



Agenda Date: 4/30/24
Agenda Item: 8F

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY AND CLEAN
ENERGY

IN THE MATTER OF THE PETITION OF)
ELIZABETHTOWN GAS COMPANY FOR APPROVAL)
OF NEW ENERGY EFFICIENCY PROGRAMS AND)
ASSOCIATED COST RECOVERY PURSUANT TO THE)
CLEAN ENERGY ACT AND ESTABLISHMENT OF A)
CONSERVATION INCENTIVE PROGRAM)
ORDER APPROVING)
STIPULATION)
DOCKET NO. GO20090619)

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Sheree L. Kelly, Esq., Regulatory Affairs Counsel, Elizabethtown Gas Company
John M. Kolesnik, Esq., Policy Counsel for the Energy Efficiency Alliance of New Jersey
Steven S. Goldenberg, Esq., Giordano, Halleran & Ciesla, P.C., Counsel for the New Jersey Large Energy Users Coalition

BY THE BOARD:

On November 20, 2023, Elizabethtown Gas Company (“ETG” or “Company”) filed a letter petition requesting that the New Jersey Board of Public Utilities (“Board”) authorize the Company to extend the term of its initial energy efficiency (“EE”) portfolio of programs established pursuant to the New Jersey Clean Energy Act of 2018, L. 2018, c. 17 (“Triennium 1 EE Program”) for a six (6)-month period from July 1, 2024, through December 31, 2024 (“Petition”). Additionally, by the Petition, ETG sought approval from the Board of a budget of \$32,027,481 for the extension period and other relief related to this budget request.

By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by ETG, the New Jersey Division of Rate Counsel (“Rate Counsel”), Board Staff (“Staff”), the Energy Efficiency Alliance of New Jersey (“EEA-NJ”), and the New Jersey Large Energy Users Coalition (“NJLEUC”) (collectively, “Parties”) that resolves all issues relating to the Petition.

BACKGROUND AND PROCEDURAL HISTORY

On September 25, 2020, ETG filed a petition with the Board seeking approval of its Triennium 1 EE Program for implementation from July 1, 2021, through June 30, 2024. By Order dated April 7, 2021, the Board approved a stipulation of settlement authorizing ETG to implement its Triennium 1 EE Program, with the below subprograms, with a total budget of \$83,415,832.¹

Subprogram	Total
Behavioral	\$3,144,563
Efficient Products	\$27,797,313
Existing Homes: Home Performance with Energy Star	\$7,707,819
Existing Homes: Quick Home Energy Check-up	\$2,592,991
Existing Homes: Moderate Income Weatherization	\$9,742,514
Multi-Family	\$6,040,818
Energy Solutions for Business: Prescriptive and Custom	\$5,435,888
Energy Solutions for Business: Engineered Solutions	\$1,540,933
Energy Solutions for Business: Energy Management	\$468,541
Energy Solutions for Business: Direct Install	\$6,539,913
Portfolio (Non-Allocated) Cost Subtotal	\$3,035,119
Subprograms	\$74,046,411
Electric Distribution Companies (“EDCs”) In	(\$13,020,185)
EDCs Out	\$22,389,606
Net Transfers to/from EDCs	\$9,369,421
Grand Total	\$83,415,832

¹ In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021.

By Order dated May 24, 2023, the Board directed each electric and gas public utility (“Utility”) to propose, for Board approval, EE programs for the second three (3)-year EE program period (“Triennium 2”) on or before October 2, 2023, and the Board addressed certain aspects of the Triennium 2 framework.² By Order dated July 26, 2023, the Board approved the remaining aspects of the Triennium 2 framework.³

By Order dated October 25, 2023, the Board delayed the start of Triennium 2 by six (6) months from July 1, 2024 until January 1, 2025, and directed the Utilities to file petitions to extend their respective Triennium 1 programs, without changes, by six (6) months for Board approval.⁴ The Board ordered that each Utility’s Triennium 1 EE Program extension budget should not exceed 50% of the Utility’s Program Year 3 (“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 EE Program extension, each Utility shall meet energy savings targets equivalent to 50% of its PY3 energy savings targets to align with the progress 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 EE Program extension according to the parameters applicable to Triennium 2.

