

November 8, 2021

**VIA ELECTRONIC MAIL**

Aida Camacho-Welch  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350

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. QO19010040  
and EO20090621

IN THE MATTER OF THE PETITION OF )  
ELIZABETHTOWN GAS COMPANY FOR )  
APPROVAL OF NEW ENERGY EFFICIENCY )  
PROGRAMS AND THE ASSOCIATED COST )  
RECOVERY MECHANISM PURSUANT TO )  
THE CLEAN ENERGY ACT AND )  
THE ESTABLISHMENT OF A CONSERVATION )  
INCENTIVE PROGRAM )

BPU Docket Nos. QO19010040  
and GO20090619

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

BPU Docket No. QO19010040  
and E020090620

IN THE MATTER OF THE PETITION OF NEW )  
JERSEY NATURAL GAS COMPANY FOR )  
APPROVAL OF ENERGY EFFICIENCY )  
PROGRAM AND THE ASSOCIATED COST )  
RECOVERY MECHANISM PURSUANT TO )  
THE CLEAN ENERGY ACT, N.J.S.A.48:3-87.8 )  
ET SEQ. AND 48:3-98.1 ET SEQ. )

BPU Docket Nos QO19010040  
and GO20090622

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY )

FOR APPROVAL OF ITS CLEAN ENERGY )  
FUTURE ENERGY EFFICIENCY (“CEF-EE”) ) BPU Docket Nos. GO18101112  
PROGRAM ON A REGULATED BASIS ) and EO18101113

IN THE MATTER OF THE PETITION OF )  
ROCKLAND ELECTRIC COMPANY FOR ) BPU Docket Nos. QO19010040  
APPROVAL OF ITS ENERGY EFFICIENCY ) and EO20090623  
PROGRAM AND PEAK DEMAND REDUCTION) )  
PROGRAMS )

IN THE MATTER OF THE PETITION OF )  
SOUTH JERSEY GAS COMPANY FOR )  
APPROVAL OF NEW ENERGY EFFICIENCY )  
PROGRAMS AND THE ASSOCIATED COST ) BPU Docket No. QO19010040  
RECOVERY PURSUANT TO ) and GO20090618  
THE CLEAN ENERGY ACT )

Dear Secretary Camacho-Welch:

Please accept for filing this Letter Petition (“Letter Petition”)<sup>1</sup> in lieu of a formal petition, on behalf of Atlantic City Electric Company, Elizabethtown Gas Company, Jersey Central Power & Light Company, New Jersey Natural Gas Company, Public Service Electric and Gas (“PSE&G”), Rockland Electric Company and South Jersey Gas Company (collectively referred to as the “the Utilities”) for approval to implement a solution to address budget disparities across the utilities that have the potential to disrupt the delivery of comprehensive energy efficiency solutions for customers and inhibit the ability of some utilities to meet their energy savings targets.

**BACKGROUND:**

On January 13, 2008, L. 2007, c. 340 (“RGGI Act”)<sup>2</sup> was signed into law based on the New Jersey Legislature’s findings that energy efficiency (“EE”) and conservation measures must be essential elements of the State’s energy future and that greater reliance on EE and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies.

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<sup>1</sup> In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being filed electronically. No paper copies will follow.

<sup>2</sup> N.J.S.A. 48:3-98.1 et seq.

By Order dated June 10, 2020, the Board approved an EE transition framework for EE programs implemented pursuant to the Clean Energy Act (“CEA”), L. 2018, c. 17, including requirements for the Utilities to establish programs that reduce the use of electricity and natural gas within their territories.<sup>3</sup> In the June 10, 2020 Order (“CEA Order”), the Board directed New Jersey’s electric and gas companies to file three-year program petitions by September 25, 2020 for approval by the Board by May 1, 2021 and implementation beginning July 1, 2021.

With the exception of PSE&G, who had an existing filing pending with the Board at the time the CEA Order was issued, the Utilities filed petitions pursuant to the CEA Order and each received approval of their respective programs.

As required by the CEA Order, the Utilities coordinated extensively on the design of the core energy efficiency programs as well as many of the additional utility-led programs. Many of the approved programs provide an opportunity to deliver comprehensive energy efficiency solutions to customers that can reduce both their gas and electric usage and increase their energy savings. This requires the sharing of investments and savings for dual fuel projects where electric and gas utility service territories overlap. In such a scenario, the utility that serves as the primary point of contact for customers, contractors, and trade allies for a project is considered to be the Lead Utility (“Lead Utility”) for that project. The Lead Utility follows the project through to completion, pays the project incentive and financing/on-bill repayment, if relevant, and then works with the Partner Utility (“Partner Utility”) to transfer the energy savings for their fuel and the cost of the investment for their share of the project. The Utilities executed a series of bilateral Memoranda of Agreement, dated June 2021, (“MOA”, or collectively, “MOAs”) to document the agreements regarding the treatment of transferred energy savings and shared investments on joint projects. The terms are consistent across the MOAs. Attached hereto as Exhibit A are the respective MOAs for the Utilities.

While approved Partner Utility budgets are anticipated at this time to be sufficient to achieve efficiency savings targets for the fuel source provided by a Partner Utility, in some instances, the approved Partner Utility program budgets may not be sufficient to also support the sharing of additional costs of dual fuel energy efficiency projects necessary to support the expenditures anticipated by a Lead Utility in a shared service territory.. While the CEA Order provided for some flexibility for utilities to shift funding as needed, these tools are not large enough to handle the magnitude of the current budget disparities between some utilities. Some utilities have already shifted funding to accommodate the needs of overlapping utilities in their service territory, but the utilities anticipate that it will become increasingly difficult to find additional funding to shift as the program cycle progresses. Since there are many factors that influence costs, including customer

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<sup>3</sup> 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, Order dated June 10, 2020 (“CEA Order”).

participation levels, equipment cost, and incentives provided, the funding disparity can only be viewed at a point in time. Exhibit B provides a snapshot of the anticipated funding disparity for the first year of the Triennial.

This disparity of budget funding between utilities threatens the continuity of core energy efficiency program implementation, would result in disruptions to energy efficiency markets preventing customer participation in some service territories and degrading customers' experience and confidence in energy savings efforts, and could lead to certain utilities being unable to meet targets for savings they planned to achieve in those overlapping territories. Recognizing that disrupting energy efficiency markets is contrary to the goals of the CEA, the utilities have deliberated and are seeking BPU approval to implement the following solution to address this problem and reduce the likelihood of disruptions.

**PROPOSED JOINT UTILITY SOLUTION:**

The following reflects the Utilities' Proposed Solution ("Proposed Solution") to address the aforementioned budget constraints during the 1<sup>st</sup> Triennial of approved programs.

**Proposed Solution:**

1. Utilities will work cooperatively as set forth in the MOA to address budget constraints between the utilities. In no case will Lead Utilities commit Partner Utility budgets without the consent and approval of the Partner Utility. Consistent with the flexibility provided for in the CEA Order and/or each utility's respective 1<sup>st</sup> Triennial energy efficiency program approval, a Partner Utility may implement potential remedies to address budget constraints, including but not limited to the following:
  - a. Transfer projects within coordinated programs between Lead and Partner Utilities
  - b. Reallocate budgets among programs, consistent with the authorities established in the CEA Order<sup>4</sup> and/or each utility's respective 1<sup>st</sup> Triennial energy efficiency program approval
  - c. Reallocate budgets among planning years, consistent with the authorities established within each utility's respective 1<sup>st</sup> Triennial energy efficiency program approval

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<sup>4</sup> Specifically, page 13 of the June 10, 2020 CEA Order allows that each utility can shift its program budget(s) for programs within the same sector up to 25% of the individual program's total budget with Staff notification, 25–50% with Staff approval, and over 50% with Board approval, and that each utility can shift budgets between or among sectors up to 5% of individual utility sector budgets with Staff notification, 5–10% with Staff approval, and over 10% with Board approval.



- d. Seek Board approval for additional budget funding amounts
2. Consistent with the MOA, the Utilities have established a Joint Budget Allocation Committee (“JBAC”) to monitor the status of program budgets. When the JBAC identifies that the respective Lead Utilities are forecasted to exhaust the available funding from a Partner Utility for an approved program that includes energy savings on both fuels, the Partner Utility, in consultation with the JBAC, will consider whether the Partner Utility budget allocation can be increased or if the Partner Utility can pursue remedies set forth in the MOA or, as noted above, to accommodate the anticipated shortfall. If such remedies cannot be implemented, the members of the JBAC who are affected by the projected shortfall in funding for the program(s) will strive to reach agreement to either: (1) notify the Board that a program is anticipated to shut down in specific utility territories; or (2) allow those Lead Utilities with available budget to continue to implement the program with investment from its approved budget unless and until such time as a Partner Utility budget allocation may be increased, consistent with the following:

**a. Costs and Investment Recovery**

- i. The Lead Utility may invest from its approved budget to support customers pursuing comprehensive EE solutions for both fuels, up to the amount of the Lead Utility’s approved budget.
- ii. Investments, rebates, and financing will be paid for through the Lead Utility’s approved budget and tracked separately from other program investments, rebates, and financing. These costs will be fully recoverable through the Lead Utility’s cost recovery mechanism(s).

**b. Lost Revenues, QPIs, and Statutory Energy Savings**

- i. The Partner Utility will claim all savings achieved by the Lead Utility under this remedy for purposes related to determining compliance with statutory savings targets, Quantitative Performance Indicators (“QPIs”) other than those associated with cost-benefit analysis, and for the purpose of recovering lost revenues through a Lost Revenue Adjustment Mechanism (“LRAM”). The Lead Utility will be eligible to recover all other costs according to existing investment and cost recovery mechanisms, but will not claim the savings achieved from the Partner Utility’s fuel as part of any LRAM.

**c. Cost-Effectiveness Testing**

- i. The Lead Utility making such an investment may claim savings achieved (kWh or therm) through its investments made in the Partner Utility’s service

territory for purposes of testing program cost-effectiveness and for QPIs associated with cost-benefit analysis.

