



Rockland Electric Company

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December 5, 2023

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: In the Matter of the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs
Extension Petition
BPU Docket No. EO20090623

Dear Secretary Golden:

The undersigned represents Rockland Electric Company (“RECO” or the “Company”), the Petitioner in the above-referenced proceeding. The Company respectfully submits this letter petition in lieu of a formal petition to request an extension of the term of its initial energy efficiency (“EE”) program (“Triennium 1 EE Program”). In addition, the Company seeks the approval of the Board of Public Utilities (“Board”) of a budget of \$5,587,466 for the extension period, as well as other relief related to its budget request.

Background

The Company sought approval of its Triennium 1 EE Program with the filing of a detailed petition on September 25, 2020. Following a comprehensive proceeding, on June 7, 2021, the Board issued an Order authorizing the Company to implement a portfolio of EE and Peak Demand Response (“PDR”) programs for the period beginning July 1, 2021 and ending

June, 30, 2024.¹ In addition to the portfolio of EE and PDR programs, the Board approved the Company's implementation of a cost recovery mechanism, which is the Clean Energy Act ("CEA") component of the Company's Regional Greenhouse Gas Initiative ("RGGI") Surcharge.

In 2023,² the Board issued a series of Orders establishing a comprehensive framework to maximize the use and deployment of EE measures and setting out detailed requirements for the filing of EE programs to be implemented in the period July 1, 2024 through June 30, 2027 ("Triennium 2"). Originally, the Board directed New Jersey's electric public utilities and natural gas public utilities to make Triennium 2 EE program filings by October 2, 2023, but later modified the required Triennium 2 filing due date to December 1, 2023.³

On October 25, 2023, the Board issued an Order providing further direction on the required Triennium 2 EE filing and altering the terms of Triennium 1 and Triennium 2.⁴ In its Order, the Board directed utilities to extend the term of Triennium 1 by six months (i.e., to December 31, 2024) and to make extension filings with the Board that included related budget

¹ *In the Matter of the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket No. EO20090623, Order Adopting Stipulation dated June 9, 2021.

² See *In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs* and *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 Nos. QO19010040 and EO20090621, Order dated April 27, 2021.

³ See e.g., *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, QO23020150 and QO17091004, Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, dated May 24, 2023 ["May 2023 Order"], and *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, QO23020150 and QO17091004, Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, dated July 26, 2023.

⁴ See *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, QO23020150 and QO17091004, Order Designating Commissioner, Setting Manner of Service and Bar Dates, dated September 27, 2023.

requests for the six-month extension period.⁵ In addition, the Board determined that the term of Triennium 2 would be shortened by six-months such that Program Year 4 would begin on January 1, 2025 and conclude on June 30, 2025, and the thirty-month Triennium 2 period would run from January 1, 2025 to June 30, 2027.⁶ The Board also accepted new utility-specific annual energy reduction targets for Triennium 2, which had been proposed by Staff, and directed that the new energy reduction targets and the revised term be reflected in Triennium 2 filings.⁷

The purpose of this Letter filing is to comply with the Board's directive to file a six-month extension of the Triennium 1 EE Program.

Requested Relief

1. Pursuant to the Triennium 1 Extension Order, the Company seeks the Board's approval to continue its current slate of Triennium 1 EE programs for the 18-month period July 1, 2023 through December 31, 2024, with an incremental budget for the six-month extension period of \$5,587,466. Attached hereto as **Exhibit A** is the Company's calculation of the incremental budget for the extended Program Year 3. Included in Exhibit A is a breakdown of the Company's allocation of its incremental budget

2. Consistent with the Triennium 1 Extension Order, the energy savings target the Company is required to meet is 50 percent of the Program Year 3 energy savings target, or an estimated 7,310 megawatt hours ("MWh") annual savings and 80,410MWh lifetime savings, for the extension period.

⁵*Id.* at 8.

⁶ *Id.* at 7.

⁷ *Id.* at 8.

3. As of June 30, 2023, the Company had \$11,174,932 remaining of its Triennium 1 EE Program budget. Combining the remaining existing budget with the proposed six-month extension budget results in a total budget of \$16,762,398 for Program Year 3, which will extend 18 months from July 1, 2023 to December 31, 2024.

4. The Company has observed a trend in market demand that some programs and sector delivery models are more effective than others. In addition, our collaborative efforts with partner utilities have developed a pipeline of projects that we anticipate will continue through Program Year 3 above our initial program budgets for Triennium 1. As a result, the Company will distribute funds to programs with higher anticipated demand.