On June 30, 2023, ETG filed a notice of budget reallocation within the residential, multifamily, and commercial sectors of the Triennium 1 EE Program to cover an increase in participation in the Multi-Family Home Performance and Commercial Direct Install programs and ensure uninterrupted program implementation during Triennium 1.

On October 31, 2023, ETG filed a notice of budget reallocation within the residential, multifamily, and commercial sectors of the Triennium 1 EE Program to cover an increase in participation in the Multi-Family Home Performance and Commercial Direct Install programs and ensure uninterrupted program implementation during Triennium 1.

² 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.

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 July 26, 2023.

⁴ 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, Order dated October 25, 2023 (“October 2023 Order”).

Petition

On November 20, 2023, the Company filed the Petition, requesting the Board's approval to continue its Triennium 1 EE Program through December 31, 2024, with an incremental budget for the six (6)-month extension period of \$32,027,481 compared to its PY3 budget of \$64,054,961, or 50% of its PY3 budget. Consistent with the Triennium 1 Extension Order, the Company's energy savings target is 50% of its PY3 energy savings target, or an estimated 1,257,606 therms of annual natural gas savings, for the extension period.

On March 4, 2024, the Company held a virtual public hearing in which representatives of the Company, Staff, and Rate Counsel participated. No members of the public attended, and the Board received no comments.

STIPULATION

Following a review of the Petition and conducting discovery, the Parties executed the Stipulation, included as an attachment to this Order, which provides for the following:⁵

13. The Parties agree that the Company's previously Board-approved Triennium 1 program shall be extended six (6) months beyond the current termination date of June 30, 2024 and ETG is fully authorized to implement and administer the Triennium 1 program 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 April 2021 Order approving the Company's Triennium 1 program, except as otherwise set forth in the Stipulation.
14. The Parties agree that the budget for the Extension Period shall not exceed \$32.028 million, which includes \$2.839 million of incremental O&M, and associated cost recovery. The Parties agree that ETG is authorized to utilize deferred accounting for all prudently incurred costs associated with the Triennium 1 program and recover all prudently incurred costs associated with the Triennium 1 program and recover all prudently incurred costs associated with the Triennium 1 program herein through Rider "E" to the ETG 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 ETG 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 goal established for PY3 from the June 2020 Order or 0.255% as outlined in the October 2023 Order. For ETG, the goal for annual energy use reductions will be 1,257,606 therms of natural gas.

⁵ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the finding and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

DISCUSSION AND FINDINGS

The Board, having carefully reviewed the Petition, the June 30, 2023, and October 31, 2023, notices of budget reallocations, and the Stipulation, **HEREBY FINDS** that continuing ETG's existing Triennium 1 EE Program through December 31, 2024, subject to the terms and conditions set forth herein, is in the public interest and that the Stipulation is reasonable and in accordance with the law. The Board **FURTHER FINDS** that the Stipulation is consistent with the goals of the Clean Energy Act and New Jersey's Energy Master Plan, and the requirements of the Board's June 10, 2020 Order establishing the framework for Triennium 1 EE programs⁶ and the Triennium 1 Extension Order. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

There will be no immediate rate impacts as a result of the Stipulation.

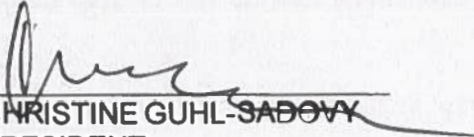
The Company's rates and costs, including the Triennium 1 EE Program and any associated modification costs, remain subject to audit. This Decision and Order shall neither preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of such audit.

⁶ 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.

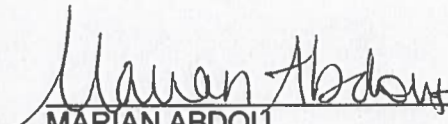
The effective date of this Order is May 7, 2024.

