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February 29, 2024

VIA ELECTRONIC MAIL ONLY

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: Quarterly Progress Report of Elizabethtown Gas Company – 2nd Quarter Program
Year 2024
DOCKET NOS. QO19010040 & GO20090619**

Dear Secretary Golden:

Pursuant to the Board’s current filing procedures, herein is the Quarterly Progress Report for the second quarter (“Q2”) of Program Year 2024¹ (“PY24”) of Elizabethtown Gas (“ETG” or “Company”) with respect to its Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

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. E020030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Energy Efficiency Program Progress - Executive Summary:

As of the second quarterly report, ETG continues to focus on implementing residential, multi-family and commercial programs and educating customers, contractors, and retailers on the portfolio of programs.

¹ For the purposes of these quarterly reports, the numbering of the quarters align to these dates: **Q1** (7/1/23-9/30/23); **Q2** (10/1/23 - 12/31/23); **Q3** (1/1/24 - 3/31/24); **Q4** (4/1/24 - 6/30/24).

The utilities continued to collaborate and participate on working calls to ensure consistent implementation, address joint budget needs, and support contractors.

The Utilities are continuing to work on the development of the Statewide Coordinator (SWC) system that will facilitate the exchange of investments and energy savings between a Lead Utility and a Partner Utility. As of Q2 PY24, all utilities have approved Residential programs through user acceptance testing and began the exchange of data for certain Residential programs. ETG has not received any invoices for Residential programs. SWC system user acceptance testing for C&I and Multi-Family programs is progressing. As discussed during the Utility Working Group discussions, Utilities are supporting the incentives for comprehensive projects that address both fuels with the intention to transfer all information through the SWC when the system is operational and integrated with each utility's program management software and tracking system. Accordingly, the information reflected within this report reflects all investments and financing made by ETG, including those as the Lead Utility on behalf of a Partner Utility. At the end of Q2 PY24, ETG has received payment from a Partner Utility for the Marketplace and HPwES programs.

ETG programs delivered 77,985 DTh of savings in the second quarter, or approximately 31% of the annual target.

Residential Sector

- Elizabethtown Gas has contracted Honeywell as the implementation party for the residential programs, save for the Marketplace Program and the Behavioral Program which will be served by Uplight.
- The Existing Homes Home Performance with Energy Star program reported 333 DTh in energy savings or approximately 5% of the program's PY24 target. The Home Performance with ENERGY STAR Program saw 10 projects completed.
- The Behavioral program reported 34,798 DTh in energy savings or approximately 62% of the program's PY24 target. The Behavioral Program had 159,614 customers in this quarter's the treatment group.
- The Efficient Products program reported 19,766 DTh in energy savings or approximately 23% of the program's PY24 target.
 - The Marketplace Program saw 3,243 participants in this quarter.
 - The Appliance Rebates Program saw 386 participants in this quarter.
 - ETG offers appliance rebates at 78 retail outlets including large and independently-owned stores.
 - The HVAC Program saw 458 participants in this quarter.
 - In this quarter, 16 of the HVAC program participants qualified for the supplemental incentive for Low to Moderate Income customers.
- The Quick Home Energy Check Up Program had 118 completed projects.
- The Moderate Income Weatherization Program had 41 completed projects.

Commercial Sector

- Elizabethtown Gas has contracted Applied Energy Group as the implementation party for the Commercial Programs.
- Small Business Direct Install Program had 5 projects completed and an additional 2 audits were completed during the reporting period.
- Prescriptive and Custom Program had 2 completed projects in this quarter.
- The Engineered Solutions, and Energy Management Programs did not deliver any savings during the reporting period but outreach efforts to larger customers are in progress and we expect these programs to start to ramp up.

