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VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Board.secretary@bpu.nj.gov

**Re: Quarterly Progress Report of Elizabethtown Gas Company – 2nd Quarter Program
Year 2022
DOCKET NOS. QO19010040 & GO20090619**

Dear Secretary Camacho-Welch:

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for the second quarter ("Q2") of Program Year 2022¹ ("PY22") of Elizabethtown Gas ("ETG" or "Company") with respect to its Clean Energy Act of 2018 Energy Efficiency ("EE") and Peak Demand Reduction ("PDR") Programs.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. E020030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Energy Efficiency Program Progress - Executive Summary:

As the second quarterly report, ETG continues to focus on implementing residential, multi-family and commercial programs and educating customers, contractors, and retailers on the portfolio of programs.

¹ For the purposes of these quarterly reports, the numbering of the quarters align to these dates: **Q1** (7/1/21-9/30/21); **Q2** (10/1/21 - 12/31/21); **Q3** (1/1/22 - 3/31/22); **Q4** (4/1/22 - 6/30/22).

Elizabethtown Gas has been offering energy efficiency programs since 2009. ETG has had a Behavioral program in place since 2017. This provides an opportunity to educate customers on their energy usage and share energy efficiency programs and tips to reduce consumption. ETG has previously offered a Moderate Income Weatherization program that provides an opportunity for income eligible customers to receive no-cost energy efficiency measures and upgrades.

ETG was approved to offer an On-Bill Repayment Program (OBRP) to make energy efficiency upgrades more accessible to residential, multi-family, and commercial customers. As part of the approval and to assist customers with the challenges of the ongoing pandemic and facilitate recovery, ETG offered deferred on-bill repayments for the first year of the program – July 1, 2021 through June 30, 2022. To date, 4 of residential customers have participated in OBRP.

ETG continued outreach to contractors during this quarter. Contractor training was held by the utility and their implementer on October 26th, 2021 to educate contractors on the Residential program offerings. The training focused on HVAC rebates, the on bill repayment program and the income eligible weatherization program. The utilities established a recurring Home Performance contractor meeting which is designed to educate contractors, listen to their feedback, gain input and share best practices. Meetings were held on November 18, 2021 and November 29, 2021. Topics discussed included heat pumps, blower door, thermostats, and Snugg Pro. More meetings are planned for Q3. HVAC contractor meeting is scheduled to begin in Q3.

The utilities continued to collaborate and participate on working calls to ensure consistent implementation, address joint budget needs, and support contractors.

The BPU, Rate Counsel and the utilities worked to finalize Equity metrics for the quarterly report. While we were not able to complete the Equity metrics for this report, we look forward to providing metrics on the next report. ETG will use metrics to inform our overburdened community outreach strategy and drive participation.

ETG issued a Request for Proposal (RFP) for the Behavioral Program during this quarter. The incumbent, Uplight was awarded the bid. This allowed the customer home energy reports to continue without interruption.

To better manage the ETG Home Performance with Energy Star budget, the company issued an RFP to select contractors to participate in the program. ETG selected three contractors to implement the program.

The Utilities are continuing to work on the development of the Statewide Coordinator (SWC) system that will facilitate the exchange of investments and energy savings between a Lead Utility and a Partner Utility. As of the date of this report, the SWC system is not yet fully tested and operational, therefore the utilities have not yet transferred information for expenditures and energy savings. As discussed during Utility Working Group discussions, Utilities are supporting the incentives for comprehensive projects that address both fuels with the intention to transfer all information through the SWC when the system is operational and integrated with each utility's program management software and tracking system. The joint utilities continue to hold weekly meetings to coordinate on program budgets. The utilities have submitted a petition for consideration with a proposed solution for potential budget disparities. Accordingly, the

information reflected within this quarterly report reflects all investments and financing made by Elizabethtown Gas including those as the Lead Utility on behalf of a Partner Utility. Energy savings shown within this report only reflects savings for Elizabethtown Gas's primary fuel.

The utilities have submitted a petition for consideration with a proposed solutions for the budget disparities. The utilities worked to respond in a timely manner to all discovery requests.

ETG programs delivered 33,060 DTh of savings in the second quarter, or approximately 23% of the annual target.