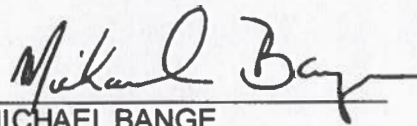
DATED: April 30, 2024

BOARD OF PUBLIC UTILITIES
BY:

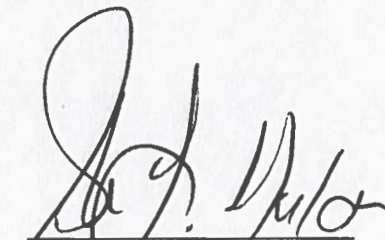

CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOLOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRIL L. GOLDEN
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED COST RECOVERY PURSUANT TO THE CLEAN ENERGY ACT AND ESTABLISHMENT OF A CONSERVATION INCENTIVE PROGRAM

DOCKET NO. GO20090619

SERVICE LIST

Elizabethtown Gas Company

SJI Utilities, Inc.
One South Jersey Place
Folsom, NJ 08037

Dominick DiRocco, Esq.
VP, Rates & Regulatory Affairs
ddirocco@sjindustries.com

Carolyn A. Jacobs,
Regulatory Compliance Specialist Sr.
cjacobs@sjindustries.com

Jennifer Weitz, Regulatory Affairs Counsel Intermediate
jweitz@sjindustries.com

Ed McFadden, VP, Sales & Marketing
emcfadden@sjindustries.com

Cindy Capozzoli, Director, Rates
ccapozzoli@sjindustries.com

Maureen Minkel
Senior Director, Marketing and Energy Efficiency
mminkel@sjindustries.com

Michael Savacool
Manager, Financial Planning/Energy Efficiency
msavacool@sjindustries.com

Sheree Kelly, Esq., Regulatory Affairs Counsel
skelly@sjindustries.com

520 Green Lane
Union, NJ 07083

Thomas Kaufmann, Manager, Rates & Tariffs
tkaufmann@sjindustries.com

Andrew McNally
Senior Director, Government & Regulatory Affairs
amcnally@sjindustries.com

Susan Potanovich, Manager, Rates
spotanovich@sjindustries.com

Frank Vetri, Manager, Energy Efficiency
fvetri@sjindustries.com

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherry L. Golden, Board Secretary
board.secretary@bpu.nj.gov

Bob Brabston, Executive Director
robert.brabson@bpu.nj.gov

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

Ben Witherell, Chief Economist
benjamin.witherell@bpu.nj.gov

Division of Clean Energy

Veronique Oomen, Director
veronique.oomen@bpu.nj.gov

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

Kevin Nedza, Senior Project Manager
kevin.nedza@bpu.nj.gov

Alexis Trautman, Research Scientist 3
alexis.trautman@bpu.nj.gov

General Counsel's Office

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

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

Steven Athanassopoulos, Regulatory Officer
steven.athanassopoulos@bpu.nj.gov

Division of Revenue and Rates

Jacqueline Galka
jacqueline.galka@bpu.nj.gov

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney
mcaroselli@rpa.nj.gov

Mamie W. Purnell, Esq.
mpurnell@rpa.nj.gov

Atlantic City Electric Company

Philip J. Passanante, Esq.,
Assistant General Counsel
92DC42
500 North Wakefield Drive
Newark, DE 19702
philip.passanante@pepcoholdings.com

Butler Electric Company

Robert H. Oostdyk, Jr., Esq.
Murphy McKeon, P.C.
51 Route 23 South
P.O. Box 70
Riverdale, NJ 07457
roostdyk@murphymckeonlaw.com

New Jersey Natural Gas Company

New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel
adembia@njng.com

South Jersey Gas Company

Sheree Kelly, Esq., Regulatory Affairs Counsel
South Jersey Industries
520 Green Lane
Union, NJ 07083
skelly@sjindustries.com

New Jersey Division of Law

Department of Law and Public Safety
R.J. Hughes Justice Complex, 7th Fl. West
25 Market Street
P.O. Box 112
Trenton, NJ 08625-0112

Daren Eppley, Section Chief, DAG
daren.eppley@law.njoag.gov

Pamela Owen, Assistant Section Chief, DAG
pamela.owen@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Steven Chaplar, DAG
steven.chaplar@law.njoag.gov

Energy Efficiency Alliance of New Jersey

John M. Kolesnik, Esq., Policy Counsel
614 S. 4th Street #307
Philadelphia, PA 19147
jkolesnik@keealliance.org

New Jersey Large Energy Users Coalition

Steven S. Goldenberg, Esq.
Giordano, Halleran and Ciesla, P.C.
125 Half Mile Road, Suite 300
Red Bank, NJ 07701-6777
sgoldenberg@ghclaw.com