**d. Tracking**

- i. Lead and Partner Utilities will separately track investments made and savings achieved pursuant to the above remedy where Lead Utilities invest from its approved budget for Partner Utility fuel savings realized in the Partner Utility's territory.

**e. Carry-Over of Excess Savings**

- i. Program budget constraints and this interim remedy highlight the general concern among Utilities that annual goals, by their nature, create a disincentive for Utilities to achieve savings in excess of annual targets. For example, Partner Utilities with Lead Utilities achieving incremental energy savings within their service territory, will be disadvantaged when facing future annual compliance goals. As a general matter, overcompliance with annual energy savings targets will cause early erosion of future-year energy efficiency potential. Additionally, unmitigated budget constraints can inhibit market demand and unnecessarily prevent customers from realizing energy efficiency benefits. Accordingly, in order to promote customer adoption of energy efficiency and ensure program continuity, the Utilities are requesting through this Letter Petition, and as part of this Proposed Solution that they be allowed to apply excess annual energy savings toward goals and QPIs in subsequent compliance years.

**f. Board Approval and Request for Interim Authority**

- i. The Utilities recognize that implementation of this process is contingent upon Board approval of the process in its entirety. Through Utility Work Group ("UWG") discussions, the Utilities brought this issue to the attention of Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel"). Based on feedback provided by BPU Staff and Rate Counsel through UWG discussions, the Utilities are seeking approval through this Letter Petition. In the event the Board does not approve the process set forth in Section 2 in its entirety, a utility will not be bound by the terms set forth herein, and the MOA, unmodified in any respect by this Proposed Solution, will continue to govern the Utilities' management of budget constraints. In the event the Board does approve the process set forth in Section 2 in its entirety, the Utilities agree to work in good faith to amend the MOA, as appropriate and necessary, to reflect the terms herein.

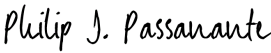
- ii. To avoid disruptions in the marketplace and the denial of incentive submissions due solely to budget limitations, the Utilities are requesting interim authority to implement the process set forth in Section 2 through this Letter Petition until such time as the Board may make a final ruling on this Letter Petition. If such interim authority is granted, yet final approval is ultimately not granted by the Board, the Utilities request that investments made in good faith during this time to avoid disruptions to the marketplace will be deemed to be allowable investments with the recognition that they will still be subject to a traditional regulatory review process through utility annual true-up filings and that savings achieved under interim authority will be treated in accordance with Section 2.

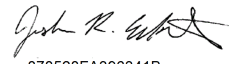
Copies of the Letter Petition are also being served electronically upon Rate Counsel and the Division of Law.


**CONCLUSION:**


**WHEREFORE**, the Utilities respectfully requests expedited Board approval of the Proposed Solution for the first triennial as setforth herein, including granting interim authority to implement the Proposed Solution as soon as possible to avoid disruption to the market while the Board considers the request made through this Letter Petition.


Respectfully submitted,

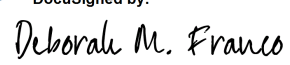
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SJI Utilities, Inc.<sup>5</sup>  
Vice President Rates, Regulatory and Sustainability

C: Service Lists

<sup>5</sup> ETG and SJG are wholly-owned subsidiaries of SJI Utilities, Inc.

**Exhibit A**

MOAs Executed between Utilities for the  
Coordination of Energy Efficiency Programs in the State of New Jersey

**Memorandum of Agreement**  
**Between**  
**Elizabethtown Gas Company**  
**And**  
**Jersey Central Power & Light Company**

**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

**I. Parties**

This Memorandum of Agreement (this “MOA”) is made and entered into by and between Elizabethtown Gas Company and Jersey Central Power & Light Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

**II. Authority**

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

**III. Purpose of the Agreement**

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

#### IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility's Programs.

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group ("AEG"), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

#### V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- "CIS Data" – customer data extracted from each Utility's customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- "Electric Distribution Company" ("EDC") – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- "Gas Distribution Company" ("GDC") – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- "Lead Utility" – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- "Order" – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- "Partner Utility" – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. "Lead Utility), then the gas Utility would be the Partner Utility for that participation).
- "Program" – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a "Core Offering" or an "Additional Utility-Led Offering"

as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.



- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

## Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

## Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to Elizabethtown Gas Company:

Elizabethtown Gas Company  
Attn: Deborah Franco  
520 Green Lane  
Union, NJ 07083  
[dfranco@sjindustries.com](mailto:dfranco@sjindustries.com)

If to Jersey Central Power & Light Company:

Jersey Central Power & Light Company  
Attn: Kurt Turosky  
76 South Main St.  
Akron, OH 44308  
[turoskyk@firstenergycorp.com](mailto:turoskyk@firstenergycorp.com)

Jersey Central Power & Light Company  
Attn: Joshua Eckert  
300 Madison Avenue  
Morristown, NJ 07962  
[jeckert@firstenergycorp.com](mailto:jeckert@firstenergycorp.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the



laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE


The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

Elizabethtown Gas Company

Jersey Central Power & Light Company

By:   
Deborah Franco

By:   
James Fakult

Title: VP/Rates, Regulatory & Sustainability

Title: President, JCP&L

Date: June 29, 2021

Date: June 30, 2021



## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings

opportunities. The utilities will also seek to increase the number of contractors certified to offer customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing

Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.
- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948



## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets



- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.



## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**New Jersey Natural Gas Company**  
**And**  
**Atlantic City Electric Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

### I. Parties

This Memorandum of Agreement (this “MOA”) is made and entered into by and between New Jersey Natural Gas Company and Atlantic City Electric Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

### II. Authority

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

### III. Purpose of the Agreement

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

### IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility”), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated

reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

## Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

## Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.



## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to New Jersey Natural Gas Company

New Jersey Natural Gas Company  
Attn: Mark G. Kahrer  
1415 Wyckoff Road  
PO Box 1415  
Wall, NJ 07719  
[mkahrer@njng.com](mailto:mkahrer@njng.com)

If to Atlantic City Electric Company:

Atlantic City Electric Company  
Attn: Megan Partridge  
701 9<sup>th</sup> Street, NW  
Washington, DC 20001  
[MPWehler@pepco.com](mailto:MPWehler@pepco.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

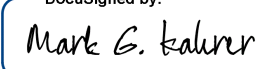
XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

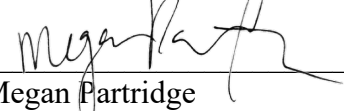
By the signatures below, the Signatory Parties agree to the terms of this MOA.

New Jersey Natural Gas Company


By:   
Mark G. Kahrer  
Senior Vice President – Regulatory Affairs,  
Marketing and Energy Efficiency

Date: 6/30/2021

Atlantic City Electric Company

By:   
Megan Partridge  
Manager, Demand Response and  
Energy Efficiency Evaluation

Date: June 29, 2021

  
6/30/2021

## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include



prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.

- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.



## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).



The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

D. Partner Utility Invoice Payment Remittance

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**South Jersey Gas Company**  
**And**  
**Atlantic City Electric Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

### I. Parties

This Memorandum of Agreement (this “MOA”) is made and entered into by and between South Jersey Gas Company and Atlantic City Electric Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

### II. Authority

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

### III. Purpose of the Agreement

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

### IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated



reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

## Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

## Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to South Jersey Gas Company:

South Jersey Gas Company  
Attn: Deborah Franco  
1 South Jersey Place  
Atlantic City, NJ 08401  
[dfranco@sjindustries.com](mailto:dfranco@sjindustries.com)

If to Atlantic City Electric Company:

Atlantic City Electric Company  
Attn: Megan Partridge  
701 9<sup>th</sup> Street, NW  
Washington, DC 20001  
[MPWehler@pepco.com](mailto:MPWehler@pepco.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.



XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.


XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

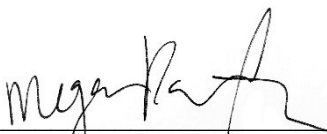
XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

South Jersey Gas Company

By:   
\_\_\_\_\_  
Deborah Franco  
VP/Rates, Regulatory & Sustainability

Atlantic City Electric Company

By:   
\_\_\_\_\_  
Megan Partridge  
Manager, Demand Response and  
Energy Efficiency Evaluation

Date: June 29, 2021

Date: June 29, 2021



## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include

prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.

- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948



## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets



- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

D. Partner Utility Invoice Payment Remittance

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.



## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**New Jersey Natural Gas Company**  
**And**  
**Public Service Electric and Gas Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

### I. Parties

This Memorandum of Agreement (this “MOA”) is made and entered into by and between New Jersey Natural Gas Company and Public Service Electric and Gas Company (“PSE&G”) (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

### II. Authority

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

### III. Purpose of the Agreement

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

### IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility”), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated

reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

#### Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any

permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.

- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

#### Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.



## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to New Jersey Natural Gas Company

New Jersey Natural Gas Company  
Attn: Mark G. Kahrer  
1415 Wyckoff Road  
PO Box 1415  
Wall, NJ 07719  
[mkahrer@njng.com](mailto:mkahrer@njng.com)

If to Public Service Electric and Gas Company:

Public Service Electric and Gas Company  
Attn: Karen Reif  
80 Park Plaza  
Newark, New Jersey 07101  
[KarenS.BassinReif@pseg.com](mailto:KarenS.BassinReif@pseg.com)

Public Service Electric and Gas Company  
Attn: Matthew Weissman  
80 Park Plaza  
Newark, New Jersey 07101  
[Matthew.Weissman@pseg.com](mailto:Matthew.Weissman@pseg.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the

laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

New Jersey Natural Gas Company

DocuSigned by:  
By: Mark G. Kahrer  
Mark G. Kahrer

Public Service Electric and Gas Company

DocuSigned by:  
By: KAREN REIF  
795352E3B9EF456...  
Karen Reif

Title: Senior Vice President – Regulatory Affairs,  
Marketing and Energy Efficiency

Title: Vice President, Renewables  
and Energy Solutions

Date: 6/30/2021

Date: June 30, 2021

DS  
MPC 6/30/2021



## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include



prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.



- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.



## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**Public Service Electric and Gas Company**  
**And**  
**Atlantic City Electric Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

**I. Parties**

This Memorandum of Agreement (this “MOA”) is made and entered into by and between Public Service Electric and Gas Company (“PSE&G”) and Atlantic City Electric Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

**II. Authority**

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

**III. Purpose of the Agreement**

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

**IV. Further Background for this MOA**

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.



- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated

reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

## Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

## Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,



however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to Public Service Electric and Gas Company:

Public Service Electric and Gas Company  
Attn: Karen Reif  
80 Park Plaza  
Newark, New Jersey 07101  
[KarenS.BassinReif@pseg.com](mailto:KarenS.BassinReif@pseg.com)

Public Service Electric and Gas Company  
Attn: Matthew Weissman  
80 Park Plaza  
Newark, New Jersey 07101  
[Matthew.Weissman@pseg.com](mailto:Matthew.Weissman@pseg.com)

If to Atlantic City Electric Company:

Atlantic City Electric Company  
Attn: Megan Partridge  
701 9<sup>th</sup> Street, NW  
Washington, DC 20001  
[MPWehler@pepco.com](mailto:MPWehler@pepco.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and



unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

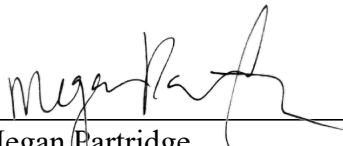
XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

Public Service Electric and Gas Company

Atlantic City Electric Company

By:   
81670676862F407...  
Karen Reif  
Vice President, Renewables

By:   
Megan Partridge  
Manager, Demand Response and  
Energy Efficiency Evaluation

Date: June 30, 2021

Date: June 30, 2021

## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include

prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.

- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.



## Addendum 2 Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857



## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

D. Partner Utility Invoice Payment Remittance

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.



The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**Elizabethtown Gas Company**  
**And**  
**Public Service Electric and Gas Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

I. Parties

This Memorandum of Agreement (this “MOA”) is made and entered into by and between Elizabethtown Gas Company and Public Service Electric and Gas Company (“PSE&G”) (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

II. Authority

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

III. Purpose of the Agreement

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility”), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated

reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

#### Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any

permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.

- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

#### Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.



## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.



- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to Elizabethtown Gas Company:

Elizabethtown Gas Company  
Attn: Deborah Franco  
520 Green Lane  
Union, NJ 07083  
[dfranco@sjindustries.com](mailto:dfranco@sjindustries.com)

If to Public Service Electric and Gas Company:

Public Service Electric and Gas Company  
Attn: Karen Reif  
80 Park Plaza  
Newark, New Jersey 07101  
[KarenS.BassinReif@pseg.com](mailto:KarenS.BassinReif@pseg.com)

Public Service Electric and Gas Company  
Attn: Matthew Weissman  
80 Park Plaza  
Newark, New Jersey 07101  
[Matthew.Weissman@pseg.com](mailto:Matthew.Weissman@pseg.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and

unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.


XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

Elizabethtown Gas Company

By:   
Deborah Franco

Title: VP/Rates, Regulatory & Sustainability

Date: June 29,2021

Public Service Electric and Gas Company

By:   
Karen Reif

Title: Vice President, Renewables and Energy Solutions

Date: June 30, 2021

## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include



prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.



- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.



## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**Public Service Electric and Gas Company**  
**And**  
**Jersey Central Power & Light Company**

**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

**I. Parties**

This Memorandum of Agreement (this “MOA”) is made and entered into by and between Public Service Electric and Gas Company (“PSE&G”) and Jersey Central Power & Light Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

**II. Authority**

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

**III. Purpose of the Agreement**

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

#### IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility's Programs.

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group ("AEG"), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

#### V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- "CIS Data" – customer data extracted from each Utility's customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- "Electric Distribution Company" ("EDC") – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- "Gas Distribution Company" ("GDC") – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- "Lead Utility" – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- "Order" – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- "Partner Utility" – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. "Lead Utility), then the gas Utility would be the Partner Utility for that participation).
- "Program" – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a "Core Offering" or an "Additional Utility-Led Offering"



as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.

- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

## Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

## Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- **Financing**
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,



however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to Public Service Electric and Gas Company:

Public Service Electric and Gas Company  
Attn: Karen Reif  
80 Park Plaza  
Newark, New Jersey 07101  
[KarenS.BassinReif@pseg.com](mailto:KarenS.BassinReif@pseg.com)

Public Service Electric and Gas Company  
Attn: Matthew Weissman  
80 Park Plaza  
Newark, New Jersey 07101  
[Matthew.Weissman@pseg.com](mailto:Matthew.Weissman@pseg.com)

If to Jersey Central Power & Light Company:

Jersey Central Power & Light Company  
Attn: Kurt Turosky  
76 South Main St.  
Akron, OH 44308  
[turoskyk@firstenergycorp.com](mailto:turoskyk@firstenergycorp.com)

Jersey Central Power & Light Company  
Attn: Joshua Eckert  
300 Madison Avenue  
Morristown, NJ 07962  
[jeckert@firstenergycorp.com](mailto:jeckert@firstenergycorp.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under



this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

#### XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

#### XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

Public Service Electric and Gas Company

Jersey Central Power & Light Company

By:  \_\_\_\_\_  
Karen Reif

By:  \_\_\_\_\_  
James Fakult

Title: Vice President, Renewables  
and Energy Solutions

Title: President, JCP&L

Date: June 30, 2021

Date: June 30, 2021

## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include

prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.

- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.



## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.



## Addendum 2 Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.



## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**Public Service Electric and Gas Company**  
**And**  
**Rockland Electric Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

I. Parties

This Memorandum of Agreement (this “MOA”) is made and entered into by and between Public Service Electric and Gas Company (“PSE&G”) and Rockland Electric Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

II. Authority

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

III. Purpose of the Agreement

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility”), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated

reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

#### Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any



permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.

- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

#### Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.



## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in

substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to Public Service Electric and Gas Company:

Public Service Electric and Gas Company  
Attn: Karen Reif  
80 Park Plaza  
Newark, New Jersey 07101  
[KarenS.BassinReif@pseg.com](mailto:KarenS.BassinReif@pseg.com)

Public Service Electric and Gas Company  
Attn: Matthew Weissman  
80 Park Plaza  
Newark, New Jersey 07101  
[Matthew.Weissman@pseg.com](mailto:Matthew.Weissman@pseg.com)

If to Rockland Electronic Company:

Rockland Electric Company  
Attn: Donald E. Kennedy  
390 West Route 59 - Dept SVOC  
Spring Valley NY 10977  
Email Address: [kennedyd@oru.com](mailto:kennedyd@oru.com)

With Copy to:

Consolidated Edison Company of New York, Inc.  
Attn: Law Department  
4 Irving Place 18<sup>th</sup> Floor  
New York, New York 10003  
Email Address: [comesm@coned.com](mailto:comesm@coned.com) and  
[carleyj@coned.com](mailto:carleyj@coned.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. **THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.**

### XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

### XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.



## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer



customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include

prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.

- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets



- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.



- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.



**Memorandum of Agreement**  
**Between**  
**South Jersey Gas Company**  
**And**  
**Public Service Electric and Gas Company**  
**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

I. Parties

This Memorandum of Agreement (this “MOA”) is made and entered into by and between South Jersey Gas Company and Public Service Electric and Gas Company (“PSE&G”) (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

II. Authority

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

III. Purpose of the Agreement

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility”), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated

reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

#### Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any

permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.

- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

#### Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.



## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in



substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,

however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to South Jersey Gas Company:

South Jersey Gas Company  
Attn: Deborah Franco  
1 South Jersey Place  
Atlantic City, NJ 08401  
[dfranco@sjindustries.com](mailto:dfranco@sjindustries.com)

If to Public Service Electric and Gas Company:

Public Service Electric and Gas Company  
Attn: Karen Reif  
80 Park Plaza  
Newark, New Jersey 07101  
[KarenS.BassinReif@pseg.com](mailto:KarenS.BassinReif@pseg.com)

Public Service Electric and Gas Company  
Attn: Matthew Weissman  
80 Park Plaza  
Newark, New Jersey 07101  
[Matthew.Weissman@pseg.com](mailto:Matthew.Weissman@pseg.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions

contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.


XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

South Jersey Gas Company

By: Deborah Franco  


Title: VP/Rates, Regulatory & Sustainability

Date: June 29, 2021

Public Service Electric and Gas Company

By: Karen Reif  


Title: Vice President, Renewables and Energy Solutions

Date: June 30, 2021

## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include

prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.



- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.



- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2

### Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL_EE_Pgm_Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**



Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**Elizabethtown Gas Company**  
**And**  
**Rockland Electric Company**

**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

**I. Parties**

This Memorandum of Agreement (this “MOA”) is made and entered into by and between Elizabethtown Gas Company and Rockland Electric Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

**II. Authority**

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

**III. Purpose of the Agreement**

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

**IV. Further Background for this MOA**

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility’s Programs.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group (“AEG”), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

## V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- “CIS Data” – customer data extracted from each Utility’s customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- “Electric Distribution Company” (“EDC”) – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- “Gas Distribution Company” (“GDC”) – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- “Lead Utility” – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- “Order” – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- “Partner Utility” – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. “Lead Utility), then the gas Utility would be the Partner Utility for that participation).
- “Program” – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a “Core Offering” or an “Additional Utility-Led Offering” as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.
- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.

- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.
- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.

- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

#### Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

#### Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.



