



April 4, 2024

VIA ELECTRONIC TRANSMISSION

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

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ.
BPU DOCKET NO. GO20090622

Dear Secretary Golden:

Please accept, on behalf of New Jersey Natural Gas Company (“Company”), an executed Stipulation To Extend For 6 Months the Company’s Triennium 1 Program (“Stipulation”), previously approved by the New Jersey Board of Public Utilities, in the above captioned matter. Please note that Intervenor, Natural Resources Defense Council, takes no position on the Stipulation, as indicated in their correspondence dated April 1, 2024 which is also attached hereto.

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. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Should you have any questions, please do not hesitate to contact me at adembia@njng.com.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K Dembia, Esq.
Regulatory Affairs Counsel

AKD/ss
Encl.
C: Service List

In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.

FIRST TRIENNIUM
BPU Docket No. GO20090622

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In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.

FIRST TRIENNIUM
BPU Docket No. GO20090622

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**STATE OF NEW JERSEY BOARD
OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS
COMPANY FOR APPROVAL OF
ENERGY EFFICIENCY PROGRAMS AND
THE ASSOCIATED COST RECOVERY
MECHANISM PURSUANT TO THE
CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8
ET SEQ. AND 48:3-98.1 ET SEQ.**

**STIPULATION OF SETTLEMENT
BPU DOCKET NO. GO20090622**

APPEARANCES:

Andrew K. Dembia, Esq., Regulatory Affairs Counsel for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Managing Attorney – Gas, **Sarah Steindel, Esq.**, Megan Lupo, Esq., **Mamie W. Purnell, Esq.**, and Andrew H. Gold, Esq., Assistant Deputies Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Director)

Steven Chaplar, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

Eric Miller, Esq., for the Natural Resources Defense Council

John Kolesnik, Esq., Policy Counsel for the Energy Efficiency Alliance of New Jersey

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On September 25, 2020, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting approval of its energy efficiency (“EE”) programs, referred to as The SAVEGREEN Project® (“SAVEGREEN 2020”) pursuant to the New Jersey Clean Energy Act of 2018 (“CEA”).¹
2. On March 3, 2021, the Board issued an Order approving a stipulation for SAVEGREEN

¹ N.J.S.A. 48:3-87.8 et seq.

2020 executed by NJNG, the New Jersey Division of Rate Counsel (“Rate Counsel”), Board Staff (“Staff”), the Natural Resources Defense Council (“NRDC”), and the Energy Efficiency Alliance of New Jersey (“EEA-NJ”) (collectively, “Parties”) for the period commencing July 1, 2021 and ending June 30, 2024.² The Parties agreed and the BPU approved a SAVEGREEN 2020 program budget not to exceed \$258.94 million, with Operating and Maintenance (“O&M”) expenses – including Administration and Program Development, Sales and Marketing, Training, Audit and Quality Control, and Evaluation and Related Research – in an amount not to exceed \$23.46 million (“Triennium 1”).

3. By Order dated May 24, 2023, the Board directed each electric and gas public utility to propose EE programs for the second triennium period (“Triennium 2”) on or before October 2, 2023 and addressed certain aspects of the EE Triennium 2 framework.³ By Order dated July 26, 2023, the Board approved the remaining aspects of the Triennium 2 framework necessary for the utilities to submit their Triennium 2 filings.⁴
4. By Order dated September 27, 2023, the Board established a December 1, 2023 deadline for EE program filings to be submitted by New Jersey’s electric and gas public utilities for

² In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021.

³ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, The New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re: Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated May 24, 2023 (“May 2023 Order”).

⁴ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated July 26, 2023 (“July 2023 Order”).

Triennium 2 implemented pursuant to the CEA.⁵

5. By Order dated October 25, 2023, the Board found that it was reasonable, prudent, and in the public interest to provide additional time for Staff and Rate Counsel to conduct a thorough and diligent concurrent review of the Triennium 2 filings, as well as to provide parties and interested stakeholders with additional time to review, analyze, and discuss the filings.⁶ By the October 2023 Order, the Board ordered that Triennium 2 shall commence on January 1, 2025 and conclude on June 30, 2027, for a total term of 2.5 years. The Board further directed the electric and gas public utilities to submit filings in accordance with the new Triennium 2 term.
6. Also, by the October 2023 Order, the Board directed the utilities to file petitions to extend their respective Triennium 1 programs, without changes, by six (6) months for the Board's approval.⁷ The Board ordered that each utility's Triennium 1 extension budget should not exceed 50% of the utility's third program year ("Program Year 3" or "PY3") budget in order to align with the progress and ramping of the EE programs. Further, the Board ordered that, as part of the Triennium 1 extension, each utility shall meet energy savings targets equivalent to 50% of its PY3 energy savings targets in order to align with the progress and ramping of the EE programs. The Board further authorized the utilities to shift program budgets within the same sector or among sectors during the Triennium 1 extension according to the

⁵ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 – Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated September 27, 2023 ("September 2023 Order").

