

Sheree L. Kelly, Esq.
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October 31, 2024

*Via Electronic Mail*Sherri Golden, Board Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Sherri.Golden@bpu.nj.gov**Re: In the Matter of Petition of South Jersey Gas Company for Approval of its EEP – Energy Efficiency Program and Recovery of Associated Costs, BPU DOCKET NOS. QO19010040 & GO20090618****Notice to Transfer Funds**

Dear Secretary Golden:

Please allow this letter to serve as notice of budget reallocations among Energy Efficiency (“EEP”) program sectors and programs, as specified below. South Jersey Gas (“SJG” or the “Company”) is providing this notice in accordance with the established Staff Notification requirements for shifting program budgets within a sector as well as shifting budgets out of a sector, as detailed on page seven of the Board’s April 7, 2021 Order Adopting Stipulation (“EEP V Stipulation”)¹ and further clarified on page 5 of the Order on October 25, 2023².

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 efficiency and peak demand reduction programs pursuant to the “Clean Energy Act of 2018,” P.L. 2018, c.17. In accordance with the June 10, 2020 Order, the EEP Stipulation provides flexibility in the administration of the energy efficiency (“EE”) programs by allowing SJG to shift its program budgets out of an individual program within the Residential sector or within the C&I sector, up to 25% of the individual program’s total budget with Staff notification (which should be provided within 30 days following the change), above 25% up to 50% with Staff approval, and over 50% with Board approval. The EEP Stipulation also allows SJG to shift budgets out of the

¹ Order Approving Stipulation, In the Matter of the Petition of South Jersey Gas Company for Approval of its Energy Efficiency Program (“EEP”) on a Regulated basis, BPU Docket Nos. QO19010040 and GO20090618

² Order Adopting Stipulation, In the Matter of the Implementation of South Jersey Gas Company Regarding the Second Triennium of Energy Efficiency Program (“EEP”), BPU Docket No. QO23030150

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Residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), above 5% up to 10% with Staff approval, and over 10% with Board approval.

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. 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, SJG 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. SJG may also shift up to 10% of individual utility sector budgets out with Staff notification, greater than 10% and up to 20% with Staff approval, and over 20% with Board approval.

On April 30, 2024, the Board issued an Order approving the additional six-month extension of SJG's EEP ("Triennium 1 EE Program") for the period July 1, 2024 through December 31, 2024. The total extended triennium 1 EE program represents the baseline for future budget transfers between programs.

SJG requires certain budget adjustments to ensure that all programs continue uninterrupted and remain adequately funded. Specifically, Moderate Income Weatherization program and C&I Direct Install program has experienced strong customer interest.

The Company has updated the program budgets as reflected in the following table. The amounts transferred within and across sectors are within the limits permitted by the EEP in accordance with the established Staff notification requirements.

| Sector | Program Component | Current Approved Total Extended Triennium 1 Budget | October 2024 Reallocation (Current Reallocation Notice) | SJG 2021 EET Revised Extended Triennium 1 Budget October 2024 | Program Change | Sector Change | Subprogram Change (Original Program to Proposed) |
|----------------------------|-------------------------------|--|---|--|----------------|---------------|--|
| Residential | Behavioral | \$3,772,396 | -\$200,000 | \$3,572,396 | -5% | 0% | -5% |
| | Energy Efficiency Products | \$88,273,674 | -\$460,000 | \$87,813,674 | -1% | | -1% |
| | Existing Homes | \$28,189,376 | \$760,000 | \$28,949,376 | 3% | | 3% |
| Multi-Family | Multi-Family | \$7,929,614 | -\$306,760 | \$7,622,854 | -4% | -4% | -4% |
| Commercial | Direct Install | \$10,750,631 | \$1,906,760 | \$12,657,391 | 18% | 1% | 18% |
| | Energy Solutions For Business | \$10,372,917 | -\$1,700,000 | \$8,672,917 | -16% | | -16% |
| | Portfolio Costs | \$5,244,682 | \$0 | \$5,244,682 | 0% | | 0% |
| | Total SJG Expenditures* | \$154,533,290 | \$0 | \$154,533,290 | 0% | | 0% |
| Net Transfers To/From EDCs | | \$17,520,466 | \$0 | \$17,520,466 | 0% | | 0% |
| Grand Total | | \$172,053,756 | \$0 | \$172,053,756 | | | |

*Includes rollover of unspent funds from SJG's EET IV program totaling approximately \$3.96M



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Thank you for your attention to this matter.

Respectfully yours,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly

SLK/adh

cc: Brian Lipman
Maura Caroselli
Mamie Purnell
Stacy Richardson
Phillip Chao
Ed McFadden
Maureen Minkel
Peter Druckenmiller
Michael Savacool
Frank Vetri
Andrew Lee