Jersey Central Power & Light Company

Michael Martelo, Esq., Attorney
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911
mmartelo@firstenergycorp.com

Public Service Electric and Gas Company

Stacey M. Mickles, Associate Counsel – Regulatory
Law Department
PSEG Services Corporation
80 Park Plaza – T10
Newark, New Jersey 07102-4194
stacey.mickles@pseg.com

Rockland Electric Company

Margaret Comes, Esq., Associate Counsel
4 Irving Place
New York, New York 10003
comesm@coned.com

Sheree L. Kelly, Esq.
Regulatory Affairs Counsel

April 5, 2024

Sherri Golden
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

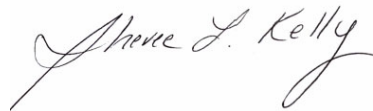
Re: In the Matter of the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program BPU Docket Nos. GO20090619

Dear Secretary Golden:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company, the Staff of the Board of Public Utilities, the Division of Rate Counsel, New Jersey Large Energy Users Coalition and Energy Efficiency Alliance of New Jersey. It is respectfully requested that the Board consider the Stipulation at its next agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully



Sheree L. Kelly

SLK:caj
Enclosures

cc: See attached Service List (with enclosures)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED COST
RECOVERY PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT
OF A CONSERVATION INCENTIVE PROGRAM
BPU DOCKET NO. GO20090619**

SERVICE LIST

NJ BOARD OF PUBLIC UTILITIES

Jacqueline Galka
N.J. Board of Public Utilities
44 South Clinton Avenue
Post Office Box 350
Trenton, NJ 08625-0350
jacqueline.galka@bpu.nj.gov

Terrence Coleman
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
tcoleman2@rpa.nj.gov

Stacy Peterson
N.J. Board of Public Utilities
44 South Clinton Avenue
Post Office Box 350
Trenton, NJ 08625-0350
Stacy.peterson@bpu.nj.gov

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

Stacy Richardson
N.J. Board of Public Utilities
44 South Clinton Avenue
Post Office Box 350
Trenton, NJ 08625-0350
stacy.richardson@bpu.nj.gov

Carlena Morrison
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
cmorrison@rpa.nj.gov

Heather Weisband
N.J. Board of Public Utilities
44 South Clinton Avenue
Post Office Box 350
Trenton, NJ 08625-0350
heather.weisband@bpu.nj.gov

Mamie W. Purnell, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mpurnell@rpa.nj.gov

DIVISION OF RATE COUNSEL

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mcaroselli@rpa.nj.gov

DEPT. OF LAW & PUBLIC SAFETY –
DIVISION OF LAW

David Apy
Assistant Attorney General
Dept. of Law & Public Safety -
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
David.Apy@law.njoag.gov

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED COST
RECOVERY PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT
OF A CONSERVATION INCENTIVE PROGRAM
BPU DOCKET NO. GO20090619**

SERVICE LIST

Matko Ilic, DAG
Dept. of Law & Public Safety -
Division of Law
Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street, 7th Floor West
P.O. Box 112
Trenton, NJ 08625
Matko.Ilic@law.njoag.gov

Terel Klein, DAG
Dept. of Law & Public Safety
Division of Law
Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street, 7th Floor West
P.O. Box 112
Trenton, NJ 08625
Terel.Klein@law.njoag.gov

ELIZABETHTOWN GAS COMPANY

Dominick DiRocco, Esq.
VP, Rates and Regulatory Affairs
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
ddirocco@sjindustries.com

Carolyn A. Jacobs
Regulatory Compliance Specialist Sr.
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
cjacobs@sjindustries.com

Thomas Kaufmann
Manager, Rates & Tariffs
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
tkaufmann@sjindustries.com

Sheree Kelly, Esq.
Regulatory Affairs Counsel
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
skelly@sjindustries.com

Jennifer Weitz
Regulatory Affairs Counsel Intermediate
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
jweitz@sjindustries.com

Ed McFadden
VP, Sales & Marketing
SJI
One South Jersey Place
Atlantic City, NJ 08401
emcfadden@sjindustries.com

