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April 8, 2022

VIA ELECTRONIC MAIL ONLY

Carmen Diaz, Acting 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 South Jersey Gas Company – 1st Quarter Program
Year 2022 – Updated with Energy Efficiency Baseline
DOCKET NOS. QO19010040 & GO20090618**

Dear Acting Secretary Diaz:

SJG is resubmitting the First Quarter Progress Report that incorporates an updated Energy Efficiency Baseline (see Table 1 – Energy Efficiency Baseline). Otherwise the report is identical to the one submitted on November 30th, 2021. Accordingly, we ask that you replace the previous report submitted on November 30th, 2021.

Pursuant to the Board’s current filing procedures, herein is the Quarterly Progress Report for the first quarter (“Q1”) of Program Year 2022¹ (“PY22”) of South Jersey Gas (“SJG” 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.

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).

Energy Efficiency Program Progress - Executive Summary:

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

SJG launched the following Core programs on July 1, 2021: Residential Programs – Efficient Products and Home Performance with Energy Star, Multifamily Programs and Commercial Programs - Direct Install, Prescriptive and Custom. In addition, SJG launched the following Utility-Led programs: Residential Programs – Behavioral program, Moderate Income Weatherization, Quick Home Energy Check (QHEC) and Commercial Programs – Engineered Solutions.

- The Efficient Products program reported 7,087 DTh in energy savings or approximately 7% of the PY22 target.
- The Existing Homes Home Performance with Energy Star program reported 1,570 DTh in energy savings or approximately 24% of the PY22 target.
- The Behavioral program reported 13,296 DTh in energy savings or approximately 21% of the PY22 target.

To support the implementation, SJG conducted contractor training for the residential and commercial core programs.

To support the transition of programs, SJG posted rebate forms and program information on the corporate company website and made materials available in Spanish. To assist implementation, SJG conducted contractor training for the residential and commercial core programs.

SJG programs delivered 21,953 DTh of savings in the first quarter, or approximately 12% of the annual target.

Figure 1 shows that the energy savings from the quarter

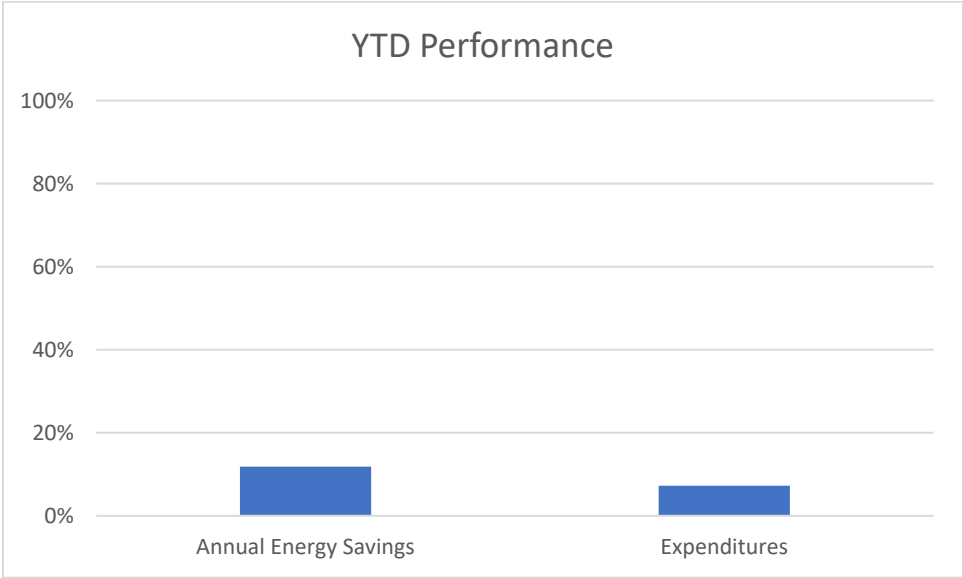


Figure 1: YTD performance of Annual Energy Savings and Budget

Year-to-Date, SJG EE programs have reported savings of 11% of the Annual Target Achieved.

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)	21,953	21,953	22,272	50,984,969	0.04%	195,943	11%
Lifetime Savings (DTh)	222,524	222,524	225,752				
Low/Moderate-Income Lifetime Savings (DTh) ⁵	1,184	1,184	1,201				
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 Calculated as average annual gas usage in the prior three program years (July 1, 2018 – June 30, 2021) per N.J.S.A. 48:3-87.9(a).