Multi-Family Sector

- Elizabethtown Gas has contracted Honeywell as the implementation party for the Multi-Family Home Performance Program, and Multi-Family Direct Install Program.
- Elizabethtown Gas has contracted Applied Energy Group as the implementation party for Multi-Family Engineered Solutions and Multi-Family Prescriptive and Custom Programs
- The Multi-Family: Home Performance with Energy Star program saw 342 participants during this quarter.
- The Multi-Family: Direct Install program saw 85 participants during the reporting period.
- The Multi-Family: Engineered Solutions program has 1 committed project.
- Year to date, the Multi-Family sector has reported 4,522 DTh in energy savings or approximately 73% of the sector's PY24 target.

Comfort Partners Summary

ETG continues to partner with the BPU and our utility partners to implement Comfort Partners and support our low income customers. Comfort Partners had 127 participants for this quarter resulting in 212 DTh annual savings. NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods.

Table 1 shows the Company's overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners program, which is the primary program serving low-income customers and is co-managed by the Division of Clean Energy in conjunction with Elizabethtown Gas and the other investor-owned electric and gas utility companies.

Table 1 – Program Year 2024 Program Results

Period Covered	Utility-Administered Retail Savings (DTh) 1,2	Comfort Partners Retail Savings (DTh) 1,2,5	Other Programs Retail Savings (DTh)3	Total Portfolio Retail Savings (DTh) 1,2	Compliance Baseline (DTh) 4	Annual Target (%)	Annual Target (DTh)	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	77,773	212	N/A	77,985				
YTD	97,109	306	N/A	97,415	49,317,899	.51%	251,521	39%

¹ Calculated savings at the retail (customer meter) level. Savings are estimated from participation counts and TRM calculations, where applicable.

² Encompasses all ex-ante savings for the Plan Year, including prior adjustments.

³ Other Programs includes Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs and Comfort Partners, such as legacy programs and pilots.

⁴ Calculated as average annual gas usage in the prior three plan years (i.e., July – June) per N.J.S.A. 48:3-87.9(a). Details are provided in Appendix E.

⁵ NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods.

Figure 1 shows that year to date natural gas savings is 39% of the PY24 annual savings goal, and program year to date spending is 29% of the PY24 expenditure target.