Andrew McNally
Senior Director,
Government & Regulatory Affairs
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
amcnally@sjindustries.com

Susan Potanovich
Manager, Rates
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
spotanovich@sjindustries.com

Frank Vetri
Manager, Energy Efficiency
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
fvetri@sjindustries.com

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED COST
RECOVERY PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT
OF A CONSERVATION INCENTIVE PROGRAM
BPU DOCKET NO. GO20090619**

SERVICE LIST

Cindy Capozzoli
Director, Rates
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
ccapozzoli@sjindustries.com

Maureen Minkel, Senior Director
Senior Director,
Marketing and Energy Efficiency
SJI
One South Jersey Place
Atlantic City, NJ 08401
mminkel@sjindustries.com

Michael Savacool, Manager
Financial Planning/Energy Efficiency
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
msavacool@sjindustries.com

Isaac Gabel-Frank
Gabel Associates, Inc.
417 Denison Street
Highland Park, NJ 08904
isaac@gabelassociates.com

Brendon Baatz
Gabel Associates, Inc.
417 Denison Street
Highland Park, NJ 08904
brendon@gabelassociates.com

ATLANTIC CITY ELECTRIC COMPANY

Philip J. Passanante, Esq.
Atlantic City Electric Company
92DC42
500 North Wakefield Drive
P.O. Box 6066
Newark, DE 19702
philip.passanante@pepcoholdings.com

JERSEY CENTRAL POWER & LIGHT
COMPANY

First Energy Corp.
76 South Main
Akron, Ohio 44308

Edward C. Miller
emille3@firstenergycorp.com

NEW JERSEY NATURAL GAS COMPANY

Andrew K. Dembia, Esq.
New Jersey Natural Gas Company
1415 Wyckoff Road
P. O. Box 1464
Wall, New Jersey 07719
adembia@njng.com

PUBLIC SERVICE ELECTRIC & GAS
COMPANY

Public Service Electric & Gas
80 Park Plaza, T5G
Newark, NJ 07102

Stacey Mickles, Esq.
stacey.mickles@pseg.com

Caitlyn White
caitlyn.white@pseg.com

ROCKLAND ELECTRIC COMPANY

4 Irving Place Suite 1815-S
New York, New York 10003

Margaret Comes, Esq.
comesm@coned.com

Energy Efficiency Alliance of NJ

John M. Kolesnik
jkolesnik@keealliance.org

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED COST
RECOVERY PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT
OF A CONSERVATION INCENTIVE PROGRAM
BPU DOCKET NO. GO20090619**

SERVICE LIST

NJ Large Energy Users Coalition

Steven S. Goldenberg
sgoldenberg@ghclaw.com

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

IN THE MATTER OF THE PETITION :
OF ELIZABETHTOWN GAS COMPANY : **STIPULATION OF SETTLEMENT**
FOR APPROVAL OF NEW ENERGY :
EFFICIENCY PROGRAMS AND THE : **BPU DOCKET NO. GO20090619**
ASSOCIATED COST RECOVERY :
MECHANISM PURSUANT TO THE :
CLEAN ENERGY ACT AND THE :
ESTABLISHMENT OF A CONSERVATION :
INCENTIVE PROGRAM :

APPEARANCES:

Sheree L. Kelly, Esq., Regulatory Affairs Counsel for the Petitioner, Elizabethtown Gas Company

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

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

Steven S. Goldenberg, Esq., Counsel for the New Jersey Large Energy Users Coalition

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On September 25, 2020, Elizabethtown Gas Company (“ETG” or “Company”) filed a petition with the Board requesting approval of new energy efficiency (“EE”) programs and associated cost recovery pursuant to the New Jersey Clean Energy Act of 2018 (“CEA”) and the establishment of a Conservation Incentive Program.¹ On October 20, 2020, the

¹ N.J.S.A. 48:3-87.8 et seq.

Company updated the petition in accordance with an Administrative Determination Letter.²

2. On April 7, 2021, the Board issued an Order approving a stipulation executed by ETG, the New Jersey Division of Rate Counsel (“Rate Counsel”), Board Staff (“Staff”), the Energy Efficiency Alliance of New Jersey (“EEA-NJ”), and the New Jersey Large Energy Users Coalition (“NJLEUC”) (collectively, “Parties”) for the period commencing July 1, 2021 and ending June 30, 2024.³ The Parties agreed and the BPU approved a program budget not to exceed \$83.415 million, with Operating and Maintenance (“O&M”) expenses – including Administration and Program Development, Marketing, Quality Control and Evaluation – in an amount not to exceed \$7.394 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.⁴ 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.⁵

² In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket No. GO20090619.