⁶ In re the Implementation of P.L. 2018, c. 17 the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150 ("October 2023 Order").

⁷ Ibid.

parameters applicable to Triennium 2.⁸

7. Pursuant to the October 2023 Order, on November 9, 2023, NJNG filed a letter petition with the Board seeking approval to extend SAVEGREEN 2020 by six (6) months, to December 31, 2024, with a budget of \$76.929 million designed to meet customer demand for SAVEGREEN 2020 (“Extension Petition”).
8. In the Extension Petition, the Company agreed to abide by all the terms and conditions of the Stipulation of Settlement approved in the March 2021 Order, including, but not limited to, the cost recovery mechanism, calculation of carrying costs, committed funds not yet expended by the end of the term, and annual filing components.
9. NJNG requested that the entire 18-month extended PY3 period be used for purposes of evaluation and reporting. In setting the goal for the Triennium 1 extension period (July 1, 2024 through December 31, 2024 or “Extension Period”) at 50% of the PY3 goal, the Company requested that its energy savings goal be 0.255%. NJNG calculated this goal based on the original goals established for PY3 from the June 10, 2020 Order.⁹ For NJNG, the goal for annual energy use reductions will be 1.747 million therms of natural gas. NJNG’s original therm reduction goal for the 12-month PY3 was 3,434,190. The target for this additional six (6)-month period would be 1,747,876 therms. Accordingly, the final therm reduction goal for NJNG would be 5,182,066 for the extended 18-month PY3 period.
10. The Company also requested one (1) minor change related to measure category financing limits for the Energy Efficient Products Program. Currently, NJNG imposes financing limits for individual measure categories. As represented by the Company in the Extension Petition,

⁸ See the October 2023 Order and the May 2023 Order, p. 18-19.

⁹ 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, QO19060748, and QO17091004, Order dated June 10, 2020.

feedback from contractors indicated they would strongly prefer to see NJNG operate consistent with the approach the other utilities use of just imposing a project level cap. These contractors have voiced that NJNG's measure category caps can limit EE since they have not been updated to reflect the inflationary pressures on equipment costs since those limits were filed in 2020. Therefore, in the interest of consistency with how the other utilities are implementing financing and to support contractor and customer needs, NJNG requested to eliminate the measure category financing caps for the duration of Triennium 1, effective the date of the approval of this extension. NJNG would maintain the same overall financing cap of \$15,000 for the Extension Period.

11. A public hearing in this matter was held on March 11, 2024. No members of the public appeared.
12. Upon review of the Extension Petition and responses to discovery, the Parties stipulate and agree as follows:

STIPULATED ISSUES

13. The Parties agree that the Company's previously Board-approved SAVEGREEN 2020 shall be extended six (6) months beyond the current termination date of June 30, 2024 and NJNG is fully authorized to implement and administer SAVEGREEN 2020 on a regulated basis for an additional six (6)-month term through December 31, 2024 under the terms and conditions set forth in the Board's Order approving SAVEGREEN 2020, except as otherwise set forth herein.
14. The Parties agree that the budget for the Extension Period shall not exceed \$76.929 million, which includes \$6.534 million of incremental O&M, and associated cost recovery. The Parties agree that NJNG is authorized to utilize deferred accounting for all prudently incurred

costs associated with SAVEGREEN 2020 and recover all reasonably incurred costs associated with SAVEGREEN 2020 herein through Rider F to the NJNG tariff.

15. The Parties agree that any projects committed and/or started prior to December 31, 2024 may continue for close-out and completion activities.
16. The Parties agree that NJNG is authorized to eliminate the measure category financing caps for the Energy Efficient Products Program but retain the original project level cap as of the effective date of the Board Order in this docket.
17. The Parties agree that the PY3 goal shall be 50% of the original goals established for PY3 from the June 2020 Order or 0.255% as outlined in the October 2023 Order. For NJNG, the goal for annual energy use reductions will be 1.747 million therms of natural gas.
18. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, if this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
19. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
20. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as

expressly provided herein, NJNG, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

21. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto respectfully request that the Board issue a Decision and Order approving this Stipulation in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**NEW JERSEY NATURAL GAS COMPANY
PETITIONER**



By: _____
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ENERGY EFFICIENCY ALLIANCE OF NEW JERSEY

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POLICY COUNSEL

Date: April 4, 2024



April 1, 2024

Via Email

RE: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ., BPU DOCKET NO. GO20090622

To Whom it May Concern:

Natural Resources Defense Council takes no position on the April 2024 Stipulation of Settlement extending Triennium 1.

A handwritten signature in black ink, appearing to read 'Kaitlin Morrison', is written in a cursive style.

Kaitlin Morrison, Esq.
Eastern Environmental Law Center
On behalf of Intervenors
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