes it is important to continue these programs and they have been included as Core Programs within the new filing. SJG will take on a larger role as we take overall responsibility for management of these programs. Continuing to offer these programs is critical to achieving annual energy savings targets, especially as they escalate in the next triennial.</p>
Commercial and Industrial – Engineered Solutions	<p>This was the first program cycle that SJG offered Engineered Solutions to serve the needs of larger commercial customers.</p> <ul style="list-style-type: none">• PSE&G had more than a decade of experience running this type of program and generously shared insights regarding program administration and many underlying customer and contractor documents.• The program initially launched with the hospital segment late 2019. SJG secured an engineering firm and a hospital participant. Unfortunately, the pandemic hit and has slowed our efforts to initiate the audit at the selected hospital. SJG is targeting having the audit completed in the coming months. <p>Overall recommendation: SJG has looks forward to expanding the program to the municipalities, universities, and schools in the next program cycle. It is structured to identify the best savings opportunities for each facility, allow the customers a voice in the design of the project but keep controls in place to ensure the project is cost effective, secure competitive pricing for the upgrades, and eliminate the capital barrier through financing. This approach will be critical to achieving annual energy savings targets.</p>

Item 10- The June 10th Board Order in Clean Energy Act Proceeding did not determine any of the programs that SJG has been administering should be transitioned to NJCEP management. Accordingly, there is nothing to report for this requirement.