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PSEG Services Corporation

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Via Email & Public Document Search Tool
Sherri L. Golden
Secretary of the Board
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Board.Secretary@bpu.nj.gov

Re: In the Matter of the Implementation of Federal Inflation Reduction Act HOMES (Home Efficiency Rebates) and HEEHR (Home Electrification and Appliance Rebates) Programs
Docket No. QO23100733

Dear Secretary Golden:

Public Service Electric and Gas Company ("PSE&G" or "Company") is pleased to offer the following comments in response to the May 7, 2024 Request for Information ("RFI") – In the Matter of the Implementation of Federal Inflation Reduction Act ("IRA") Home Efficiency Rebates ("HOMES") and Home Electrification and Appliance Rebates ("HEAR") Program, issued by the Staff of the New Jersey Board of Public Utilities ("Board" or "BPU").

PSE&G wishes to respond to question number six of the RFI as its primary response, as the Company is very concerned with the Board's proposed path involving the creation of a new program, M-RISE, to deploy 100% of the Funding of the HOMES Program, and 85% of the HEAR Program.

PSE&G feels that a positive customer experience should be the first consideration in program design. Leveraging existing PSE&G programs will provide for the best customer experience and ensure the highest levels of participation and federal fund utilization. Pairing the IRA funding with existing PSE&G programs would offer additional rebates and enhanced opportunities to customers facing financial burdens, while streamlining customer access through incorporation into existing programs.

Creating separate, duplicative, or contrasting programs to implement the HOMES/HEAR funding will cause customer and trade ally confusion and will hinder participation in the both the M-RISE and PSE&G programs. Customers will be confused by the need to apply for two programs for the same potential measures, two separate paths for rebates, and two separate paths for contractors. They will be burdened with determining their eligibility for the M-RISE program, and which program best serves their needs and maximizes their incentives. Similarly, contractors and trade allies will be confused and conflicted in having two separate programs to work with and how to approach customers when they have questions or concerns about these programs. Furthermore, a separate program will require separate marketing initiatives rather than leveraging the marketing of existing programs.

Instead, PSE&G recommends the path that has been proposed by us in prior inquires by the BPU and the Department of Energy ("DOE") for the HOMES Program. Federal rebates should be paired with the existing multifamily programs, particularly targeting Low-Moderate Income ("LMI") customers. The Utilities serve as the Program Administrators of the program within their service territories, where they are known and trusted entities. Utilities would be able to leverage their "lead utility/ partner utility" approach, in overlapping service territories, with customers so that all customers have a clear, single utility to deploy all measures regardless of fuel type. This path can be easily aligned with the Board's overall goal to focus the federal funding of multifamily building owner and tenants in low-income neighborhoods.

PSE&G's recommended approach is consistent with the Energy Efficiency Framework Orders that give clear responsibility to the Utilities for administration and operation of Multifamily programs to existing customers. The savings targets and the LMI Quantitative Performance Indicator targets contained in our filings presume that Utilities alone will serve LMI multifamily customers, and that Utilities can claim the savings from delivery of those programs.

Through over a decade of experience, PSE&G has served this customer segment well, and its proposed program contained in its current CEF-EE II filing only improves upon the multifamily program design in order to reach the difficult market of multifamily customers. As mentioned at the December 13th stakeholder meeting, roughly 25% of PSE&G's multifamily projects have served HMFA buildings. Incorporating the federal funding to an existing and successful Utility led and administered program would allow for seamless customer participation and streamlined program outreach and administration.

The approach of utilizing existing EE programs not only enhances the customer experience by streamlining it into an existing program design and keeps the roles and responsibilities of the contractor and Trade Ally network clear, but also avoids unnecessary confusion from program application to program delivery, through the end of program evaluation. This approach also clarifies the role of the Utilities as Administrator for all programs serving existing customers and buildings, as well as clarifying that the Utilities can claim 100% of the savings for these projects as Administrators regardless of the funding source. This approach also simplifies other aspects of IRA funding; data sharing, quality assurance/ quality control, evaluation verification and measurement, etc., can all be streamlined by leveraging the existing EE programs operated by the Utilities.

The Company does not have comments currently on the creation of the CP-HEAR program, leveraging 15% of the HEAR funding toward electrification of customers who are eligible for the Comfort Partners program.

PSE&G requests that the Board reconsider its proposal based on the comments presented and looks forward to working with the BPU to ensure that New Jersey takes advantage of the opportunity presented by the HOMES and HEAR rebate programs, and to help advance our State's energy and climate goals.

Please contact us if you need any further information.

Respectfully submitted,

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