Residential Sector

- Elizabethtown Gas has contracted Honeywell as the implementation party for the residential programs, save for the Marketplace Program and the Behavioral Program which will be served by Uplight.
- The Existing Homes Home Performance with Energy Star program reported 36 DTh in energy savings or approximately 1% of program's the PY22 target. The Home Performance with ENERGY STAR Program saw 3 projects completed.
- The Behavioral program reported 31,847 DTh in energy savings or approximately 35% of the program's PY22 target. The Behavioral Program had 144,666 customers in quarter's the treatment group.
- The Efficient Products program reported 41,437 DTh in energy savings or approximately 63% of the program's PY22 target.
 - The Marketplace Program saw 4,585 participants in this quarter much of it due to Black Friday and Cyber Monday promotions.
 - The Appliance Rebates Program saw 249 participants in this quarter.
 - ETG offers appliance rebates at 219 retail outlets including large and independent stores.
 - The HVAC Program saw 85 participants in this quarter.
 - In this quarter, 3 of the HVAC program participants qualified for the supplemental incentive for Low to Moderate Income customers.
- The Quick Home Energy Check Up Program had 40 completed projects.
- While the Moderate Income Weatherization program did not have any projects completed during the reporting period, 2 audits were completed.

Commercial Sector

- Elizabethtown Gas has contracted Applied Energy Group as the implementation party for the Commercial Programs.

- While the Small Business Direct Install Program did not have any projects completed during the reporting period, 5 audits were completed.
- The Engineered Solutions, and Energy Management Programs did not deliver any savings during the reporting period but outreach efforts to larger customers are in progress and we expect these programs to start to ramp up.

Multi-Family Sector

- Elizabethtown Gas has contracted Honeywell as the implementation party for the Multi-Family Home Performance Program, and Multi-Family Direct Install Program.
- Elizabethtown Gas has contracted Applied Energy Group as the implementation party for Multi-Family Engineered Solutions and Multi-Family Prescriptive and Custom Programs
- No projects were completed during Q2.

Comfort Partners Summary

ETG continues to partner with the BPU and our utility partners to implement Comfort Partners and support our low income customers. Comfort Partners had 81 participants for this quarter resulting in 583 DTh annual savings. Year to date, Comfort Partners have had 175 participants and 1,269 DTh annual savings.

Figure 1 shows that year to date natural gas savings is 24% of the PY22 annual savings goal, and program year to date spending is 14% of the PY22 expenditure target.

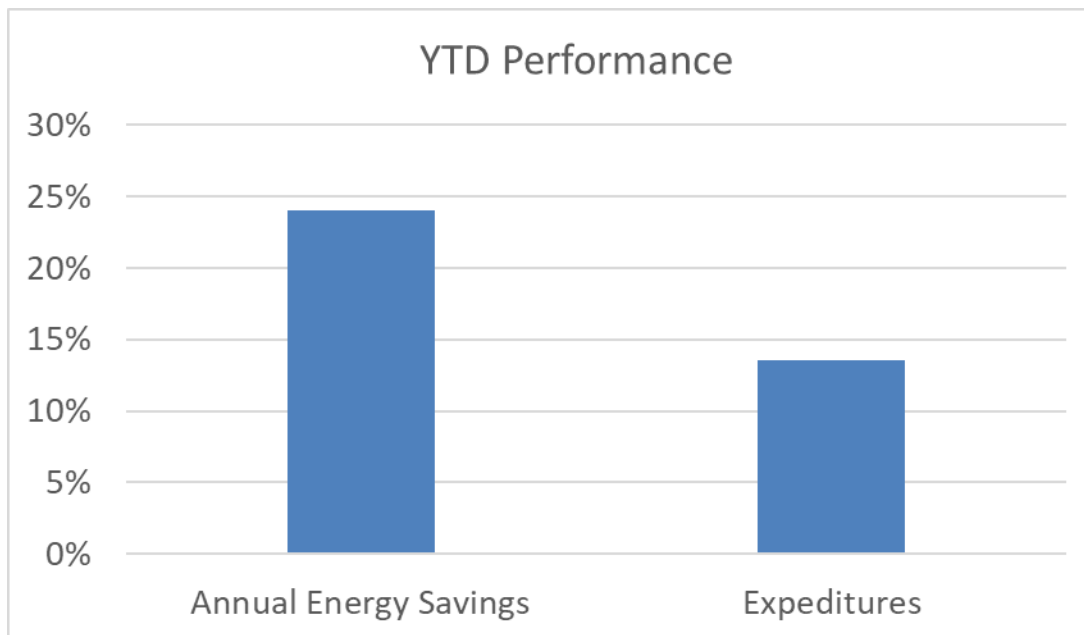


Figure 1: YTD performance of Annual Energy Savings and Budget

Table 1 – Quarterly Progress Table

	Current Quarter Retail Savings ¹	YTD Retail Savings ²	Current Quarter Wholesale Savings ³	Energy Efficiency Baseline ⁴	YTD Savings as Percent of Baseline	Annual Utility Retail Savings Target (DTh)	Percent of Annual Target Achieved
Annual Energy Savings (DTh)	33,060	41,621	33,539	In Progress	In Progress	181,031	23%
Lifetime Savings (DTh)	458,344	540,342	464,993				
Low/Moderate-Income Lifetime Savings (DTh) ⁵	662	1,348	672				
Small Commercial Lifetime Savings (DTh) ⁶	0	0	0				

¹ Calculated savings at the retail (customer meter) level. Savings are estimated from participation counts and TRM calculations, where applicable.