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

SJG Residential Programs had 181,307 participants and delivered 21,953 DTh of energy savings during the reporting period, amounting to 12% of the 2022 target. The savings were driven by the Efficient Products program and Home Performance with Energy Star program. The Efficient Products had customer participation in the HVAC, Appliance Rebate and Marketplace and annual savings of 7%.

Comfort Partners had 92 participants resulting in 1,184 DTh annual savings.

While there was customer interest in the Commercial and Multifamily programs, no projects were completed in the first quarter.

Table 2 – Quarterly Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	181,307	181,307	177,217	102%
Multifamily	0	0	652	0%
C&I	0	0	858	0%
Reported Totals for Utility Administered Programs	181,307	181,307	178,727	101%
Comfort Partners ²	92	92	542	N/A
Utility Total	181,399	181,399	179,268	101%

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 South Jersey Gas and the other investor-owned electric and gas utility companies.

South Jersey Gas expenses for this quarter were 8% of the PY22 budget. The expenditures for Multifamily and C&I are attributed to program implementation start-up costs.

Table 3 – Quarterly Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$2,145	\$2,145	\$29,187	7%
Multifamily	\$103	\$103	\$1,212	8%
C&I	\$146	\$146	\$2,238	7%
Reported Totals for Utility Administered Programs	\$2,394	\$2,394	\$32,637	7%
Comfort Partners	\$624	\$624	\$3,333	19%
Utility Total	\$3,018	\$3,018	\$35,970	8%

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

The Residential program reported 21,953 DTh of energy savings, or 12% of the PY22 annual target.

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	21,953	21,953	184,301	12%
Multifamily	0	0	1,801	0%
C&I	0	0	9,841	0%
Reported Totals for Utility Administered Programs	21,953	21,953	195,543	11%
Comfort Partners ²	1,184	1,184	33,830	N/A
Utility Total	23,137	23,137	195,543	12%

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

The following table provides quarterly costs and budget variances by category. SJG expenditures for the first quarter were 13% of the 2021 budget.

Table 5 – Quarterly costs and budget variances by category¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent
Capital Costs	\$0	\$0	\$610	0%
Utility Administration	\$96	\$96	\$1,079	9%
Marketing	\$68	\$68	\$738	9%
Outside Services	\$550	\$550	\$4,083	13%
Rebates ²	\$481	\$481	\$10,997	4%
No- or Low-Interest Loans	\$1,193	\$1,193	\$13,711	8%
Evaluation, Measurement & Verification (“EM&V”)	\$5	\$5	\$1,114	0%
Inspections & Quality Control	\$0	\$0	\$303	0%
Utility EE/PDR Total	\$2,394	\$2,394	\$32,637	7%

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

² Rebates include rebates and other direct investments.

Please contact the undersigned should you have any questions or concerns regarding this report.

Sincerely,



Deborah M. Franco

DMF/caj
F109

cc: Brian Lipman
Maura Caroselli
Stacy Richardson
Phillip Chao
Maureen Minkel
Peter Druckenmiller
Michael Savacool