³ In re the Implementation of L.2018 c.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, I/M/O the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021 (“April 2021 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 May 24, 2023 (“May 2023 Order”).

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 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

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 Triennium 2 implemented pursuant to the CEA.⁶

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.⁷ 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.⁸ 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

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”).

⁶ 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”).

⁷ In the Matter of 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”).

⁸ Ibid.

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 parameters applicable to Triennium 2.⁹

7. Pursuant to the October 2023 Order, on November 20, 2023, ETG filed a letter petition with the Board seeking approval to extend the Company's Triennium 1 program by six (6) months, to December 31, 2024, with a budget of \$32.028 million designed to meet customer demand for the Company's current Triennium 1 program ("Extension Petition").

8. In the Extension Petition, ETG agreed to abide by all the terms and conditions of the Stipulation of Settlement approved by the April 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. ETG 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 set at 0.255%. ETG calculated this goal based on the original goals established for PY3 from the June 10, 2020 Order.¹⁰ For ETG, the goal for annual energy use reductions will be 1.258 million therms of natural gas. ETG's original therm reduction goal for the 12-month PY3 was 2,515,213. The target for this additional six (6)-month period would be 1,257,606 therms. Accordingly, the final therm reduction goal for ETG would be 3,772,819 for the 18-month extended PY3 period.

⁹ See the October 2023 Order and the May 2023 Order, p. 18-19.

¹⁰ 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.

10. The Company also requested one (1) minor change related to measure category financing limits for the Energy Efficient Products Program. Currently, ETG imposes financing limits for individual measure categories. As represented by the Company in the Extension Petition, feedback from contractors indicated they would strongly prefer to see ETG operate consistent with the approach the other utilities use of imposing just a project level cap. These contractors have voiced that ETG'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, ETG requested to eliminate the measure category financing caps for the duration of Triennium 1, effective the date of the approval of this extension. ETG 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 4, 2024. No members of the public appeared.

12. Upon review of the Extension Petition and responses to discovery, the Parties to this proceeding stipulate and agree as follows:

STIPULATED ISSUES

13. The Parties agree that the Company's previously Board-approved Triennium 1 program shall be extended six (6) months beyond the current termination date of June 30, 2024 and ETG is fully authorized to implement and administer the Triennium 1 program 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 April 2021 Order approving the Company's Triennium 1 program, except as otherwise set forth herein.

14. The Parties agree that the budget for the Extension Period shall not exceed \$32.028 million, which includes \$2.839 million of incremental O&M, and associated cost recovery. The Parties agree that ETG is authorized to utilize deferred accounting for all prudently incurred costs associated with the Triennium 1 program and recover all prudently incurred costs associated with the Triennium 1 program herein through Rider “E” to the ETG 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 ETG 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 goal established for PY3 from the June 2020 Order or 0.255% as outlined in the October 2023 Order. For ETG, the goal for annual energy use reductions will be 1,257,606 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.

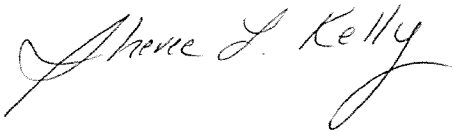
19. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

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, ETG, Board 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.

**ELIZABETHTOWN GAS COMPANY
PETITIONER**



By: _____
SHEREE L. KELLY, ESQ.
REGULATORY AFFAIRS COUNSEL

**BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By: 

MAMIE W. PURNELL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL
MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By: 

STEVEN CHAPLAR
DEPUTY ATTORNEY GENERAL

ENERGY EFFICIENCY ALLIANCE OF NEW JERSEY

By: 

JOHN KOLEŚNIK, ESQ.
POLICY COUNSEL

NEW JERSEY LARGE ENERGY USERS COALITION


By: _____
STEVEN GOLDENBERG, ESQ.
COUNSEL

Date: April 4, 2024