5. During the extension period, the Company will comply with the rules, provisions and practices instituted by the Board when approving the Triennium 1 EE Program, with the following two exceptions that have been expressly authorized by the Board:

A. The Company shall be permitted to shift program budgets within the same sector or among sectors during the six-month Triennium 1 extension period consistent with the Staff recommendations adopted by the Board in the May 2023 Order.⁸ Specifically, during the extension period, the Company may shift budgets between programs within the same sector up to and including 25 percent with notification to Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”), and up to 50 percent with Staff approval, and greater than 50 percent with Board approval. In addition, the Company may also shift budgets out of a

⁸ May 2023 Order, at 18-19, 36.

sector up to and including 10 percent of the total Triennium 1 budget with notification to Staff and Rate Counsel, greater than 10 percent and up to 20 percent with Staff approval, and over 20 percent with Board approval. For the avoidance of doubt, the six-month extension period shall be considered its own “365-day period” for the purposes of determining limitations on the shifting of budgets during the six-month extension period. The Company submits that this language reflects the Board’s intention in the Triennium 1 Extension Order⁹ and includes it here for the sake of completeness.

B. The Company will submit its Program Year 3 annual progress report no later than 150 days following the end of Program Year 3, that is, on or about May 31, 2025.

WHEREFORE, the Company respectfully requests that the Board issue an Order finding that:

a. The six-month extension of the Company’s approved Triennium 1 EE Program is in the public interest, and the Company is authorized to implement and administer Program Year 3 of the Triennium 1 EE Program through December 31, 2024;

b. The Company shall be authorized an incremental budget for the six-month Triennium 1 extension period of \$5,587,466, for a total revised Program Year 3 budget of \$16,762,398;

⁹ Triennium 1 Extension Order, at 8 (authorizing utilities “to shift program budgets within the same sector or among sectors during the half-year Triennium 1 extension according to the parameters applicable to Triennium 2”).

c. The Company shall be permitted to distribute the incremental Triennium 1 budget funds to programs with higher than anticipated demand from the initial approved Triennium 1 budget.

d. The Company shall be permitted to utilize deferred accounting and recover all reasonably incurred costs associated with the Triennium 1 EE Program, including the extension period, consistent with the RGGI Surcharge cost recovery mechanism previously approved by the Board;

e. The Company shall be permitted to recover through the Triennium 1 RGGI Surcharge cost recovery mechanism any projects the Company has committed to undertake, as well as projects that have commenced, prior to December 31, 2024, and may continue those projects for any completion and close-out activities; and

f. The Company shall be granted such other and further relief as the Board deems just and reasonable.

Respectfully submitted,


Margaret Comes

c: email service list

Maximum Budget Calculation:

	Tri 1 Program Budget	PY1 Program Budget (Actual Spend, per filed report)	PY2 Program Budget (Actual Spend, per filed report)	Commitments (as of 6/30/2023)	Remaining Budget	50% / Half Year Value
Rockland Electric	\$18,081,625	\$2,143,849	\$4,762,844	\$0	\$11,174,932	\$5,587,466

Budget:

Program	Current Approved Triennium 1 Budget* (\$)	Proposed Extension Budget (\$)	Total Extended Triennium 1 Budget (\$)
Residential Efficient Products	\$2,880,802	\$729,164	\$3,609,966
Residential Existing Homes	\$1,259,799	\$340,277	\$1,600,076
Moderate Income Weatherization	\$633,748	\$97,222	\$730,970
Multi-family	\$1,000,939	\$48,611	\$1,049,550
C&I Direct Install	\$2,647,072	\$3,111,101	\$5,758,173
C&I Prescriptive/Custom	\$4,828,814	\$48,611	\$4,877,425
<i>Peak Demand Reduction</i>	\$937,313	\$340,277	\$1,277,590
<i>Clean Heat Beneficial Electrification</i>	\$1,497,697	\$145,833	\$1,643,530
Total Investment	\$15,686,184	\$4,861,095	\$20,547,279
O&M**	\$2,395,441	\$726,371	\$3,121,812
Total Budget	\$18,081,625	\$5,587,466	\$23,669,091

*Budget reflects the RECO Triennium 1 Budget Reallocation Notice filed on February 8, 2023

**Set to a cap of 13% of Total Investment

Annual Savings Target (MWh):	7,310
Lifetime Savings Target (MWh):	80,413
Compliance Baseline (MWh)	1,507,281

In the Matter of the Petition of Rockland 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. EO20090623

Service List

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