In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.
  - The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing

- Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
- The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory

Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided, however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to Elizabethtown Gas Company:

Elizabethtown Gas Company  
Attn: Deborah Franco  
520 Green Lane  
Union, NJ 07083  
dfranco@sjindustries.com

If to Rockland Electric Company:

Rockland Electric Company  
Attn: Donald E. Kennedy  
390 West Route 59 - Dept SVOC  
Spring Valley NY 10977  
Email Address: [kennedyd@oru.com](mailto:kennedyd@oru.com)

With Copy to:

Consolidated Edison Company of New York, Inc.  
Attn: Law Department  
4 Irving Place 18<sup>th</sup> Floor  
New York, New York 10003  
Email Address: [comesm@coned.com](mailto:comesm@coned.com) and  
[carleyj@coned.com](mailto:carleyj@coned.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

Elizabethtown Gas Company

Rockland Electric Company



By: \_\_\_\_\_  
Deborah Franco

By: \_\_\_\_\_  
Janette Espino

Title: VP/Rates, Regulatory & Sustainability

Title: Vice President, Customer Service

Date: June 29, 2021

Date: June 30, 2021

## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.



## Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

## Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.
- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer’s capital investment for qualifying energy efficient equipment,

to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

### Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.
- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.

## Addendum 2 Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

Utility	Contact Name	Contact Email Address and Phone Number
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857
	Maureen Minkel	<a href="mailto:mminkel@sjindustries.com">mminkel@sjindustries.com</a> 609-204-0948

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets
- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations



### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the “Committee”). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility’s Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding (“IPF”) for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding (“IPF”) for all Lead Utilities in overlapping service territories in July 2021.
- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently

exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.



The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

**Notes:**

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”). The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility's tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange ("MPDE") report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice ("Invoice") to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

**V. Dispute Resolution**

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month’s ORDE and recorded in each utility’s tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Memorandum of Agreement**  
**Between**  
**New Jersey Natural Gas Company**  
**And**  
**Jersey Central Power & Light Company**

**For the Coordination of Energy Efficiency Programs in the State of New Jersey**

**I. Parties**

This Memorandum of Agreement (this “MOA”) is made and entered into by and between New Jersey Natural Gas Company and Jersey Central Power & Light Company (collectively referred to as the “Signatory Parties”). When executed by both Signatory Parties, this MOA shall become effective as of the last signature date.

**II. Authority**

This MOA is established from coordination among the seven (7) New Jersey investor-owned electric and gas utilities (as more fully defined below, each a “Utility” and collectively, “Utilities”) to establish and administer energy efficiency programs. The Order (as defined in Section IV “Definitions” below) directs each electric distribution company and gas distribution company in the State of New Jersey (the “State”) to establish coordinated energy efficiency (“EE”) and peak demand reduction (“PDR”) programs pursuant to the Clean Energy Act of 2018<sup>1</sup>. These programs are separate from any other EE or PDR program historically or currently offered by the Utilities. This MOA does not modify or displace any provisions contained in the orders issued by the New Jersey Board of Public Utilities (“BPU”) authorizing each Utility’s EE and PDR programs.

**III. Purpose of the Agreement**

The purpose of this MOA between the Signatory Parties is to establish the structure, processes, payment terms, schedule and dispute resolution procedure for the transfer of rebates, customer incentives, financing of projects, and energy savings associated with coordinated utility-administered Programs (as defined below). Specifically, this structure will define how the rebates and other customer incentives, financing of projects and energy savings realized from EE projects, that include both electric and gas fuels, are installed in overlapping service territories and are transferred between the Utilities. The energy savings to be transferred and associated payments subject to this MOA are as determined by the Statewide Coordinator (“SWC”) data system.

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<sup>1</sup> P.L. 2018, c.17 (N.J.S.A. 48:3-87.8 et seq).



#### IV. Further Background for this MOA

The Utilities are mandated under the Order to implement the Programs in a consistent manner and develop supportive processes, procedures, requirements, and forms. The SWC will support the coordinated delivery of appropriate EE measures through each Utility's Programs.

As part of this collaboration, each Utility will pay for relevant incentives and financing costs and will claim all the EE energy savings for the fuel type it provides within its service territory. The applicable Utility is entitled to make this claim regardless of whether that Utility had the initial relationship with the customer for the EE project or measures.

The SWC will support the Programs starting July 1, 2021. The vendor delivering the SWC solution is Applied Energy Group ("AEG"), and its contracts with each Utility will be in effect through June 30, 2024, subject to any closeout and termination provisions contained therein. The Utilities will begin using the SWC platform and services in support of Program delivery as early as July 1, 2021.

#### V. Definitions

Defined terms not otherwise defined herein will have the meanings set forth below.

- "CIS Data" – customer data extracted from each Utility's customer information system and provided to the Statewide Coordinator for use in identifying shared customers and participation in previous or current Programs.
- "Electric Distribution Company" ("EDC") – an investor-owned utility company that provides and distributes electricity to ratepayers in New Jersey.
- "Gas Distribution Company" ("GDC") – an investor-owned utility company that provides and distributes natural gas to ratepayers in New Jersey.
- "Lead Utility" – the Utility party hereto that has the initial relationship with the customer for the EE savings measure or project (i.e., is responsible for customer in-take) and leads on the calculation of savings, disbursements of program rebates, or incentives and customer financing options, as applicable.
- "Order" – the BPU Order dated June 10, 2020 directing the Utilities to administer energy efficiency programs. (See BPU DOCKET NOS. QO19010040, QO19060748 & QO17091004.)
- "Partner Utility" – the Utility party hereto that provides the other commodity for a customer that participates in a Program (as defined below) (e.g., if a customer who has electric services provided by one Utility and gas services provided by another Utility participated in a Program administered by the electric Utility (i.e. "Lead Utility), then the gas Utility would be the Partner Utility for that participation).
- "Program" – any EE program or sub-program filed by a Utility in response to the Order, which is administered either as a "Core Offering" or an "Additional Utility-Led Offering"

as listed in Addendum 1, and is coordinated among the EDCs and GDCs as specified in Addendum 1.

- “SWC” – an interconnected database and tracking system used among the Utilities and their Program implementation contractors to track and allocate, based on pre-determined factors, energy savings, rebates, and other customer incentives; and between Utilities in geographic areas where customers are served by two (2) Utilities, one of which is a GDC and one of which is an EDC subject to the Order.
- “Utilities” – the New Jersey investor-owned electric and gas utilities responsible for administering the EE Programs under the Order, which include:
  - Atlantic City Electric Company
  - Elizabethtown Gas Company
  - Jersey Central Power & Light Company
  - New Jersey Natural Gas Company
  - Public Service Electric & Gas Company
  - Rockland Electric Company
  - South Jersey Gas Company

Personnel contacts for each Utility administering the EE Programs are listed in Addendum 2.

## VI. Roles and Responsibilities

The SWC, Lead Utility and Partner Utility each have unique roles and responsibilities in the administration and delivery of the Programs. These roles, as specific to the identification, verification and distribution of energy savings and associated rebates, incentives, and financing, are set forth below. For a specific Program or customer of such Program when a Signatory Party is a Lead Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Lead Utility; and when it is a Partner Utility, it will be required to adhere to the Roles and Responsibilities applicable to the Partner Utility.

### SWC

- Capture CIS Data from Utilities to coordinate customer eligibility for participation in Programs.
- Match a customer’s electric or gas Utility account information, where applicable, to facilitate coordinated participation in the given Program.
- Track initial EE project details input by the Lead Utility, as well as customer participation data for other Utilities to screen for customer eligibility and, where applicable, to notify the Partner Utility of a customer’s planned participation.
- Allocate the dual-fuel or Partner Utility-fuel savings and final rebates, incentives, financing between the Lead Utility and Partner Utility, and applicable customer financing information based on pre-determined and common calculations, protocols and processes as outlined in Section VII – “Allocation of Rebates, Incentives, Financing”.

- Generate supporting reports detailing project and customer information, energy savings, coordinated project rebates, incentives, financing due between the Utilities, and if applicable and relevant, financing information. The Utilities will use the SWC-generated reports to produce invoices between the Utilities offering the coordinated Programs regarding applicable final rebates, incentives, and financing.

#### Lead Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs.
- Offer relevant coordinated Program services.
- Fulfill, as applicable, EE measure rebates or incentives for relevant gas, electric and dual-fuel EE measures for customers and/or contractors.
- Offer financing to eligible customers, where applicable.
- Monitor the rebate, incentive, and financing budgets of those Programs in which Partner Utility-fuel and/or dual-fuel energy savings may be realized to ensure availability of funds for Program operations.
- Develop processes and procedures to submit project reservations, where applicable, to the SWC to ensure: 1) customer's Program eligibility; and 2) that the Partner Utility has available funds to support its portion of the EE project rebates, incentives, and financing.
- Transfer final dual-fuel or Partner Utility-fuel project data and final rebates, incentives, and financing in a pre-determined format to the SWC according to a mutually agreeable schedule. This should include a prescreening process to minimize the number of projects advanced that do not qualify for a transfer (e.g. electric measures for a customer served by certain municipal utilities or certain measures for deliverable fuel customers).
- Collect energy savings and rebates, incentives, and financing reports from the SWC for the Partner Utility and ensure Program transaction accuracy.
- Send the monthly energy-savings report and project net rebates, incentives, and financing invoice to any Partner Utility in an agreed upon format according to a mutually agreeable schedule.

#### Partner Utility

- Provide SWC with CIS Data for customer eligibility requirements for participation in coordinated Programs, and support customer identification efforts if a customer match cannot be confirmed automatically.
- Aid in customer confirmation when not possible through SWC.
- Review and confirm the list of EE measures delivered from the SWC for Core Program projects.
- Monitor Program budgets to support availability of funds for Program operations.
- Develop a process to receive and review energy-savings reports and project rebates, incentives, and financing invoices from the Lead Utility.
- Pay undisputed invoices from the Lead Utility for the Partner Utility's share of costs within established payment terms agreed upon in Purchase Orders between the Utilities.

## Signatory Parties

- Provide thirty (30) calendar days advanced notice to the other Signatory Party of any permissible change to any Program rebate or incentive unless otherwise agreed to by the Signatory Parties.
- Provide written notice to the other Signatory Party of any changes to forecasted budget in accordance with the budget allocation process in Addendum 3.
- Provide prompt written acknowledgment of the other Signatory Party's notice of any Program rebate or incentive change, program slowdowns, or forecasted budget limitations, and, if applicable, make program adjustments in accordance with the budget allocation process in Addendum 3.
- Adhere to the settlements process as outlined in Addendum 4, and Addendum 5 if applicable.