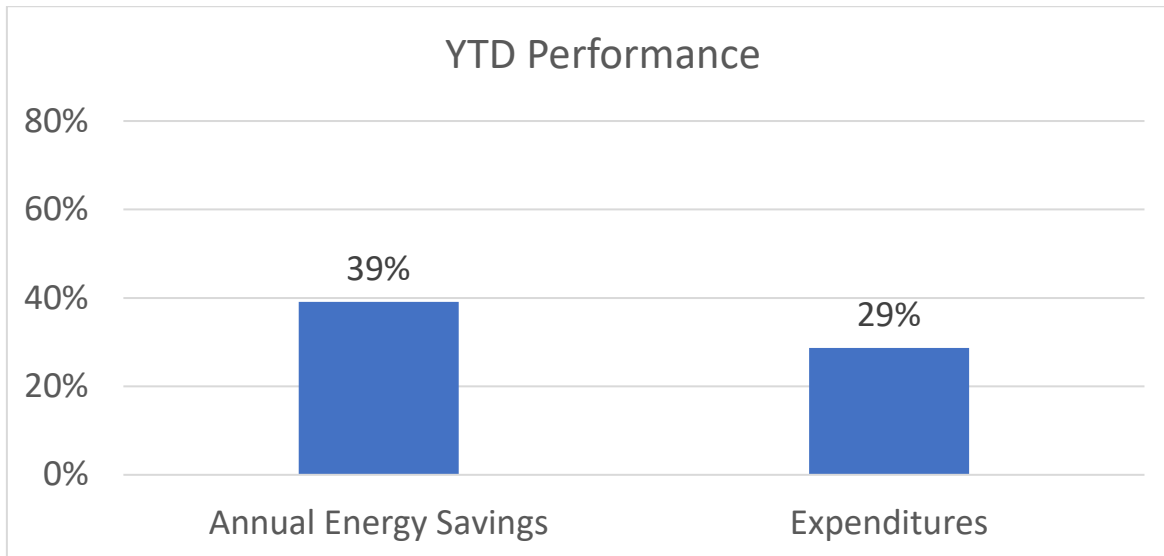


Figure 1: YTD performance of Annual Energy Savings and Budget

The Residential sector has represented 28% of the annual target savings. Low to Moderate-Income Savings was driven by the Moderate-Income Weatherization Program at 331 DTh in annual savings and 7,719 DTh in lifetime savings. This quarter, 5 Small Commercial projects in the C&I Direct Install Program were completed for 10,371 DTh in annual savings.

Table 2 provides the results of the QPIs for all programs for which utilities are responsible, inclusive of the CEA-funded programs, Comfort Partners program (only included in low/moderate income lifetime savings), and any legacy energy efficiency programs administered by ETG that were authorized or funded by or through a prior filing or authorization.

Table 2 – Quantitative Performance Indicators

	Quarter				Year to Date				Annual Target ¹	Percent of Annual Target Achieved
	Utility-Administered Quarter Retail Savings	Comfort Partners Quarter Retail Savings ⁴	Other Programs Quarter Retail Savings	Total Portfolio Quarter Retail Savings	Utility-Administered YTD Retail Savings	Comfort Partners YTD Retail Savings ⁴	Other Programs YTD Retail Savings	Total Portfolio YTD Retail Savings		
Annual Energy Savings (Dth)	77,773	212	N/A	77,985	97,109	306	N/A	97,415	248,642	39%
Lifetime Savings (Dth)	577,816	4,381	N/A	582,197	789,041	6,093	N/A	795,134	2,081,109	38%
Annual Demand Savings (Dth Peak Day)										
Low/Moderate-Income Lifetime Savings (Dth) ²	12,010	4,381	N/A	16,391	26,989	6,093	N/A	33,083		
Small Commercial Lifetime Savings (Dth) ³	110,774		N/A	110,774	167,082		N/A	167,082		

¹ Annual targets reflect estimated impacts as filed in the Company's EE filing

² Low/Moderate-Income lifetime savings are provided separately for Comfort Partners and any income-qualified Residential or Multi-Family program.

³ Small Commercial lifetime savings are Direct Install program savings and those from C&I small business customers (<200 kW peak demand) in other programs.

⁴ NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods.

Sector-Level Participation, Expenditures, and Annual Energy Savings

Residential Programs had 163,870 participants and delivered 55,797 DTh of energy savings during the reporting period, amounting to 22% of the overall PY24 target. The savings were driven by the Efficient Products program especially the Marketplace Program and the HVAC program delivering 12,980 and 6,623 DTh of energy savings respectively. The Efficient Products programs had 4,087 participants and delivered 19,766 DTh of energy savings. The Behavioral program had 159,614 participants and delivered 34,798 DTh of energy savings. The Multi-Family Programs had 430 participants and delivered 3,220 DTh of energy savings. The C&I Programs

had 7 participants and delivered 18,755 DTh of energy savings. To date, the utility administered programs delivered 97,016 DTh in savings or 39% of the PY24 annual target.

Expenditures during the quarter are approximately 29% of the budget for PY24 and were driven by Residential Programs. The closing of multiple C&I and Multi-Family projects this quarter was also a contributing factor. We are partnering with our implementation teams to develop marketing and outreach plans to connect customers with trade allies, present projects, and establish a pipeline that will provide the participation needed to achieve our energy savings targets.

Table 3 – Quarterly Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	163,870	166,004	194,465	85%
Multi-Family	430	574	1,219	47%
C&I	7	14	2,247	1%
Reported Totals for Utility Administered Programs	164,307	166,592	197,932	84%
Comfort Partners ²	127	188	4,420	N/A
Utility Total	164,434	166,780	197,932	84%

¹ Please note that these numbers are totals across all programs within a sector. The appendix shows the participation numbers for individual programs.

