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August 26, 2024

**VIA E-MAIL**

Sherrri Golden, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0359

**Re: In the Matter of Petition of Public Service Electric and Gas Company for Approval of its Energy Efficiency Clean Energy Future – Energy Efficiency Program and Recovery of Associated Costs (“CEF-EE”), BPU Dockets GO18101112 and EO10121113**

**Notice of Transfer of Funds**

Dear Secretary Golden:

Please allow this letter to serve as notice of budget reallocations among Public Service Electric & Gas Company’s (“PSE&G” or the “Company”) Clean Energy Future – Energy Efficiency (“CEF-EE”) program sectors and subprograms, as specified below. PSE&G is providing this notice in accordance with the established Staff Notification requirements for shifting sub-program budgets within a sector, as detailed on page seven of the Board’s September 23, 2020 Order Adopting Stipulation (“CEF-EE Order”)<sup>1</sup> and further clarified in paragraph 25 on page 9 of the Stipulation approved by the Board on May 24, 2023 (“CEF-EE Extension Order”).<sup>2</sup>

On June 10, 2020, the New Jersey Board of Public Utilities (the “Board”) issued an Order that directed each electric and gas public utility in the State of New Jersey to establish energy

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<sup>1</sup> In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future-Energy Efficiency (“CEF-EE”) Program on a Regulated basis, Order Approving Stipulation, BPU Docket Nos. GO18101112 and EO1012113, dated September 23, 2020.

<sup>2</sup> In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future-Energy Efficiency (“CEF-EE”) Program on a Regulated basis, Order Approving Stipulation, BPU Docket Nos. GO18101112 and EO1012113, dated May 24, 2023.

efficiency and peak demand reduction programs pursuant to the Clean Energy Act of 2018. In accordance with the June 10, 2020 Order and Stipulation, the CEF-EE Stipulation provides flexibility in the administration of the EE subprograms by allowing PSE&G to shift its sub-program budgets out of an individual sub-program within the residential sector or within the C&I sector, up to 25% of the individual sub-program's total budget with Staff notification (which should be provided within 30 days following the change), 25-50% with Staff approval, and over 50% with Board approval. The CEF-EE Stipulation identifies the subprogram budgets for the program's first triennium. Additionally, up to 5% of individual sector budgets may be shifted between or among sectors with Staff notification, 5-10% with Staff approval and over 10% with Board approval.<sup>3</sup>

By Order dated October 25, 2023, the Board ordered that Triennium 1 be extended for a period of six (6) months through December 31, 2024.<sup>4</sup> As part of this Order, the Board authorized the utilities to shift program budgets within the same sector or among sectors during the half-year Triennium 1 extension according to the parameters applicable to Triennium 2. Under the Triennium 2 parameters, PSE&G may shift its program budgets for programs within the same sector up to 25% with notification to Staff, above 25% up to 50% with Staff approval, and over 50% with Board approval. PSE&G may also shift up to and including 10% of its sector budgets between or among sectors with notification to Staff, greater than 10% and up to 20% with Staff approval, and over 20% with Board approval.

On May 22, 2024, the Board issued an Order approving the additional six-month extension of PSE&G's CEF-EE Program ("CEF-EE Ext 2") for the period July 1, 2024 - December 31, 2024.<sup>5</sup> The total extended triennium 1 EE program represents the baseline for future budget transfers between programs.

On July 30, 2024, the Company provided notice of budget reallocations which shifted budget dollars out of C&I Engineered Solutions and C&I Energy Management programs into C&I Small Non-Resi Efficiency, Residential Efficient Products, Residential Existing Homes and Residential Behavioral programs.

The table below sets forth additional budget reallocations which shifts additional funding to the C&I Small Non-Resi Efficiency program to align with customer and market demands. Consistent with the Board's October 25, 2023 Order, the below budget reallocation requires Staff notification only.

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<sup>3</sup> On May 24, 2023, the Board issued an order extending the CEF-EE program for nine months through June 2024 and provided for additional funding and for the extension period ("CEF-EE Extension Order").

<sup>4</sup> I/M/O 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

<sup>5</sup> Together CEF-EE, CEF-EE Ext. and CEF-EE Ext. 2 are referred to as the extended triennium 1 EE program.

Program Component	CEF-EE I + 9m Ext + 6m Ext	July 2024 Reallocation	Revised Budget with July 2024 Transfer	August 2024 Reallocation	Revised Budget with August 2024 Transfer	Cumulative Subprogram % Reallocation	Cumulative Sector % Change
Residential Efficient Products	\$ 308,280,682	\$ 77,000,000	\$ 385,280,682		\$ 385,280,682	24.98%	
Residential Existing Homes	\$ 136,386,989	\$ 10,500,000	\$ 146,886,989	\$ (1,100,000)	\$ 145,786,989	6.89%	
Residential Behavior	\$ 28,930,137	\$ 500,000	\$ 29,430,137		\$ 29,430,137	1.73%	13.09%
Residential Multifamily	\$ 14,157,240		\$ 14,157,240	\$ (1,300,000)	\$ 12,857,240	-9.18%	
Income Eligible	\$ 77,649,641		\$ 77,649,641	\$ (11,600,000)	\$ 66,049,641	-14.94%	
C&I Prescriptive	\$ 330,654,434		\$ 330,654,434	\$ (12,000,000)	\$ 318,654,434	-3.63%	
C&I Custom	\$ 28,023,231		\$ 28,023,231	\$ (4,000,000)	\$ 24,023,231	-14.27%	
C&I Small Non-Resi Efficiency	\$ 246,398,679	\$ 7,200,000	\$ 253,598,679	\$ 30,000,000	\$ 283,598,679	15.10%	-7.49%
C&I Energy Management	\$ 5,102,390	\$ (1,200,000)	\$ 3,902,390		\$ 3,902,390	-23.52%	
C&I Engineered Solutions	\$ 378,192,568	\$ (94,000,000)	\$ 284,192,568		\$ 284,192,568	-24.86%	
IT	\$ 36,371,822		\$ 36,371,822		\$ 36,371,822		
	\$ 1,590,147,813		\$ 1,590,147,813	\$ -	\$ 1,590,147,813		

Thank you for your attention to this matter.

Respectfully submitted,

Stacey M. Mickles, Esq.

cc: Service List (via email)