## Program Start-up Considerations:

The Signatory Parties recognize that all coordinated Programs within a particular EE portfolio and/or full functionality of each coordinated Program may not be in place on July 1, 2021.

In situations where one Signatory Party's Program is operational prior to the other Signatory Party's Program, the operational Signatory Party's Program will provide services as the Lead Utility for any Partner Utility-fuel and/or dual-fuel measures or projects.

When the Partner Utility's Program is operational, it will receive the realized energy savings and incentives from the Lead Utility via the SWC and will be obligated to pay all incentive or financing provided on its behalf as the Partner Utility as set forth herein and in accordance with Addendum 4.

The SWC will provide documentation of such transactions once the Programs of the Lead Utility and the Partner Utility are integrated into the SWC system. Payment obligations will begin after those Programs are integrated into the SWC system.

Subject to the budgetary controls and limitations set forth in Addendum 3, in the event that the Partner Utility is unable to pay its share of Program costs (because it does not have BPU approval for its Program or the Program is not operational, or otherwise), the Lead Utility will have the right to engage the Dispute Resolution process in accordance with Section VIII to resolve the amounts to be paid by the Partner Utility to the Lead Utility for such Program and the timing of such payments.

## VII. Allocation of Rebates, Incentives and Financing

The Signatory Parties acknowledge that the Utilities will determine a methodology to allocate rebates, incentives and financing from each dual-fuel EE measure and project to each Lead Utility and Partner Utility. These pre-determined and common calculations, protocols and processes will be defined within the logic of the SWC and are outlined per the allocation methodology below. Such methodologies are subject to change based on agreement by all Utilities.

1. Measure incentives (rebate or cost based) unit/measure
  - a. Single Fuel incentives – 100% assignment
    - i. Examples: Lighting, EE kit contents, shower heads/faucet aerators, HVAC
  - b. Dual Fuel incentives – Split proportionally based on dual fuel energy savings (electric and gas converted to same unit and allocated)
    - i. Examples: e.g. air sealing, attic insulation, building shell improvements
2. Project rebate determined based on total project energy savings
  - a. Split proportionally based on annual or lifetime energy savings contribution
    - i. Examples: e.g. HPwES, Custom, Strategic Energy Management, Retro-commissioning
3. Exceptions or additional elements needing override table:
  - a. Smart Thermostat – override 50/50 split
  - b. HVAC Maintenance – override 50/50 split
  - c. HPwES Contractor incentives – override 50/50 split
  - d. Health and Safety – override 50/50 split

Rebates, incentives, and financing will be allocated as follows.

- Measure Rebates
  - Measure Rebates are monies paid to customers for the purchase of energy-saving products. These rebates can be realized by customers through a variety of channels – mail-in or in-store/instant forms, offers and discounts through marketplace, etc.
  - The Signatory Parties understand that the SWC will allocate Partner Utility-fuel and dual-fuel measure rebates between the Lead Utility and Partner Utility based on the methodology above and will assign the rebate to the Partner Utility.
- Incentives
  - Incentives are generally provided to customers or contractors as a percentage reduction of the overall cost of the project. This cost reduction value is based on energy savings projected or realized from the project.
  - In situations where a project has dual-fuel impacts and the incentive is based on project totals rather than individual measures, the totality of the project savings and incentives will be sent to the SWC for allocation or assignment.

- The allocation of incentives will follow the process as outlined above for Measure Rebates.
- Financing
  - Financing is available to customers at no or low-cost for the purchase of energy-saving products and projects and may be offered through on-bill repayment, off-bill repayment, or via a third-party provider. The cost of offering financing is recoverable as noted in the Order.
  - The Signatory Parties will share or retain the Program-offered customer financing based on the following rules as determined by the Lead Utility’s primary financing mechanism as outlined below.

		Lead Utility (primary financing mechanism)		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Utility Keeps Financing Investment	Lead Utility Keeps Financing Investment	Share Interest Buy-Down Costs

- The Signatory Parties understand that the SWC will allocate financing per the allocation methodology above.
- A Lead Utility may change its financing mechanism over the course of the Program cycle and will give the Partner Utility adequate notice, a minimum of six (6) months before that change will go into effect, unless otherwise agreed to by the Signatory Parties.
- The Lead Utility may employ multiple financing strategies. In these instances, the Lead Utility will notify the Partner Utility that its standard treatment does not apply, along with the relevant details of the non-standard financing arrangements.

## VIII. DISPUTE RESOLUTION

The Signatory Parties anticipate that there will be data and invoicing errors as Program and project information is being transferring from multiple contractors, implementation vendors and Utilities to the SWC. When a suspected error is found, the Program contact from the Signatory Party discovering the suspected error (the “Discovering Party”) will explain the details of such suspected error in writing to the other Signatory Party. The Signatory Party that made the suspected error (the “Erring Party”) will then have fourteen (14) calendar days after receipt of such explanation or discovery of the suspected error, as applicable, to investigate the suspected error and propose a resolution in writing. If resolution is not possible within this 14-calendar day period, the Signatory Party that did not make the suspected error will set forth a process to achieve a resolution in an agreed-upon time with the Erring Party. In any event, the Signatory Parties intend that all suspected errors will be resolved within thirty (30) calendar days (or such longer period as the Signatory Parties may agree) (the “Resolution Period”) after receipt of such explanation or discovery of the suspected error, as applicable.

In the event that the suspected errors are not resolved within such 30-calendar day period, or in the event of any dispute concerning this MOA in general, the Signatory Parties agree that they will attempt in good faith to resolve such disputes promptly by negotiation as follows. Either Signatory Party may give the other Signatory Party written notice of any dispute not resolved in the normal course of business or in accordance with the preceding paragraph. Executives of both Signatory Parties at levels one level above the individuals who have previously been principally involved in the dispute will meet at a mutually acceptable time and place within ten (10) business days after receipt of such notice (or such longer period as the Signatory Parties may agree), and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days from the referral of the dispute to executives (or such longer period as the Signatory Parties May agree) or if no meeting of executives has taken place within fifteen (15) calendar days after such referral (or such longer period as the Signatory Parties may agree), either Signatory Party may initiate such legal action as it deems appropriate. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator will be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this section are confidential and protected from subsequent testimonial disclosures, and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

## IX. AMENDMENTS

This MOA may be amended by the written request of a Signatory Party. Any proposed amendment or modification shall be submitted by one Signatory Party to the other Signatory Party prior to formal discussion or the negotiation of the issue. Any amendment to this MOA that is not based on the special circumstances particular to the Signatory Parties, in the reasonable opinion of both Signatory Parties, must also be reviewed and agreed to by the other Utilities (an “Amendment Event”). A final amendment to this MOA arising from an Amendment Event will result in the same amendments to all MOAs in substantially the form hereof between any of the other Utilities, which will be set forth in writing. Any amendment to this MOA arising from an Amendment Event will be signed by all Signatory Parties and all corresponding amendments to MOAs in



substantially the form hereof will be signed by the signatory parties thereto. Any amendment to this MOA arising from an Amendment Event will not become effective until such amendment and all such corresponding MOA amendments are signed by all of the respective signatory parties thereto. In the event Signatory Parties propose an amendment or modification that, in the reasonable opinion of both Signatory Parties, is based on the special circumstances particular to the Signatory Parties (a “Special Circumstances Amendment”), such Signatory Parties may enter into a Special Circumstances Amendment and such amendment or modification shall not amend or modify all MOAs between any of the other Utilities.

#### X. ENTIRETY OF AGREEMENT

This MOA, together with the Addenda hereto and incorporated herein, represents the entire, exclusive and fully integrated statement of their agreement between the Signatory Parties concerning the subject matter hereof, and supersedes all prior negotiations, representations and agreements, whether written or oral. The Signatory Parties further intend the entire, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage or course of dealing.

#### XI. RENEWAL OF AGREEMENT AND TERMINATION

This MOA shall terminate on June 30, 2024, except with respect to any outstanding payment obligations that arose during the term of the MOA. Subject to any regulatory requirements, the Signatory Parties may enter into an amendment renewing this MOA prior to such termination date; and any such renewal amendment will specify the new effective and termination dates of the renewed MOA.

If the regulatory framework in effect as of the date of this MOA and the Program under which it is executed, whether such regulatory framework is set forth in regulations, the Order, the Board’s Orders approving each Utility’s EE plans, or otherwise, is amended or suspended by the Board or any other governmental authority and/or is no longer in force, then a Signatory Party shall have the right to terminate its participation in the MOA upon written notice; provided, however, that such Signatory Party shall continue to be obligated to fulfill any outstanding payment obligations that arose while the MOA was in effect.

#### XII. NOTICES

For the duration of the Public Health Emergency and State of Emergency related to the COVID-19 pandemic declared by the State: (a) any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered by email to the address indicated below; and (b) overnight mail or U.S. Mail will not be a permitted delivery method.

After the expiration of the above-referenced Public Health Emergency and State of Emergency, any notice, statement, or other communication which is required or permitted hereunder shall be in writing and shall be sufficient in all respects if delivered personally or by certified United States mail, postage prepaid, return receipt requested, email or by a recognized next-day courier service, in each case addressed to the recipient Signatory Party at its address set forth below; provided,



however, that, if requested by a Signatory Party, any such notice by electronic mail must include notice by overnight mail, personal service or US mail, postage prepaid, return receipt requested. The address of a Signatory Party may be changed from time to time by giving notice in the manner prescribed in this paragraph. All such notices or communications will be effective: (i) if email, upon mailing; (ii) upon receipt, if personally delivered; and (iii) on the first (1st) Business Day following the date of dispatch, if delivered by a nationally recognized next-day courier service. If the sender of an electronic mail notice receives a reply indicating that the electronic mail address set forth below is no longer valid, the sender of the email must notify the recipient and request an alternative email for the purpose of providing adequate notice hereunder.