² Encompasses all ex-ante savings for plan year, including prior period adjustments.

³ Wholesale savings at the gross wholesale level include retail savings plus marginal line losses, using approved loss factor in utility’s tariff, per the Avoided Cost Methodology in the NJ Cost Test.

⁴ In Progress, will be ready for the Q3 report.

⁵ Low/Moderate-Income lifetime savings are the total of Comfort Partners, or any income-qualified Residential or Multifamily program.

⁶ Small Commercial lifetime savings are Direct Install program savings and those from commercial and industrial (“C&I”) small business customers (<200 kW peak demand) in other programs.

Sector-Level Participation, Expenditures, and Annual Energy Savings

Residential Programs had 149,628 participants and delivered 33,060 DTh of energy savings during the reporting period, amounting to 23% of the overall PY22 target. The savings were driven by the Efficient Products program. The Efficient Products programs had 4,919 participants and delivered 32,875 DTh of energy savings. The Behavioral program had 144,666 participants and delivered 26,512 DTh of energy savings. To date, the utility administered programs delivered 41,621 DTh in savings or 23% of the PY22 annual target.

Expenditures during the quarter are approximately 10% of the budget for PY22 and were driven by Residential Programs. We expect expenditures to grow as Multi-Family, and more Commercial, projects begin to close. We are partnering with our implementation teams to develop marketing and outreach plans in order to connect customers with trade allies and present projects and establish a pipeline that will provide the participation needed to achieve our energy savings targets.

Table 2 – Quarterly Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	149,628	152,538	167,475	91%
Multi-Family	0	0	510	0%
C&I	0	0	1,065	0%
Reported Totals for Utility Administered Programs	149,628	152,538	169,050	90%
Comfort Partners ²	81	175	5,700	N/A
Utility Total	149,709	152,713	169,050	90%

¹ Please note that these numbers are totals across all programs within a sector. The appendix shows the participation numbers for individual programs.

² Comfort Partners, the primary program serving low-income customers, is co-managed by the Division of Clean Energy in conjunction with Elizabethtown Gas and the other investor-owned electric and gas utility companies.

Quarterly Level Expenditures

The following table provides quarterly level expenditures by sector. Elizabethtown Gas’s expenses for this quarter were 14% of the PY22 budget.

Table 3 – Quarterly Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$1,273	\$1,619	\$13,372	12%
Multi-Family	\$89	\$181	\$853	21%
C&I	\$235	\$450	\$2,395	19%
Reported Totals for Utility Administered Programs	\$1,597	\$2,250	\$16,620	14%
Comfort Partners	\$300	\$799	\$3,372	N/A
Utility Total	\$1,897	\$3,049	\$16,620	18%

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

Quarterly Level Energy Savings

The Residential Sector largely contributed to the energy savings in this quarter, reporting 33,060 DTh of energy savings, or 25% of the PY22 annual target. As outreach efforts continue, we expect increased activity, and energy savings, for the Commercial and Multi-Family Sectors.

Table 4 – Quarterly Sector-Level Annual Energy Savings

Annual Energy Savings ¹	Current Quarter Retail (DTh)	YTD Retail (DTh)	Annual Target Retail (DTh)	Percent of Annual Target
Residential	33,060	41,621	164,338	25%
Multi-Family	0	0	2,022	0%
C&I	0	0	14,671	0%
Reported Totals for Utility Administered Programs	33,060	41,621	181,031	23%
Comfort Partners ²	583	1,269	33,830	N/A
Utility Total	33,642	42,890	181,031	24%

¹ Annual Energy Savings represent the total expected annual savings from all energy efficiency measures within each sector.

² Comfort Partners Annual Target Retail Savings is a statewide target.

Portfolio Expenditures Breakdown

Program expenditures reflect Elizabethtown Gas expenditures for the second quarter were 14% of the PY22 budget. Capital Costs in this quarter was driven by the construction of Elizabethtown Gas’s On-Bill Repayment Program system that will greatly enhance the customer experience of participants utilizing financing for energy efficiency projects.

