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VIA ELECTRONIC MAIL
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Sherri L. Golden, RMC
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 Federal Inflation Reduction Act HOMES
(Home Efficiency Rebates) and HEEHR (Home Electrification and Appliance
Rebates) Program
BPU Docket No. QO23100733

Dear Secretary Golden:

Atlantic City Electric Company (“ACE” or the “Company”) appreciates the opportunity to comment on the Request for Information (“RFI”) contained in the May 7, 2024 Notice regarding the design of the program to implement the Federal Inflation Reduction Act (“IRA”) Home Efficiency Rebate (“HOMES” or “HER”) and Home Electrification and Appliance Rebates (“HEEHR” or “HEAR”) formula funding.

Based on the information that Staff of the New Jersey Board of Public Utilities (“BPU”) has shared, it is the Company’s understanding that the United States Department of Energy funding will be used to support a new program focused on income-qualified multifamily homes and to provide an electrification adder to the Comfort Partners Program. ACE supports the plan’s focus on this building sector and customer segment of particular need and the Company will seek to work closely with the BPU on the plan’s implementation. However, the proposed approach differs from the previously discussed approach of using IRA funds to enhance existing utility programs, and therefore requires careful consideration in four main areas:

- 1. Projects in the Company’s service territory will require a high degree of coordination with ACE.** It has been the experience of ACEs affiliated companies with income-qualified multifamily programs that multiple funding sources are often required to achieve broad market penetration. Based on that experience, ACE recommends that the utility be involved in the development of program details, assuming ratepayer funds will likely be necessary to supplement and complete comprehensive projects.

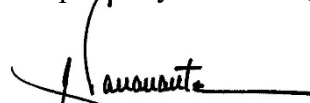
2. **Communications, marketing, and outreach plans should be developed jointly to avoid customer confusion.** The proposed M-RISE program may offer similar or duplicative measures and pathways to those offered by ACE's proposed Energy Efficiency programs like Income Qualified, Engineered Solutions or Building Decarbonization. It is important that customers understand all their options – how they differ or overlap – and are aware how to access the programs they qualify for. Communications should therefore be developed jointly to avoid customer and trade ally confusion.
3. **Data sharing will be critical.** Tracking, reporting, and coordination of savings and costs with the proposed programs are essential to managing projects that use multiple funding sources. ACE and the BPU should discuss attribution of savings for any projects that benefit from joint incentives, especially given the challenging savings goals in the upcoming period for both the utilities and the State of New Jersey.
4. **Jointly funded projects may require special evaluation criteria to avoid adverse impacts to existing program performance.** ACE will seek to evaluate any jointly funded projects with the intent of *only* determining impacts towards the Company's State-mandated energy savings goals. ACE submits that further discussions are necessary regarding utility net-to-gross ratios for any project that receives outside funding, such as IRA rebates from the M-RISE program. It is important that either administering entity (ACE or BPU) is not adversely impacted by diminished net savings from the introduction of any Federal or other outside funds.

ACE's affiliated utility, Delmarva Power & Light Company ("Delmarva"), successfully implemented a limited income multifamily program in its Maryland service territory. Coordination with the Maryland Department of Housing and Community Development ("DHCD") and its Multifamily Energy Efficiency and Housing Affordability Program ("MEEHA") was key to this program's success. Multifamily properties that are Delmarva customers were able to leverage funding from both entities, enabling projects to maximize all available funding and realize more savings through deeper and more comprehensive retrofits than if the participant had engaged only either entity.

Additionally, ACE's affiliate, Potomac Electric Power Company (often referred to as Pepco), ran a successful income-qualified multifamily program in its Washington, D.C. service territory in which customers often leveraged multiple funding sources. Experience with these two limited-income multifamily programs has shown that these programs have the most success when most, if not almost all, project costs are covered. ACE welcomes the opportunity to work with BPU Staff to leverage the success the Company has had in other jurisdictions to maximize the opportunities its customers will have with the IRA funding.

Thank you for the opportunity to comment on this RFI.

Respectfully submitted,



Philip J. Passanante
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State of New Jersey