If to New Jersey Natural Gas Company

New Jersey Natural Gas Company  
Attn: Mark G. Kahrer  
1415 Wyckoff Road  
PO Box 1415  
Wall, NJ 07719  
[mkahrer@njng.com](mailto:mkahrer@njng.com)

If to Jersey Central Power & Light Company:

Jersey Central Power & Light Company  
Attn: Kurt Turosky  
76 South Main St.  
Akron, OH 44308  
[turoskyk@firstenergycorp.com](mailto:turoskyk@firstenergycorp.com)

Jersey Central Power & Light Company  
Attn: Joshua Eckert  
300 Madison Avenue  
Morristown, NJ 07962  
[jeckert@firstenergycorp.com](mailto:jeckert@firstenergycorp.com)

### XIII. CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

This MOA will be governed by the laws, but not the rules relating to the choice of law, of the State. The Signatory Parties agree that the federal and state courts sitting in the State will have exclusive personal jurisdiction over each of the Signatory Parties and any action involving a dispute under this MOA will have as its venue a court located in the State, and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agrees that service of any process, summons, notice or document by U.S. registered mail or by express courier such as Federal Express to a Signatory Party's address set forth in Section XII "Notices" will be effective service of process for any action, suit or proceeding brought against a Signatory Party in any such court. Each Signatory Party hereby irrevocably and unconditionally waives any objection to the

laying of venue of any action, suit or proceeding arising out of this MOA or the transactions contemplated hereby in the courts located in the State and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE SIGNATORY PARTIES SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS MOA.

XIV. WAIVER; SEVERABILITY

Neither the failure nor any delay by either Signatory Party in exercising any right, power or privilege under this MOA will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law, in equity, or under the MOA. If any provision of this MOA is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity will not be deemed to affect any other provision hereof or the validity of the remainder of this MOA, and such invalid provision will be deemed deleted from this MOA to the minimum extent necessary to cure such violation.

XV. SIGNATORY AUTHORITY; COUNTERPARTS; ELECTRONIC SIGNATURE

The undersigned certify that they are authorized to execute this MOA on behalf of their respective companies. This MOA may be executed in two or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Signatures to this MOA transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

XVI. SIGNATURES

By the signatures below, the Signatory Parties agree to the terms of this MOA.

New Jersey Natural Gas Company

Jersey Central Power & Light Company

By:   
Mark G. Kahrer


By:   
James Fakult

Title: Senior Vice President – Regulatory Affairs, Marketing and Energy Efficiency

Title: President, JCP&L

Date: 6/30/2021

Date: June 30, 2021

 6/30/2021



## **Addendum 1**

### **Program List and Descriptions**

As part of this collaboration, each Utility will pay for relevant Program or project incentives and financing costs as noted in Section VII. “Allocation of Rebates, Incentives and Financing”, above, and will claim all the EE energy savings for the fuel type it provides within its service territory. A list and description of the Programs is below.

#### **Core Offerings**

##### **Energy Efficient Products**

This Program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers. The Program will offer a broad range of energy-efficient equipment and appliances through a variety of channels retail channels, including, but not limited to, an online marketplace, downstream rebates to customers, up-front rebates, reduced point of sale costs, and midstream or upstream components. Utilities will also collaborate with local foodbanks and non-profit organizations to distribute kits and products to customers in need. The Program will provide incentives for energy-efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other products (e.g., smart thermostats, water saving measures, weatherization items, and prepackaged kits). The Program may include customer opportunities at no up-front costs to engage and introduce customers to energy-savings opportunities and achieve energy-savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The Program is designed to provide easy and cost-effective access to energy-efficient measures through customers' preferred channels and provide a means to encourage customers to take the first steps toward energy efficiency.

##### **Home Performance with ENERGY STAR**

Home Performance with ENERGY STAR (“HPwES”) is a subprogram of the Existing Homes Program. HPwES will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this Program must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program or access to financing with similar terms.

This Program is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy-savings. The Program will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy-savings opportunities. The utilities will also seek to increase the number of contractors certified to offer

customers the U.S. Department of Energy Home Energy Score (HES) to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

### Multi-Family

This program addresses multi-family structures with three or more units. As such, there can be significant variation in the types of structures served under this Program, ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high-rise buildings. To meet the specific needs of each customer, the Multi-Family Program will provide a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy-savings measures, comprehensive energy-savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multi-family Program will provide on/off-bill repayment or access to financing with similar terms and enhanced incentives for low-income or affordable housing properties.

The Multi-Family Program will seek to work with each customer to determine and package the best energy-saving opportunities based on the Company's current program offerings (e.g. direct installation of standard energy-savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multi-Family Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy-saving measures to help encourage program participation. The assessment will also identify additional energy-saving opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy-savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size
- Number of units
- If the facility is being served by a central plant
- If there are individual heating and cooling units
- If there are building envelope/weatherization opportunities
- Application review with a potential virtual site inspection
- Application review with potential telephone interview with Property Management
- An on-site pre-scoping audit may be performed

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy-saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a Comprehensive Engineered Solutions project. The measures within the project plan will be consistent with the terms and conditions of the Utility's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include

prescriptive measures with set energy savings and/or custom projects with savings on a project basis.

#### Small Business Direct Install

The Small Business Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations (“eligible customers”) that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The Program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The Program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The Program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers, while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The Program fills an important gap by targeting, promoting, and delivering efficiency services to eligible customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

#### Commercial and Industrial Prescriptive and Custom Measures

The C&I Prescriptive and Custom Measure is a subprogram of the Energy Solutions for Business Program. It will promote the installation of high-efficiency electric and/or natural gas equipment by the Utilities’ C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low- to no-interest financing to further reduce first-year cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.

- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand.
- Ensure the participation process is clear and simple.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by a Utility, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

## Additional Utility-Led Offerings

### Moderate-Income Weatherization

Moderate-Income Weatherization is a subprogram of the Existing Homes Program. It is intended to target customers in the 250-400% above poverty threshold and provide home energy audits and installation of energy-saving measures. The home energy audit will include an air leakage blower door test. Contractors will then install energy-savings measures based on the results of the audit. The energy-savings measures may include lighting, weatherization (air sealing, insulation, and duct insulation), no-cost HVAC replacement (for customers with non-functioning heating systems), smart thermostats, and water saving measures. The audit and measures will be provided at no cost to the customer. All measures will be installed by a qualified contractor. The program also includes an up to amount (\$1,500) to cover any health and safety concerns that need to be resolved to complete the weatherization job.

## Quick Home Energy Check-Up

The Quick Home Energy Checkup (QHEC) subprogram of the Existing Homes Program. It is a no-cost turnkey offering for residential customers to assess their home's energy use and realize immediate energy savings. The subprogram will be delivered by a network of pre-qualified contractors who will visit customers' homes, conduct energy audits, and make a visual assessment of the home's systems and appliances. The contractor's report will present appropriate energy-saving opportunities and the contractor will install energy-saving measures as part of the visit. The measures installed during a QHEC may include LED lighting, water heater pipe insulation, efficient showerheads, low flow faucet aerators, and smart power strips. A smart thermostat will be installed at no cost for electric heat or central air conditioning customers.

## Engineered Solutions

C&I Engineered Solutions is a subprogram within the Energy Solutions for Business Program. It provides tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and other healthcare facilities, non-profit entities and multi-family facilities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer.

Through this program, customers will be provided with an in-depth facility audit as well as a detailed assessment and recommendation of cost-effective energy efficiency measures. Customer incentives will be determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest-free financing. Through this approach, participants in market segments that have typically been underserved are able to achieve greater energy-savings.

## Energy Management

Energy Management is a subprogram within the Energy Solutions for Business Program. It includes four offerings to assist C&I mid-size and large customers tune up their building equipment and use energy more productively. These offerings are designed to capitalize on operational saving opportunities, no- and low-cost energy efficiency measures and identify opportunities for energy productivity savings. Customers can make changes to their HVAC, building automation, controls, industrial processes and electrical systems through offerings that include:

- **Unitary HVAC Tune-up** – The unitary HVAC offering focuses on retuning equipment and returning it to its proper operational state. The focus of this program is on no- and low-cost measures, reducing future maintenance and repair costs, and saving energy for the customer.
- **Full Building Tune-up** – The full building tune-up is a retrocommissioning (RCx) program designed to retune equipment across the entire building and identify no-cost measures and energy efficiency projects for customers.

- **Monitoring Based Commissioning (MBCx)** – MBCx is focused on monitoring the equipment in a building over a specific period to identify when equipment is not operating as expected and to make changes based on data. This allows customers to maximize the operational efficiency of the facility and associated equipment, while benefiting from a continuous process to improve comfort and optimize energy usage.
- **Strategic Energy Management (SEM)** – SEM is a unique offering best suited for larger customers. In this contractor delivered program, cohorts of approximately 10 customers are recruited to gather regularly to learn about efficiency opportunities and make recommendations on energy efficiency projects. These behavioral and project savings will lead to increased energy productivity (energy per unit of production) for customers as measured through computer modeling. This high-engagement approach strengthens the relationship between the customer and Utilities and leads to long term savings for companies.



## Addendum 2 Program Contacts

Each Utility's contact(s) administering the Programs and supporting the SWC coordination are listed below.