Table 5 – Quarterly costs and budget variances by category ¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent
Capital Costs	\$76	\$85	\$610	14%
Utility Administration	\$144	\$216	\$667	32%
Marketing	\$80	\$126	\$377	33%
Outside Services	\$552	\$1,044	\$2,607	40%
Rebates ²	\$614	\$643	\$6,862	9%
No- or Low-Interest Loans	\$52	\$52	\$4,929	1%
Evaluation, Measurement & Verification (“EM&V”)	\$66	\$70	\$377	18%
Inspections & Quality Control	\$12	\$12	\$190	7%
Utility EE/PDR Total	\$1, 597	\$2,250	\$16,620	14%

¹ Categories herein align to ETG’s EE plan as approved by the BPU.

² Rebates include rebates and other direct investments.

Equity Metrics

ETG continues to work with the Board staff on the development of Equity Metrics. Information is not available for this current reporting cycle but key agreed-upon metrics are expected to be addressed in future reporting within this triennial.

If you have any questions, please feel free to contact me directly.

Respectfully,



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DMF/caj

cc: Brian Lipman
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Michael Savacool
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Appendix 1 – Participant Definitions

NJ Program		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Lighting - Upstream	Quantity of packages sold (based on SKU) - net of returns (negative in current period)
	Rebated Products	Quantity of units rebated (based on SKU)
	Mid-Stream Products	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	Appliance Recycling	Count of visits to premise not units
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
	Consumer Electronics	For rebated programs, count of rebate applications For Midstream, every measure is considered a participant - net of returns (negative in current period)
Existing Homes	Home Performance with Energy Star	Count of completed HPwES projects
	Quick Home Energy Checkup	Count of completed visits
	Moderate Income Weatherization	Same as HPwES - (distinction would be paying for audit in this program)
Home Energy Education & Management	Behavioral	Count of treatment customers at end of reporting period
C&I Direct Install	Direct Install	Count based on number of applications/projects completed, not account number
Energy Solutions for Business	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Energy Management	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number
Multifamily	HPwES	Count of completed HPwES projects
	Direct Install	Count based on number of projects completed
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number

ETG Energy Efficiency and PDR Savings Summary

Elizabethtown Gas Quarterly Report - Appendix 2A

For Period Ending PY22Q2 PYTD

	Sub Program or Category ¹	Participation				Actual Expenditures				Ex Ante Energy Savings						
		A	B	C	D=C/B	E	F	G	H=G/F	I	J	K	L=K/J	M	N	O
		Current Quarter	Annual Forecasted Participation Number	Reported Participation Number YTD	YTD % of Annual Participants	Current Quarter (\$000)	Annual Forecasted Program Costs (\$000) ²	Reported Program Costs YTD (\$000)	YTD % of Annual Budget	Current Quarter Annual Retail Energy Savings (DTh)	Annual Forecasted Retail Energy Savings (DTh)	Reported Retail Energy Savings YTD (DTh)	YTD % of Annual Energy Savings	Current Quarter Reported Wholesale Energy Savings (DTh)	Peak Demand Savings YTD (DT) ⁴	Current Quarter Lifetime Retail Savings (DTh)
Residential Programs																
	HVAC	85		95		\$258		\$371		1,215		1,351		1,370	N/A	14,924
	Appliance Rebates	249		302		\$68		\$95		180		217		220	N/A	2,082
	Marketplace Efficient Products	4,585		5,796		\$630		\$657		31,480		39,869		40,447	N/A	395,653
	EE Giveaway Kits	N/A		N/A		N/A		N/A		N/A		N/A		N/A	N/A	N/A
	Subtotal Efficient Products	4,919	16,375	6,193	38%	\$957	\$7,763	\$1,124	14%	32,875	65,382	41,437	63%	42,038	N/A	412,658
	Home Performance with Energy Star*	3	100	3	3%	\$102	\$1,937	\$158	8%	36	3,299	36	1%	36	N/A	354
	Quick Home Energy Check-Up	40	850	40	5%	\$59	\$680	\$95	14%	149	2,403	149	6%	151	N/A	261
	Moderate Income Weatherization	0	150	0	0%	\$131	\$1,858	\$212	11%	0	2,466	0	0%	0	N/A	0
	Behavioral	144,666	150,000	146,302	98%	\$23	\$1,135	\$29	3%	26,512	90,789	31,847	35%	32,309	N/A	127,068
Total Residential		149,628	167,475	152,538	91%	\$1,273	\$13,372	\$1,619	12%	59,572	164,338	73,468	25%	74,534	N/A	540,342
Business Programs																
	Direct Install*	0	10	0	0%	\$113	\$932	\$217	23%	0	1,381	0	0%	0	N/A	0
	Prescriptive/Custom ³	0	1,055	0	0%	\$104	\$1,463	\$188	13%	0	13,290	0	0%	0	N/A	0
	Energy Management	0	0	0	N/A	\$7	\$0	\$18	N/A	0	0	0	N/A	0	N/A	0
	Engineered Solutions	0	0	0	N/A	\$11	\$0	\$27	N/A	0	0	0	N/A	0	N/A	0
Total Business		0	1,065	0	0%	\$235	\$2,395	\$450	19%	0	14,671	0	0%	0	N/A	0
Multifamily Programs																
	HPWES	0		0		\$21		\$49		0		0		0	N/A	0
	Direct Install	0		0		\$7		\$17		0		0		0	N/A	0
	Prescriptive/Custom*	0		0		\$0		\$1		0		0		0	N/A	0
	Engineered Solutions	0		0		\$60		\$113		0		0		0	N/A	0
	Subtotal MultiFamily	0	510	0	0%	\$89	\$853	\$181	21%	0	2,022	0	0%	0	N/A	0
Other Programs																
	Home Optimization & Peak Demand Reduction															
Total Other																
Portfolio Total		149,628	169,050	152,538	90%	\$1,597	\$16,620	\$2,250	14%	59,572	181,031	73,468	23%	74,534	N/A	540,342
Supportive Costs Outside Portfolio																

