

92DC42
PO Box 6066
Newark, DE 19714-6066

667.313.0418 - Telephone
302.429.3801 - Facsimile
philip.passanante@pepcoholdings.com

500 N. Wakefield Drive
Newark, DE 19702

atlanticcityelectric.com

May 16, 2023

VIA ELECTRONIC MAIL
sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

Sherri L. Golden
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs
BPU Docket No. QO1910040

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. EO20090621

Notice of Reallocation of Sub-Program Budgets

Dear Secretary Golden:

The undersigned is Assistant General Counsel to Atlantic City Electric Company (“ACE” or the “Company”) in connection with the above referenced matter(s).

On June 10, 2020, the New Jersey Board of Public Utilities (the “Board” or “BPU”) issued an Order directing each electric and gas public utility in the State of New Jersey to establish energy efficiency and peak demand reduction programs pursuant to the Clean Energy Act of 2018.¹ A portfolio of ACE Energy Efficiency programs were approved by the Board on April 27, 2021.²

¹ See Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, *In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket No. QO19010040 (June 10, 2020) (the “June 2020 EE Order”), at page 13.

² See Decision and Order Approving Stipulation, *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. EO20090621 (April 27, 2021) (“April 2021 ACE EE Order”), at page 7.

The Company is providing this communication in accordance with the notification requirements for shifting sub-program budgets within sectors, as permitted by the June 2020 EE Order and the April 2021 ACE EE Order. Specifically, ACE is permitted to shift up to 25 percent of an individual sub-program's total budget within the Residential and/or the Commercial and Industrial ("C&I") sectors by providing notice to Staff of the Board.³

Resident Program Changes. Within the Residential Portfolio, ACE is notifying Staff of the movement of \$719,500 that will be transferred from the Residential Home Performance with ENERGY STAR® program to the Residential Behavior program. This shift is due to the increased cost of the home energy reports and digital tools for the customers. Additionally, \$1,527,285 will be reallocated from the Quick Home Energy Check-up (QHEC) program to the HVAC program. These reallocations of funds will ensure uninterrupted implementation through the end of the Triennium and are below the 25 percent threshold referenced above.

C&I Sector Program Changes. Within the C&I sector, ACE is notifying Staff of a shift of \$3,721,031 from the Small Business Direct Install program to the Prescriptive and Custom program. The Company's Prescriptive and Custom program has proven to be the most popular among customers and trade allies alike. An unforeseen consequence of this has been higher than anticipated acquisition costs of certain measures, which, if not addressed, will exhaust the approved budget early in Program Year 24. To ensure that there is no disruption, ACE will reallocate surplus funding in the amount stated from the Small Business Direct Install program to the Prescriptive and Custom program. This transfer will keep the program open through the end of the Triennium. As is the case with the above noted reallocations within the Residential sector, the movement of these funds is below the 25 percent threshold.

³ The June 20 EE Order and the April 2021 ACE EE Order state that notice to Staff be provided within 30 days following a change of up to 25 percent. Approval by Board Staff is required for changes between 25 to 50 percent. Board approval is required for changes over 50 percent.

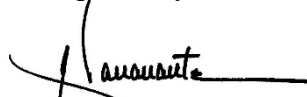
The following table reflects the budget shifts and updated program budgets:

Sector	Program	Sub-program	Total approved budget	April 2023 Reallocation	Updated Total budget	Cumulative subprogram % reallocation	Sector % variance
Residential	Behavior	Home Energy Reports	\$ 503,600	\$ 719,500	\$ 1,223,100	8%	
	Efficient Products	HVAC					
		Online Marketplace					
		Appliance Rebates					
		Appliance Recycling	\$ 15,469,151	\$ 1,527,285	\$ 16,996,436	17%	
	Existing Homes	Home Performance w/ ENERGY STAR	\$ 8,685,623	\$ (719,500)	\$ 7,966,123	-8%	
		Quick Home Energy	\$ 8,873,070	\$ (1,527,285)	\$ 7,345,785	-17%	
Moderate-Income Weatherization		\$ 13,471,022	\$ -	\$ 13,471,022	0%	5%	
MF	MF	Multi-Family	\$ 3,774,401	\$ -	\$ 3,774,401	0%	0%
C&I	SBDI	Small Business	\$ 28,049,428	\$ (3,721,031)	\$ 24,328,397	-13%	
	Energy Solutions for Business	Prescriptive/Custom	\$ 11,809,616	\$ 3,721,031	\$ 15,530,647	13%	
		Energy Management	\$ 1,942,912	\$ -	\$ 1,942,912	0%	
		Engineered Solutions	\$ 2,736,454	\$ -	\$ 2,736,454	0%	8%
			Portfolio Costs	\$ 750,000	\$ -	\$ 750,000	0%
Total			\$ 96,065,276	\$ -	\$ 96,065,276		

Pursuant to the Order issued by the Board in connection with *In the Matter of 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 electronically filed with the Secretary of the Board, the Division of Law, the New Jersey Division of Rate Counsel, and the Service List. No paper copies will follow.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions.

Respectfully submitted,



Philip J. Passanante
An Attorney at Law of the
State of New Jersey

cc: Service List

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. EO20090621

Service List

BPU

Sherri L. Golden ●
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350
sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

Stacy Peterson
Deputy Executive Director
stacy.peterson@bpu.nj.gov

Robert Brabston, Esquire
Executive Director
robert.brabston@bpu.nj.gov

Benjamin Witherell, Ph.D.
Chief Economist
benjamin.witherell@bpu.nj.gov

Jackie O'Grady
Office of the Chief Economist
jackie.ogrady@bpu.nj.gov

Division of Clean Energy

Kelly Mooij
Director
kelly.mooij@bpu.nj.gov

Stacy Ho Richardson, Esquire
Deputy Director
stacy.richardson@bpu.nj.gov

Division of Energy

Mike Kammer
Director
Division of Energy and Water
mike.kammer@bpu.nj.gov

Malike Cummings
Deputy Director
malike.cummings@bpu.nj.gov

Ryan Moran
ryan.moran@bpu.nj.gov

Counsel's Office

Michael Beck, Esquire
Chief Counsel
michael.beck@bpu.nj.gov

Carol Artale, Esquire
Deputy Chief Counsel
carol.artale@bpu.nj.gov

Charles Gurkas
Paralegal
charles.gurkas@bpu.nj.gov

Cindy Bianco
cindy.bianco@bpu.nj.gov

DAG

David Apy, Esquire
Assistant Attorney General
Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, NJ 08625
david.apy@law.njoag.gov

Daren Eppley, Esquire
Deputy Attorney General
daren.eppley@law.njoag.gov

Pamela L. Owen, Esquire
Deputy Attorney General
pamela.owen@law.njoag.gov

Brandon C. Simmons, Esquire
Deputy Attorney General
brandon.simmons@law.njoag.gov

RATE COUNSEL

Brian O. Lipman, Esquire
Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
blipman@rpa.nj.gov

Maura Caroselli, Esquire
Deputy Rate Counsel
mcaroselli@rpa.nj.gov

Sarah H. Steindel, Esquire
Assistant Deputy Rate Counsel
ssteinde@rpa.nj.gov

Karen Forbes
kforbes@rpa.nj.gov

ACE

Philip J. Passanante, Esquire
Assistant General Counsel
Atlantic City Electric Company
92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
philip.passanante@pepcoholdings.com

Heather Hall
Manager, Regulatory Affairs NJ
heather.hall@pepcoholdings.com

INTERVENORS

Energy Efficiency Alliance of NJ
John Kolesnik, Esquire
jkolesnik@keealliance.org

Natural Resources Defense Council

Eric Miller, Esquire
40 W 20th Street, #11
New York, NY 10011
emiller@nrdc.org

● Does **not** receive Discovery