<b>Utility</b>	<b>Contact Name</b>	<b>Contact Email Address and Phone Number</b>
Atlantic City Electric Company	Megan Partridge	<a href="mailto:MPWehler@pepco.com">MPWehler@pepco.com</a> (202)-872-2181
Elizabethtown Gas Company	Frank Vetri	<a href="mailto:fvetri@sjindustries.com">fvetri@sjindustries.com</a> (732) 216-1124
	Andrew Lee	<a href="mailto:alee@sjindustries.com">alee@sjindustries.com</a>
Jersey Central Power & Light Company	Jim Longacre	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (724) 838-6640
	Kurt Turosky	<a href="mailto:JCPL_EE_Pgm_Contacts@firstenergycorp.com">JCPL EE Pgm Contacts@firstenergycorp.com</a> (330) 384-5847
New Jersey Natural Gas Company	Anne-Marie Peracchio	<a href="mailto:Aperacchio@njng.com">Aperacchio@njng.com</a> (732) 948-3486
	Jerry Ryan	<a href="mailto:Jryan@njng.com">Jryan@njng.com</a> (732) 433-4362
Public Service Electric & Gas Company	Susanna Chiu	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Susanna.Chiu@pseg.com">Susanna.Chiu@pseg.com</a> (732) 391-1168
	Karen Sheehan	<a href="mailto:EE_Programs@pseg.com">EE_Programs@pseg.com</a> <a href="mailto:Karen.Sheehan@pseg.com">Karen.Sheehan@pseg.com</a> (973) 430-8480
Rockland Electric Company	Charmaine Cigliano	<a href="mailto:ciglianoc@oru.com">ciglianoc@oru.com</a> (845) 577-2408
	Jon Hilowitz	<a href="mailto:hilowitzj@oru.com">hilowitzj@oru.com</a> (845) 577-2423
	Jeremy Scott	<a href="mailto:scottj@oru.com">scottj@oru.com</a> (845) 577-2438
South Jersey Gas Company	Pete Druckenmiller	<a href="mailto:wdruckenmiller@sjindustries.com">wdruckenmiller@sjindustries.com</a> (609) 569-2108
	Mike Savacool	<a href="mailto:msavacool@sjindustries.com">msavacool@sjindustries.com</a> (609) 569-6857

## **Addendum 3**

### **Lead/Partner Utility Budget Allocation Process**

#### **Background**

The New Jersey Clean Energy Act of 2018, the NJ BPU June 2020 EE Transition Order, and BPU Orders approving the 1<sup>st</sup> Triennial of NJ Utility EE Programs establish competing requirements for utilities:

- Utilities shall achieve a minimum of 2% electric and 0.75% gas savings per year within five (5) years of Program implementation;
- Utilities must coordinate on the design and delivery of Core Offerings; and
- Utilities must implement EE Programs and achieve savings established in the Order, while not exceeding approved budgets

Furthermore, delivery of EE to customers in overlapping service territories requires coordination between Lead and Partner Utilities, most notably in the sharing of investments and savings for these projects.

Defined terms used without definition herein will have the meanings ascribed to them in the MOA.

As a result of these competing requirements, the Utilities are confronted with the prospect that approved budgets for a given Partner Utility may constrain the ability of a Lead Utility to achieve its stipulated energy savings. The following process is therefore defined to manage these constraints and competing requirements in a manner that:

- 1) is prudent;
- 2) ensures that Utilities do not exceed their Board-approved budgets without prior regulatory authorization;
- 3) minimizes constraints on a Utility's ability to achieve its energy savings requirements;
- 4) establishes a mechanism to monitor and flexibly coordinate Lead/Partner Utility budget allocations; and
- 5) coordinates communications with stakeholders and Staff, where necessary and appropriate, on anticipated Program closures and remedies to avoid disruptions to the market that would result therefrom.

#### **Objectives**

Establish a Lead/Partner Utility budget process to ensure Utilities can manage to their Board-approved annual and triennial Program and portfolio budgets while supporting achievement of the Order savings targets and coordination directives. The EE framework anticipates certain levels of budget flexibility within and between Programs, as delineated in the Order and approved Stipulations. This process will:

- Ensure awareness of Board-approved Partner Utility budgets for Program planning
- Enable overlapping Utilities to best coordinate timing, amount of spending, and savings attainment within Board-approved Plans
- Avoid situations where a Lead Utility could cause budget overruns and cost-recovery concerns
- Avoid situations where a Lead Utility could pre-spend future budgets that are needed by the Partner Utility to meet future year savings targets

- Provide mechanisms for Lead and Partner Utilities to actively monitor budget forecasts and manage potential shortfalls that may prevent a Lead Utility from achieving its savings targets mandated by the Order.
- Provide a process for the Partner Utility to reallocate funding, when appropriate, to address a Lead Utility's request for additional budget allocations

### Joint Utility Budget Coordination Committee

Utilities will accomplish the above Objectives through the establishment of a standing Joint Utility Budget Coordination Committee (the "Committee"). This Committee will provide a process for Utilities to discuss budgeting issues for Programs that have cross fuel implications. The Committee will meet at least on a monthly basis with the recognition that a Lead Utility and Partner Utility may need to be in more frequent communications. The Committee will be composed of no more than three (3) representatives from each Utility. The Committee will have the option to add additional Utility representatives when necessary and as determined by the Committee. The Utilities commit to work in good faith to explore opportunities to realign budgets, communicate with Staff and/or stakeholders when appropriate and necessary, and to pursue shared regulatory solutions as may be agreed upon.

The Committee will facilitate the budget allocation, monitoring, and adjustment processes defined below, as well as coordinate on Stakeholder and regulatory communications as may be needed.

### Budget Allocation Process

- No later than three (3) months prior to the start of each Plan Year (or 4/1/2X), all Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year to support offering coordinated Programs as a Lead Utility. For Plan Year 1, Utilities in overlapping service territories will provide forecasts of requested funding and associated efficiency savings (MWh, MMBtu) for the upcoming plan year in June 2021.
  - Such forecasts shall be for the entirety of the 12-month Plan Year
  - Forecasts shall be specific to each Lead Utility and Partner Utility and per Program or sub-Program, as applicable based on a Partner-utility's Board-approved portfolio and Program limitations.
- As part of overall portfolio and Program performance and budget management responsibilities, each Partner Utility will review the totality of funds requested from each of its Lead Utilities.
- Each Partner Utility will balance all requested funds against factors such as annual Program budgets, internal and contracted expenses, incentive level expectations, prior or anticipated budget shifts, regulatory guidance, target achievement, historical performance, known projects/pipelines, etc.
- No later than two (2) months prior to the start of the Plan Year (or 5/1/2X), each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories to jointly use in support of coordinated Program offerings. For Plan Year 1, each Partner Utility will provide determinations of Initial Program Funding ("IPF") for all Lead Utilities in overlapping service territories in July 2021.

- IPFs will serve as an initially reserved funding pool to support customer incentives and other agreed-upon costs (e.g. contractor fees) to be reimbursed to each Lead Utility by the Partner Utility in a coordinated Program offering.
  - IPFs allow Lead Utilities to operate independently without the need to request specific project financial pre-approval<sup>1</sup>—so long as total Program/sub-Program actual and committed spending does not exceed IPF totals.
  - IPFs may not be exceeded without prior approval from the Partner Utility. Any funding paid or committed to by a Lead Utility in excess of an IPF is not guaranteed for reimbursement by the Partner Utility and the Partner Utility is not obligated to reimburse the Lead Utility for any amounts the Lead Utility spends, or commits to spend, above the IPF. Should a Lead Utility inadvertently exceed an IPF, it shall notify the Partner Utility in writing no later than three (3) business days after any error is discovered.

### Budget Monitoring Process

To assist with the management of the above initial budget funding process, Utilities will share on a monthly basis updated forecasts of requested funding and associated energy savings for the near- and long-term forecasts as determined by the Committee. Such forecasts will provide expected forward investments by month and will be updated to reflect anticipated market activity and the pipeline of projects in preliminary and advanced stages of development.

### Budget Adjustment Process

- Utilities commit to ensure appropriate representation at Committee meetings. Such representatives will be prepared to discuss, consistent with the updated monthly forecasts, potential financial budget pressures and energy savings projections to ensure a robust discussion that can identify joint concerns and brainstorm potential solutions.
- At any time prior to or during a Plan Year, a Lead Utility may request adjustments to an IPF for a given Program/sub-Program from the Partner Utility.
  - The Lead Utility shall accompany such requests with supporting rationale and allow ample time for due consideration.
- The Partner Utility will determine, on a case-by-case basis, if IPFs can be adjusted, and will work in good faith to adjust IPFs when such requests can be accommodated.
- This consideration should include Order and Stipulation flexibility.
- Utilities have ultimate responsibility for management of their Board-approved Portfolios, programmatic performance, and budgets. As such, Partner Utilities retain full control of IPFs.
- Lead Utilities shall not commit the Partner Utility to payments that extend beyond the annual IPF period or the Partner Utility's currently approved triennial Plan period without written approval from the Partner Utility.
- Partner Utilities retain the right to adjust IPFs of coordinated Program offerings. In such cases, Partner Utilities will strive to achieve two (2) months advanced notice to affected Lead Utilities/Programs, where such adjustments require a reduction in IPFs that have not yet been committed.

### Stakeholder Communications

Should a Lead Utility request an increase in the IPF which is not granted by the Partner Utility and should the Lead Utility certify that refusal to increase the IPF will result in cessation of a Program and/or sub-Program, the Lead Utility and the Partner Utility will collaborate to establish a communication plan regarding the cessation of Programs. This communication plan shall address the expected closure of the EE Program, or a portion of a Program (e.g. electric measures within Direct Install) due to the Lead Utility's inability to continue Programs within its budgeted IPF amount.

### Regulatory Coordination

Positive customer and contractor experiences are key elements to successful Program operations. Utilities commit to collaborate and explore opportunities to realign budgets, and when appropriate, consider potential regulatory solutions to maintain cost-effective Program operations and avoid unnecessary market disruptions.

The Joint Utility Budget Coordination Committee will discuss and seek consensus on potential regulatory remedies to avoid market disruptions where possible.

### Notes:

<sup>1</sup> Other project pre-approvals may still be required as part of Program implementation for items including, but not limited to, EM&V methodologies or baseline condition coordination, per-project incentive caps, custom or other measure eligibility, etc.

## **Addendum 4**

### **Lead/Partner Utility Shared Investment Settlement Process**

The purpose of this Addendum on Settlements (hereinafter “Addendum”) is to define the settlement process for Shared Energy Efficiency (“SEE”) Investments.