² Comfort Partners, the primary program serving low-income customers, is co-managed by the Division of Clean Energy in conjunction with Elizabethtown Gas and the other investor-owned electric and gas utility companies.

Quarterly Level Expenditures

The following table provides quarterly level expenditures by sector. Elizabethtown Gas’s expenses for this quarter were 18% of the PY24 budget.

Table 4 – Quarterly Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$3,342	\$5,628	\$24,208	23%
Multi-Family	\$616	\$961	\$3,487	28%
C&I	\$2,443	\$3,705	\$8,163	45%
Reported Totals for Utility Administered Programs	\$6,401	\$10,294	\$35,858	29%
Comfort Partners	\$567	\$951	\$3,791	25%
Utility Total	\$6,968	\$11,246	\$39,649	28%

¹ Expenditures include rebates, incentives, and loans, as well as program administration costs allocated across programs.

Quarterly Level Energy Savings

The Residential Sector largely contributed to the energy savings in this quarter, reporting 55,797 DTh of energy savings, or 27% of the PY24 annual target. This is attributed to the increased activity in the Marketplace Program and increased HVAC incentives. As outreach efforts continue, we expect increased activity, and energy savings, for the Commercial and Multi-Family Sectors.

Table 5 – Quarterly Sector-Level Annual Energy Savings

Annual Energy Savings ¹	Current Quarter Retail (DTh)	YTD Retail (DTh)	Annual Target Retail (DTh)	Percent of Annual Target
Residential	55,797	69,376	203,064	34%
Multi-Family	3,220	4,522	6,206	73%
C&I	18,755	23,211	39,373	59%
Reported Totals for Utility Administered Programs	77,773	97,109	248,642	39%
Comfort Partners ^{2 3}	212	306	25,527	N/A
Utility Total	77,985	97,415	248,642	39%

¹ Annual Energy Savings represent the total expected annual savings from all energy efficiency measures within each sector.

² Comfort Partners Annual Target Retail Savings is a statewide target.

³ NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods.

Portfolio Expenditures Breakdown

Program expenditures reflect Elizabethtown Gas expenditures for the second quarter as 18% of the PY24 budget.

Table 6 – Quarterly Costs and Budget Variances by Category ¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent
Capital Costs	\$0	\$0	\$0	N/A
Utility Administration	\$385	\$597	\$1,580	38%
Marketing	\$164	\$253	\$817	31%
Outside Services	\$508	\$902	\$4,483	20%
Rebates ²	\$3,903	\$5,951	\$17,714	34%
No- or Low-Interest Loans	\$1,277	\$2,312	\$10,106	23%
Evaluation, Measurement & Verification (“EM&V”)	\$145	\$243	\$890	27%
Inspections & Quality Control	\$18	\$36	\$267	14%
Utility EE/PDR Total	\$6,401	\$10,294	\$35,858	29%

¹ Categories herein align to ETG’s EE plan as approved by the BPU.

² Rebates include rebates and other direct investments.

Equity Metrics

These equity metrics draw from the considerable work of the New Jersey Office of Environmental Justice's Overburdened Community (“OBC”) designations. Per New Jersey’s Environmental Justice Law, N.J.S.A. 13:1D-157, census block groups are identified as being an “Overburdened Community” when certain census criteria are met¹, and metrics reported herein reflect further direction from BPU Staff². These data are compiled into Table 7 detailing Equity Performance. Elizabethtown Gas has contracted Applied Energy Group on the development of Equity Metrics with the metrics agreed upon by the joint utilities.

¹ Per N.J.S.A. 13:1D-157: (1) at least 35 percent of the households qualify as low-income households; (2) at least 40 percent of the residents identify as a minority or as members of a State recognized tribal community; or (3) at least 40 percent of the households have limited English proficiency.

