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July 11, 2024

VIA ELECTRONIC MAIL
sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

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 L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs
BPU Docket No. QO19010040

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 No. EO20090621

Notice of Reallocation of Sub-Program Budgets

Dear Secretary Golden:

The undersigned is Assistant General Counsel to Atlantic City Electric Company (“ACE” or the “Company”) in the above referenced matter(s).

On June 10, 2020, the New Jersey Board of Public Utilities (the “Board” or “BPU”) issued an Order directing each electric and gas public utility in the State of New Jersey to establish energy efficiency and peak demand reduction programs pursuant to the Clean Energy Act of 2018.¹ A portfolio of ACE Energy Efficiency programs was approved by the Board on April 27, 2021.²

¹ See Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, *In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket No. QO19010040 (June 10, 2020) (the “June 2020 EE Order”), at page 13.

² See Decision and Order Approving Stipulation, *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 No. EO20090621 (April 27, 2021) (“April 2021 ACE EE Order”), at page 7.

The Company is providing this communication in accordance with the notification requirements for shifting sub-program budgets within sectors, as permitted by the June 2020 EE Order and the April 2021 ACE EE Order. Specifically, ACE is permitted to shift up to 25 percent of an individual sub-program’s total budget within the Residential and/or the Commercial and Industrial (“C&I”) sectors by providing notice to Staff of the Board.³

Residential Program Changes. Within the Residential Portfolio, ACE is notifying Staff of the movement of \$850,000 that will be transferred from the Home Weatherization/Moderate Income Weatherization program. It is anticipated that \$649,958.90 will be transferred to the Residential HVAC Rebate Program. Additionally, \$200,041.10 will be transferred to the Appliance Rebates Program to cover Marketplace. This shift is due to increased savings production from gas partners and the increased cost of implementing the HVAC program, which has largely been driven by consumer interest in the zero percent interest financing program after significant increases in market interest rates. These reallocations of funds will ensure uninterrupted implementation through the end of Program Year 3 and are below the 25 percent threshold referenced above.

The following table reflects the budget shifts and updated program budgets:

Sector	Program	Sub-program	Initial Approved Budget	Current Budget*	June 2024 Reallocation	Updated Total Budget	Subprogram % Reallocation	Sector % Variance
Residential	Behavior	Home Energy Reports	\$ 503,600	\$ 1,223,100	\$ -	\$ 1,223,100		
		HVAC						
	Efficient Products	Online Marketplace						
		Appliance Rebates						
		Appliance Recycling	\$ 15,469,151	\$ 18,179,227	\$ 850,000	\$ 19,029,227	5.5%**	
	Existing Homes	Home Performance w/ ENERGY STAR	\$ 8,685,623	\$ 7,966,123	\$ -	\$ 7,966,123		
		Quick Home Energy	\$ 8,873,070	\$ 6,162,994	\$ -	\$ 6,162,994		
		Moderate-Income Weatherization	\$ 13,471,022	\$ 13,471,022	\$ (850,000)	\$ 12,621,022	6.3%	
MF	MF	Multi-Family	\$ 3,774,401	\$ 3,774,401	\$ -	\$ 3,774,401		
	SBDI	Small Business	\$ 28,049,428	\$ 21,328,397		\$ 21,328,397		
C&I	Energy Solutions for Business	Prescriptive/Custom	\$ 11,809,616	\$ 18,530,647		\$ 18,530,647		
		Energy Management	\$ 1,942,912	\$ 1,942,912	\$ -	\$ 1,942,912		
		Engineered Solutions	\$ 2,736,454	\$ 2,736,454	\$ -	\$ 2,736,454		
			Portfolio Costs	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	
Total			\$ 96,065,276	\$ 96,065,276	\$ -	\$ 96,065,276		

*Current Budget reflects transfers dated May 2023 and January 2024

** Subprogram % Reallocation based on Reallocation / Initial Approved Budget

Pursuant to the Order issued by the Board in connection with *In the Matter of 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 with the Secretary of the Board, the Division of Law, the New Jersey Division of Rate Counsel, and the Service List. No paper copies will follow.

³ The June 20 EE Order and the April 2021 ACE EE Order state that notice to Staff be provided within 30 days following a change of up to 25 percent. Approval by Board Staff is required for changes between 25 to 50 percent. Board approval is required for changes over 50 percent.

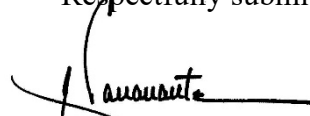
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Thank you for your cooperation and courtesies. Feel free to contact me with any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", written over a horizontal line.

Philip J. Passanante
An Attorney at Law of the
State of New Jersey

cc: Service List

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 No. EO20090621

Service List

BPU

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• Does **not** receive Discovery