#### I. Applicability

The settlement process for the sharing of SEE Investments is applicable to all completed, dual-fuel projects in overlapping service territories that are funded through a Utility Energy Efficiency Program Investment and processed through the Statewide Coordinator (“SWC”). Such SEE Investments will be mutually agreeable to the Utilities and may include, but not be limited to, the costs of customer incentives, contractor incentives, financing costs, and health and safety measures.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, Utilities agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each of their respective Partner Utilities, for the purposes of billing and remitting payments in accordance with the SEE Investment settlement processes defined below. The Utilities agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

Each respective Lead and Partner Utility pair agrees to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of SEE Investments. The Settlements Teams will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the SEE Investment settlement process.

Specifically, the Settlements Teams will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Teams may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. Settlements Process for SEE Investments

##### A. Lead Utility Initial Project Data Exchange

Consistent with practices and procedures established through the SWC, the Lead Utility is responsible for initiating the settlements process for the sharing of SEE Investments which will include details of energy efficient equipment summarized at the measure-level or project-level, and/or details of contractor payments or other elements eligible for coordinated Program delivery (collectively, “EE Activity”).

The Lead Utility will initiate this process by providing the SWC with EE Activity contained in a Lead Utility Initial Project Data Exchange (“IPDE”).

The Lead Utility IPDE will contain data elements and be in a format as established through the SWC. The Lead Utility will provide this IPDE information to the SWC through each Utility’s tracking system of record in a form and at intervals agreed to by the Settlements Team.

**B. SWC Master Data Exchange**

Consistent with practices and procedures established through the SWC, upon receipt of the Lead Utility IPDE, the SWC will perform calculations to determine the pro-rata sharing of SEE Investments for each given project. Following this determination, the SWC will make a SWC Master Project Data Exchange (“MPDE”) report available to Lead and Partner Utilities. The SWC MPDE will contain data elements mutually agreeable to the Lead and Partner Utilities and the SWC. The SWC will provide this information to Lead and Partner Utilities as part of a monthly summary of all EE Activity reported within the month.

**1. Acknowledgement and Confirmation**

Following receipt of the SWC MPDE, Lead and Partner Utilities will provide written acknowledgement and confirmation to the SWC that it has received the MPDE and has accepted the EE Activity contained therein for settlement. Lead and Partner Utilities will provide such written acknowledgement and confirmation of accepted records within the MPDE to the SWC and Settlements Team in a format and within a timeframe as agreed to by the Utilities consistent with the process established through the SWC.

**2. Resolution and Restatement**

If data discrepancies or other issues prevent the Lead or Partner Utility from providing such written acknowledgement and confirmation for all records contained in the SWC MPDE, the disputed records in question from the SWC MPDE will be sent back to the SWC or the appropriate Utility for resolution and, if necessary, restatement. The Lead and Partner Utility agree to work in good faith to identify and resolve any such disputes within two (2) weeks, where possible.

**C. Lead Utility SEE Investment Invoicing**

Following the finalization of the confirmation and/or restatement process for the monthly SWC MPDE described above, the Lead Utility will issue a Lead Utility SEE Investment Invoice (“Invoice”) to each applicable Partner Utility for the gross amount owed to it for SEE Investments made on behalf of its Partner Utility. The monthly Invoice will itemize EE Activity billed by program and will conform to a format as specified and agreed to by the Settlements Team.

**D. Partner Utility Invoice Payment Remittance**

Within thirty (30) days following receipt of the Invoice, on a monthly basis, the Partner Utility will remit payment via ACH wire transfer or EFT to the Lead Utility for the total amount due.

#### V. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Teams and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.



## **Addendum 5**

### **OBRP Repayment Settlements**

The purpose of this Addendum on On-Bill Refinancing Program (“OBRP”) Settlements is to define the settlement process for Shared customer On-Bill Refinancing program (“SOBR”) Repayments.

#### I. Applicability

The settlement process for the sharing of SOBR Repayments is applicable to all completed, dual-fuel projects that are shared between Lead and Partner Utilities PSE&G and South Jersey Gas or Elizabethtown Gas (“OBR Parties”), processed through the SWC, and financed through a utility Energy Efficiency OBRP.

#### II. Billing and Payment Authorization

Within thirty (30) days of July 1, 2021, the OBR Parties agree to authorize and enable – consistent with internal practices – the ability to issue invoices to and process payments from each other for the purposes of billing and remitting payments in accordance with the SOBR Repayments settlement processes defined below. The OBR Parties agree that payments will be remitted and accepted via an Automated Clearing House (“ACH”) wire transfer or electronic funds transfer (“EFT”).

#### III. Management and Oversight

The OBR Parties agree to establish a standing group of subject matter experts in intercompany energy efficiency transactions (“Settlements Team”) to manage and oversee the settlement process for the sharing of OBRP Repayments. The Settlements Team will meet monthly, or more frequently as may be needed, to identify and resolve any questions, issues, or discrepancies that may occur during the OBRP Repayments settlement process.

Specifically, the Settlements Team will monitor and verify information shared during the settlements processes described below. Additionally, the Settlements Team may also establish and define forms and standards as may be needed to achieve the purpose of this Addendum.

#### IV. General Terms

The OBR Parties agree that determinations regarding eligibility for OBRP financing will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that determinations regarding an event of default will be made by the Lead Utility in its sole discretion and in accordance with its OBRP policy.

The OBR Parties agree that defaults will be shared between Lead and Partner Utilities and that the Partner Utility will accept its pro-rata share of unrecoverable write-offs stemming from such events of default.

The OBR Parties agree that any and all recoveries made through collections processes will be shared between Lead and Partner Utilities.

For the purposes of clarity, the OBR Parties acknowledge and accept that South Jersey Gas and Elizabethtown Gas will begin collecting SOBR Repayments from customers in July 2022.

The OBR Parties agree that OBRP Investments will be shared and settled according to the Shared Energy Efficiency Investments settlements process outlined in Addendum 4 to this Agreement.

## V. Settlements Process for SOBR Repayments

### A. SOBR Repayments Data Exchange

The Lead Utility is responsible for initiating the settlements process for the sharing of SOBR Repayments. The Lead Utility will initiate this process by providing the Partner Utility with monthly SOBR Repayments details contained in an OBRP Repayments Data Exchange (“ORDE”).

The Lead Utility ORDE will contain data elements and be in a format as established by the Settlements Team. These data elements will provide repayments detail for each OBRP project in a monthly summary as recorded in the Lead Utility’s tracking system of record. The ORDE will itemize SOBR Repayments that have been billed or received within the applicable month, consistent with the Lead Utility’s current accounting practices.

The Lead Utility will provide the Partner Utility its ORDE monthly, within thirty (30) days of billing or receipt of such SOBR Repayments.

### B. Lead Utility SOBR Repayments Remittance

Concurrent with the monthly issuance of the ORDE as described above, the Lead Utility will remit SOBR Repayments Remittances to the Partner Utility via an ACH or EFT for the gross amount owed to the Partner Utility for the SOBR Repayments billed or received within the month, consistent with the Lead Utility’s current accounting practices, on the Partner Utility’s behalf. The amount of the monthly remittance will be consistent with the project SOBR Repayments detail provided within the ORDE.

The Lead Utility will make monthly remittances within sixty (60) days of billing or receipt of such SOBR Repayments.

## VI. Notifications

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP investment has been fully repaid. The SOBR Repayment project will be recognized in the applicable month's ORDE and recorded in each utility's tracking system of record.

The Lead Utility will notify the Partner Utility when a project financed through a shared OBRP Investment has been placed into default and written-off. The SOBR Repayment project's default status will be recognized in the Lead Utility's ORDE and recorded in each utility's tracking system of record. For each defaulted project/customer, the Lead Utility's ORDE will identify the final balance of the defaulted amount, along with other information and details as may be required and agreed to by the Settlements Team. Defaults written-off by the Lead Utility will be debited from the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above

The Lead Utility will notify the Partner Utility when it has made a collection and/or recovery on a defaulted SOBR Repayment project. The collection will be recognized in the Lead Utility's ORDE for the applicable month and recorded in each utility's tracking system of record. For each collection made on a defaulted project/customer, the ORDE will identify the amount collected/recovered, along with other information and details as may be required and agreed to by the Settlements Team. Collections received by the Lead Utility will be credited to the Partner Utility as part of the applicable month's Lead Utility SOBR Repayments Remittance, described above.

## VII. Dispute Resolution

Disagreements arising out of the settlement processes described within this Addendum will be discussed by the Settlements Team and, if resolution cannot be achieved, will be resolved through the dispute resolution process as described in the MOA.

**Exhibit B**

Summary of Initial Lead Utility Budget Allocation Requests  
and Initial Partner Utility Funding Allocations  
for Program Year 1 (7/1/2021-6/30/22\*)

Net Budget	Partners			
	JCP&L	RECO	ACE	PSEG
Sum of Lead Requests	\$ 14,110,815	\$ 1,905,025	\$ 2,134,958	\$ 1,749,873
Aggregate Partner Allocations Made Available	\$ 1,685,778	\$ 161,057	\$ 1,561,649	\$ 1,638,105
<b>Net Surplus / (Deficit)</b>	<b>(\$12,425,037)</b>	<b>(\$1,743,968)</b>	<b>(\$573,309)</b>	<b>(\$111,768)</b>

Net Budget	Partners			
	ETG	SJG	NJNG	PSEG
Sum of Lead Requests	\$ 7,631,460	\$ 3,746,562	\$ 2,664,941	\$ 1,409,501
Aggregate Partner Allocations Made Available	\$ 3,690,507	\$ 3,862,219	\$ 4,988,467	\$ 1,132,608
<b>Net Surplus / (Deficit)</b>	<b>(\$3,940,953)</b>	<b>\$115,657</b>	<b>\$2,323,526</b>	<b>(\$276,893)</b>

**Notes:**

Lead Budget Requests and Partner Allocations are forecasts as provided pursuant to Addendum 3 of the MOAs in Exhibit A

The Utilities have not formalized funding allocations for Program Years 2 and 3 but budget disparities are expected to continue in those years.

\*PSE&G Program Year started prior to July 1, 2021 due to an earlier approval date.