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

Energy Efficiency and PDR Savings Summary

South Jersey Gas Quarterly Report - Appendix 2A
For Period Ending PY22Q1

	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	Reported Wholesale Energy Savings (DTh)	Peak Demand Savings YTD (DT) ⁴	Lifetime Retail Savings (DTh)
Residential Programs																
	HVAC	164		164		\$754		\$754		962		962		976	N/A	14,965
	Appliance Rebates	46		46		\$40		\$40		33		33		33	N/A	382
	Marketplace Efficient Products	905		905		\$115		\$115		6,092		6,092		6,181	N/A	28,168
	EE Kits	0		0		\$0		\$0		0		0		0	N/A	0
	Subtotal Efficient Products	1,115	25,817	1,115	4%	\$908	\$20,073	\$908	5%	7,087	106,126	7,087	7%	7,190	N/A	43,515
	Home Performance with Energy Star*	58	200	58	29%	\$1,047	\$3,142	\$1,047	33%	1,570	6,598	1,570	24%	1,593	N/A	19,455
	Quick Home Energy Check-Up	0	850	0	0%	\$36	\$660	\$36	5%	0	2,403	0	0%	0	N/A	0
	Moderate Income Weatherization	0	350	0	0%	\$147	\$4,209	\$147	4%	0	5,754	0	0%	0	N/A	0
	Behavioral	180,134	150,000	180,134	120%	\$6	\$1,103	\$6	1%	13,296	63,420	13,296	21%	13,489	N/A	159,553
Total Residential		181,307	177,217	181,307	102%	\$2,145	\$29,187	\$2,145	7%	21,953	184,301	21,953	12%	22,272	N/A	222,524
Business Programs																
	Sub-Program															
	C&I Direct Install	0	15	0	0%	\$67	\$1,357	\$67	5%	0	2,071	0	0%	0	N/A	0
	Prescriptive/Custom* ³	0	843	0	0%	\$35	\$881	\$35	4%	0	7,770	0	0%	0	N/A	0
	Energy Management	0	0	0	-	\$15	\$0	\$15	-	0	0	0	0%	0	N/A	0
	Engineered Solutions	0	0	0	-	\$29	\$0	\$29	-	0	0	0	0%	0	N/A	0
Total Business		0	858	0	0%	\$146	\$2,238	\$146	7%	0	9,841	0	0%	0	N/A	0
Multifamily Programs																
	Sub-Program															
	HPwES	0		0		\$13		\$13		0		0	0%	0	N/A	0
	Direct Install	0		0		\$26		\$26		0		0	0%	0	N/A	0
	Prescriptive/Custom*	0		0		\$0		\$0		0		0	0%	0	N/A	0
	Engineered Solutions	0		0		\$64		\$64		0		0	0%	0	N/A	0
	Subtotal Multifamily	0	652	0	0%	\$103	\$1,212	\$103	8%	0	1,801	0	0%	0	N/A	0
Total Multifamily		0	652	0	0%	\$103	\$1,212	\$103	8%	0	1,801	0	0%	0	N/A	0
	Home Optimization & Peak Demand Reduction															
Total Other																
Portfolio Total		181,307	178,727	181,307	101%	\$2,393	\$32,637	\$2,393	7%	21,953	195,943	21,953	11%	22,272	N/A	222,524
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 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.

Energy Efficiency and PDR Savings Summary

South Jersey Gas Quarterly Report - Appendix 2B

For Period Ending PY22Q1

		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	1	163	\$1	\$625	3	958
	Appliance Rebates	0	46	\$0	\$7	0	33
	Marketplace Efficient Products	0	905	\$0	\$86	0	6,092
	Efficient Products Kits	0	N/A	\$0	N/A	0	N/A
	Subtotal Efficient Products	1	1,114	\$1	\$717	3	7,083
Existing Homes	Home Performance with Energy Star ¹		58	\$0	\$956	0	1,570
	Quick Home Energy Check-Up	0	0	\$0	\$0	0	0
	Moderate Income Weatherization	0	N/A	\$0	N/A	0	N/A
Home Energy Education & Management	Behavioral	0	180,134	\$0	\$6	0	13,296
Total Residential		1	181,306	\$1	\$1,679	3	21,950
Multifamily Programs							
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		1	181,306	\$1	\$1,679	3	21,950
Supportive Costs Outside Portfolio							

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

Energy Efficiency and PDR Savings Summary

South Jersey Gas Quarterly Report - Appendix 2C

For Period Ending PY22Q1

		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)	
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 Programs							
Multifamily	Prescriptive/Custom	0	0	\$0	\$0	0	0
	Engineered Solutions	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		0	0	\$0	\$0	0	0
Supportive Costs Outside Portfolio				-	-		

Appendix 3 - South Jersey Gas Energy Efficiency Compliance Baselines and Benchmarks

Energy Efficiency Compliance Baselines and Benchmarks (therms)												
Gas Utility	Plan Year	Sales Period	Sales (therms)	Adjustments (therms)	Adjusted Retail Sales (therms)	Compliance Baseline	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (therms)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (therms)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (therms)
			(A)	(B)	(C) = (A)-(B)	(D) = Average (C)	(E)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
South Jersey Gas	2019	7/1/18 - 6/30/19	574,069,243	45,731,813	528,337,431							
	2020	7/1/19 - 6/30/20	529,105,554	42,406,214	486,699,341							
	2021	7/1/20 - 6/30/21	551,325,543	36,813,250	514,512,294							
	Plan Year 2022					509,849,688	0.00%	-	0.00%	-	0.00%	0

Notes:

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

(B) Includes adjustments to reflect [Electric Generation, etc.]

(E,G,I) No formal targets established for PY22 in the June 2020 CEA Framework Order. Using PY23 values as there are no PY22 goals.