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

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

³ Prescriptive/Custom Participation Number is reported on a Measure level

⁴ On-going discussions within the Evaluation, Measurement and Verification (EM&V) Working Group have noted that there is no clearly defined protocol for calculating Peak Demand Savings for natural gas measures. It is anticipated that this issue will be addressed by the EM&V Working Group within this Triennial. No Peak Demand Savings for natural gas measures will be reported until an agreed upon methodology has been determined.

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

ETG Energy Efficiency and PDR Savings Summary

Elizabethtown Gas Quarterly Report - Appendix 2B

For Period Ending PY22Q2 PYTD

		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$000)		Reported Retail Energy Savings YTD (DTh)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	3	92	\$2	\$67	80	1,271
	Appliance Rebates	0	302	\$0	\$42	0	217
	Marketplace Efficient Products	0	5,796	\$0	\$560	0	39,869
	Efficient Products Kits	0	N/A	\$0	N/A	0	N/A
	Subtotal Efficient Products	3	6,190	\$2	\$669	80	41,357
Existing Homes	Home Performance with Energy Star ¹	0	3	\$0	\$13	0	36
	Quick Home Energy Check-Up	0	40	\$0	\$11	0	149
	Moderate Income Weatherization	0	N/A	\$0	N/A	0	N/A
Home Energy Education & Management	Behavioral	0	144,666	\$0	N/A	0	31,847
Total Residential		3	150,899	\$2	\$693	80	73,388
Multifamily	HPwES	0	0	\$0	\$0	0	0
	Direct Installation/MF QHEC	0	0	\$0	\$0	0	0
Total Multifamily		0	0	\$0	\$0	0	0
Home Optimization & Peak Demand Reduction							
Total Other		0	0	\$0	\$0	0	0
Portfolio Total		3	150,899	\$2	\$693	80	73,388
Supportive Costs Outside Portfolio							

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

ETG Energy Efficiency and PDR Savings Summary

Elizabethtown Gas Quarterly Report - Appendix 2C

For Period Ending PY22Q2 PYTD

		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$)		Reported Retail Energy Savings YTD (DTh)	
Business Programs	Sub-Program	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	Direct Install	0	N/A	\$0	N/A	0	N/A
Energy Solutions for Business	Prescriptive/Custom	0	0	\$0	\$0	0	0
	Energy Management	0	0	\$0	\$0	0	0
	Engineered Solutions	0	0	\$0	\$0	0	0
Total Business		0	0	\$0	\$0	0	0
Multifamily	Prescriptive/Custom	0	0	\$0	\$0	0	0
	Engineered Solutions	0	0	\$0	\$0	0	0
Other Programs		0	0	\$0	\$0	0	0
Home Optimization & Peak Demand Reduction							
Total Other		0	0	\$0	\$0	0	0
Portfolio Total		0	0	\$0	\$0	0	0
Supportive Costs Outside Portfolio							