² Per guidance from BPU Staff, Overburdened Communities as used in Table 7 reflect those communities where at least 35 percent of the households qualify as low-income households, but exclude those communities that are solely designated as Minority, Limited English, or Minority and Limited English.

Table 7 – Quarterly Equity Performance

Territory-Level Benchmarks		Overburdened ¹	Non-Overburdened	%OBC ²
# of Household Accounts		49,685	220,427	18%
# of Business Accounts		5,230	18,143	22%
Total Annual Energy (Dth)		6,529,301	30,889,758	17%

Programs	Sub Program or Offering	Types of Sub Program Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	YTD Overburdened	YTD Non-Overburdened	%OBC ²
Participation								
Residential - Efficient Products	HVAC	Core	17	441	4%	22	660	3%
	Appliance Rebates	Core	25	361	6%	43	699	6%
	Online Marketplace	Core	334	2,909	10%	504	4,210	11%
	Energy Efficient Kits	Core	0	0	N/A	0	0	N/A
Residential - Existing Homes	Home Performance with Energy Star	Core	0	10	0%	0	18	0%
	Quick Home Energy Check-Up	Additional	12	106	10%	18	132	12%
	Moderate Income Weatherization	Additional	6	35	15%	13	71	15%
Behavioral	Behavioral	Additional	28,155	131,459	18%	28,155	131,459	18%
C&I Direct Install	Direct Install	Core	0	5	0%	0	10	0%
Energy Solutions for Business	Prescriptive/Custom	Core	0	2	0%	0	4	0%
	Energy Management	Additional	0	0	N/A	0	0	N/A
	Engineered Solutions	Additional	0	0	N/A	0	0	N/A
Multi-Family	Multi-Family Home Performance with Energy Star	Core	0	4	0%	1	6	14%
	Multi-Family Direct Install	Core	0	85	0%	0	85	0%
	Multi-Family Prescriptive / Custom	Core	2	1	67%	2	1	67%
	Multi-Family Engineered Solutions	Core	0	0	N/A	0	0	N/A
Total Core Participation			378	3,818	9%	572	5,693	9%
Total Additional Participation			28,173	131,600	18%	28,186	131,662	18%
Total Participation			28,551	135,418	17%	28,758	137,355	17%
Annual Energy Savings (Dth)								
Residential - Efficient Products	HVAC	Core	272	6,351	4%	334	9,518	3%
	Appliance Rebates	Core	12	150	7%	20	294	6%
	Online Marketplace	Core	1,314	11,666	10%	1,975	16,846	10%
	Energy Efficient Kits	Core	0	0	N/A	0	0	N/A
Residential - Existing Homes	Home Performance with Energy Star	Core	0	333	0%	0	515	0%
	Quick Home Energy Check-Up	Additional	87	482	15%	112	599	16%
	Moderate Income Weatherization	Additional	39	292	12%	51	757	6%
Behavioral	Behavioral	Additional	6,138	28,659	18%	6,766	31,590	18%
C&I Direct Install	Direct Install	Core	0	6,767	0%	0	10,371	0%
Energy Solutions for Business	Prescriptive/Custom	Core	0	11,989	0%	0	12,840	0%
	Energy Management	Additional	0	0	N/A	0	0	N/A
	Engineered Solutions	Additional	0	0	N/A	0	0	N/A
Multi-Family	Multi-Family Home Performance with Energy Star	Core	0	2,078	0%	428	2,952	13%
	Multi-Family Direct Install	Core	0	556	0%	0	556	0%
	Multi-Family Prescriptive / Custom	Core	256	330	44%	256	330	44%
	Multi-Family Engineered Solutions	Core	0	0	N/A	0	0	N/A
Total Core Annual Energy Savings			1,855	40,221	4%	3,012	54,222	5%
Total Additional Annual Energy Savings			6,264	29,434	18%	6,928	32,946	17%
Total Annual Energy Savings			8,119	69,654	10%	9,941	87,169	10%
Lifetime Energy Savings (Dth)								
Residential - Efficient Products	HVAC	Core	5,403	122,886	4%	6,594	183,528	3%
	Appliance Rebates	Core	144	1,764	8%	235	3,453	6%
	Online Marketplace	Core	9,931	87,763	10%	14,912	126,815	11%
	Energy Efficient Kits	Core	0	0	N/A	0	0	N/A
Residential - Existing Homes	Home Performance with Energy Star	Core	0	6,837	0%	0	10,732	0%
	Quick Home Energy Check-Up	Additional	875	4,846	15%	1,124	6,022	16%
	Moderate Income Weatherization	Additional	533	7,187	7%	741	18,131	4%
Behavioral	Behavioral	Additional	6,138	28,659	18%	6,766	31,590	18%
C&I Direct Install	Direct Install	Core	0	110,774	0%	0	167,082	0%
Energy Solutions for Business	Prescriptive/Custom	Core	0	132,179	0%	0	137,286	0%
	Energy Management	Additional	0	0	N/A	0	0	N/A
	Engineered Solutions	Additional	0	0	N/A	0	0	N/A
Multi-Family	Multi-Family Home Performance with Energy Star	Core	0	44,023	0%	8,218	65,616	11%
	Multi-Family Direct Install	Core	0	5,559	0%	0	5,559	0%
	Multi-Family Prescriptive / Custom	Core	5,126	6,602	44%	5,126	6,602	44%
	Multi-Family Engineered Solutions	Core	0	0	N/A	0	0	N/A
Total Core Lifetime Energy Savings			20,603	518,388	4%	35,085	706,674	5%
Total Additional Lifetime Energy Savings			7,546	40,692	16%	8,631	55,742	13%
Total Lifetime Energy Savings			28,149	559,080	5%	43,715	762,417	5%

