



December 23, 2024

Via Electronic Mail

Honorable Sherri L. Golden, Secretary of the Board
N.J. Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625

Re: In the Matter of the Petition of New Jersey Natural Gas Company for
Approval of Energy Efficiency Programs and the Associated Cost Recovery
Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and
48:3-98.1 et seq.
BPU Docket No. GO20090622

Dear Secretary Golden:

Pursuant to the New Jersey Board of Public Utilities ("Board") Order approving a Stipulation of Settlement ("Stipulation") in the above-captioned matter, New Jersey Natural Gas Company ("NJNG" or the "Company") respectfully notifies Board Staff and the Division of Rate Counsel ("Rate Counsel") of a re-alignment of funds between various sub-programs pursuant to Paragraph 25 of the Stipulation as well as page 8 of the October 25, 2023 Board Order Docket QO23030150 which modified the thresholds used for budget realignments to reflect those for Triennium 2. On March 3, 2021, the Board approved the Company's SAVEGREEN 2020 Program ("SAVEGREEN") for the period July 1, 2021 through June 30, 2024. This approval authorized a total budget of \$258,939,928 million (\$126,077,839 million of investment and \$109,405,261 million of On-Bill Repayment/Financing and \$23,456,828 million of associated operation and maintenance expense) for the term of the SAVEGREEN program.

By Order dated April 30, 2024, the Board approved the Triennium 1 Extension (Docket No. GO20090622) by NJNG to extend the Company's Triennium 1 programs, without changes, by six (6) months, to December 31, 2024, with a budget of \$76.929 million designed to meet customer demand for SAVEGREEN. This approval authorized a new total budget of \$335.868 million for the term of the SAVEGREEN program.

As a result of a greater-than-anticipated participation rate in the Company's service territory, the Company is re-aligning a total of \$40.469 million. Per the Order signed on 10/25/23 the utilities may use the thresholds for Triennium 2, established in the July 26th,

2023 Triennium 2 Framework Order¹, which states on page 53:

- Budget Adjustments
 - Within any 365-day period of time, each utility can shift budget(s) between individual programs within the same sector up to and including 25% of the total triennium budget with Staff and Rate Counsel notification; greater than 25% and up to 50% with Staff approval; and greater than 50% with Board approval.
 - Within any 365-day period of time, each utility can shift budget(s) out of a sector up to and including 10% of the total triennium budget with Staff and Rate Counsel notification; greater than 10% and up to 20% with Staff approval; and greater than 20% with Board approval.
 - Requests for budget adjustments within the three-year program filing necessitating Staff approval shall be responded to within 30 days after receipt of the notification by Staff and Rate Counsel. In addition, Rate Counsel may object within 30 days after receipt of the notification, which will also trigger Staff’s review and decision within 30 days of Rate Counsel’s objection. Otherwise, if there is no response from Rate Counsel or Staff within 30 days, those requests will be automatically granted.

Specifically, NJNG will reallocate sub-program budgets as follows:

Program	Total Budget ¹	T1 Fund Allocation within Sectors	% Change between Programs within same Sector (% of Program budget) ^{2 3}	T1 Sector Allocation by Program	T1 Fund Allocation across Sectors	% Change between Sectors (% of Triennium 1 Budget) ^{2 3}	T1 Program Budget Net Impact	Post-Allocation T1 Revised Budget
<i>Behavioral</i>	\$ 6,069,992	\$ -	0.00%	\$ (119,905)			\$ (119,905)	\$ 5,950,087
<i>EE Products</i>	\$ 91,595,836	\$ 5,342,286	1.59%	\$ -	\$ (5,508,247)	-1.64%	\$ 5,342,286	\$ 96,938,122
<i>Existing Homes</i>	\$ 45,472,219	\$ (5,342,286)	-1.59%	\$ (5,388,342)			\$ (10,730,628)	\$ 34,741,591
<i>Multi-Family</i>	\$ 33,487,742	\$ -	0.00%	\$ (18,136,911)	\$ (18,136,911)	-5.40%	\$ (18,136,911)	\$ 15,350,831
<i>Energy Solutions for Business</i>	\$ 88,323,013	\$ (11,481,992)	-3.42%	\$ -	\$ 23,645,158	7.04%	\$ (11,481,992)	\$ 76,841,021
<i>Direct Install</i>	\$ 61,006,455	\$ 11,481,992	3.42%	\$ 23,645,158			\$ 35,127,150	\$ 96,133,605
<i>Portfolio</i>	\$ 3,989,313	\$ -	0.00%	\$ -	\$ -	N/A	\$ -	\$ 3,989,313
<i>Net SWC Invoice Exchanges</i>	\$ 5,924,158	\$ -	0.00%	\$ -	\$ -	N/A	\$ -	\$ 5,924,158
Grand Total	\$ 335,868,729	\$ (0.00)	N/A	\$ -	\$ -	N/A	\$ -	\$ 335,868,729

¹Total Approved extended T1 Plan Budget

²Per Board Order 8G dated October 25, 2023 applicable to the Triennium 1 Extension: Within any 365-day period of time, each utility can shift budget(s) between individual programs within the same sector up to and including 25% of the total triennium budget with Staff and Rate Counsel notification; greater than 25% and up to 50% with Staff approval; and greater than 50% with Board approval. Within any 365-day period of time, each utility can shift budget(s) out of a sector up to and including 10% of the total triennium budget with Staff and Rate Counsel notification; greater than 10% and up to 20% with Staff approval; and greater than 20% with Board approval.

³Changes are calculated based on percentage of total triennium budget

¹ In the Matter of 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, BPU Docket No. QO19010040; – In the Matter of 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, BPU Docket No. QO23030150; and – In the Matter of Electric Public Utilities and Gas Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 – Minimum Filing Requirements, BPU Docket No. QO17091004; Order Directing the Utilities to Propose Second Triennium Energy Efficiency and Peak Demand Reduction Programs, Order dated July 26, 2023 (“July 26th Order”).

With this re-alignment, the Company maintains it will not exceed its previously BPU approved budget of \$335.868 million for the SAVEGREEN program.

In accordance with the Order issued by the Board in connection with I/M/O 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. No paper copies will follow.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

A handwritten signature in blue ink that reads "Andrew K. Dembia". The signature is written in a cursive, flowing style.

Andrew K. Dembia, Esq

AKD:ss

C: Service list

In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.

FIRST TRIENNIUM
BPU Docket No. GO20090622

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