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VIA ELECTRONIC MAIL ONLY

Sherrri Golden, Board Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Sherrri.Golden@bpu.nj.gov

Re: In the Matter of Petition of Elizabethtown Gas Company for Approval of its EEP – Energy Efficiency Program and Recovery of Associated Costs, BPU DOCKET NOS. QO19010040 & GO20090619

Notice to Transfer Funds

Dear Secretary Golden:

Please allow this letter to serve as notice of budget reallocations among Energy Efficiency (“EEP”) program sectors and programs, as specified below. Elizabethtown Gas (“ETG” or the “Company”) is providing this notice in accordance with the established Staff Notification requirements for shifting program budgets within a sector as well as shifting budgets out of a sector, as detailed on page seven of the Board’s April 7, 2021 Order Adopting Stipulation (“EEP Stipulation”).¹

On June 10, 2020, the New Jersey Board of Public Utilities (the “Board”) issued an Order that directed 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,” P.L. 2018, c.17. In accordance with the June 10, 2020 Order, the EEP Stipulation provides flexibility in the administration of the energy efficiency (“EE”) programs by allowing ETG to shift its program budgets out of an individual program within the Residential sector or within the C&I sector, up to 25% of the individual program’s total budget with Staff notification (which should be provided within 30 days following the change), above 25% up to 50% with Staff approval, and over 50% with Board approval. The EEP Stipulation also allows ETG to shift budgets out of the Residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), above 5% up to 10% with Staff approval, and over 10% with Board approval.

The EEP Stipulation identifies the program budgets for the program’s first triennial. ETG requires certain budget adjustments to ensure that all programs continue uninterrupted and

¹Order Approving Stipulation, In the Matter of the Petition of Elizabethtown Gas Company for Approval of its Energy Efficiency Program (“EEP”) on a Regulated basis, BPU Docket Nos. QO19010040 and GO20090619

remain adequately funded. Specifically, the Multi-Family program and Commercial Direct Install programs have experienced strong customer interest.

The Company has updated the program budgets as reflected in the following table. The amounts transferred within and across sectors are within the limits permitted by the EEP in accordance with the established Staff notification requirements.

| Sector | Program Component | ETG 2021 EET Approved Budget | June 2023 Reallocation | October 2023 Reallocation (Current Reallocation Notice) | ETG 2021 EET Revised Budget October 2023 | Program Change | Sector Change |
|--------------|-------------------------------|------------------------------|------------------------|---|--|----------------|---------------|
| Residential | Behavioral | \$3,144,563 | \$0 | \$0 | \$3,144,563 | 0% | -5% |
| | Energy Efficiency Products | \$27,797,313 | -\$600,000 | \$0 | \$27,197,313 | -2% | |
| | Existing Homes | \$20,043,324 | -\$400,000 | -\$1,400,000 | \$18,243,324 | -9% | |
| Multi-Family | Multi-Family | \$6,040,818 | \$1,000,000 | \$400,000 | \$7,440,818 | 23% | 23% |
| Commercial | Direct Install | \$6,539,913 | \$1,800,000 | \$1,000,000 | \$9,339,913 | 43% | 7% |
| | Energy Solutions For Business | \$7,445,362 | -\$1,800,000 | \$0 | \$5,645,362 | -24% | |
| | Portfolio Costs | \$3,035,119 | \$0 | \$0 | \$3,035,119 | 0% | |
| | Total ETG Expenditures | \$74,046,412 | \$0 | \$0 | \$74,046,412 | 0% | |
| | EDCs In | -\$13,020,185 | \$0 | \$0 | -\$13,020,185 | 0% | |
| | EDCs Out | \$22,389,606 | \$0 | \$0 | \$22,389,606 | 0% | |
| | Net Transfers To/From EDCs | \$9,369,421 | \$0 | \$0 | \$9,369,421 | 0% | |
| | Grand Total | \$83,415,833 | \$0 | \$0 | \$83,415,833 | | |

Thank you for your attention to this matter.

Respectfully,



Dominick DiRocco

DD/caj

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