¹ Across all programs, subprograms, or offerings, participation/expenditures/savings are classified as either in an Environmental Justice Overburdened Community census block or not based on the program participant’s address. Overburdened Community census blocks were developed and defined by the NJ Department of Environmental Protection (www.nj.gov/dep/ej/communities.html).

² The Ratio column shows the ratio of the overburdened metric over the non-overburdened metric. Comparing the territory-level benchmark ratios versus the program ratios shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program ratio is greater than the benchmark ratio, then the overburdened population is better represented in the program.

³ Estimation of accounts with overburdened designation determined to be active immediately preceding the current Plan Year.

⁴ Estimation of usage with overburdened designation for the 12-month period immediately preceding the current Plan Year.

If you have any questions, please feel free to contact me directly.

Respectfully,

A handwritten signature in black ink that reads "Dominick DiRocco". The signature is written in a cursive style with a large initial 'D' and a long horizontal stroke at the end.

Dominick DiRocco

DD/caj

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

Appendix A – Participant Definitions

NJ Program		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Lighting - Upstream	Quantity of packages sold (based on SKU) - net of returns (negative in current period)
	Rebated Products	Quantity of units rebated (based on SKU)
	Mid-Stream Products	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	Appliance Recycling	Count of visits to premise not units
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
	Consumer Electronics	For rebated programs, count of rebate applications For Midstream, every measure is considered a participant - net of returns (negative in current period)
Existing Homes	Home Performance with Energy Star	Count of completed HPwES projects
	Quick Home Energy Checkup	Count of completed visits
	Moderate Income Weatherization	Same as HPwES - (distinction would be paying for audit in this program)
Behavioral	Behavioral	Count of treatment customers at end of reporting period
C&I Direct Install	Direct Install	Count based on number of applications/projects completed, not account number
Energy Solutions for Business	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Energy Management	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number
Multi-Family	HPwES	Count of completed HPwES projects
	Direct Install	Count based on number of projects completed
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number