

**IN THE MATTER OF THE IMPLEMENTATION OF P.L.  
2018, c. 17 REGARDING THE ESTABLISHMENT OF  
ENERGY EFFICIENCY AND PEAK DEMAND  
REDUCTION PROGRAMS, ET SEQ. (“EE FRAMEWORK”)**

**DOCKET NOS. QO19010040, QO19060748 & QO17091004**

**VIA ELECTRONIC MAIL**

February 29, 2024

Sheri L. Golden, Secretary  
State of New Jersey  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

Re: Docket No. QO19010040, QO19060748, QO17091004  
Rockland Electric Company’s EE Program Quarterly Progress  
Report for Program Year 2024

Dear Secretary Golden:

Pursuant to the Board of Public Utilities’ (“Board” or “BPU”) current filing procedures, Rockland Electric Company (“RECO” or the “Company”) submits its Quarterly Progress Report for the second quarter<sup>1</sup> (“Q2”) of Program Year 2024 (“PY24”) with respect to its Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

**Energy Efficiency Program Progress - Executive Summary:**

RECO is pleased to report that it had continued momentum from PY23 through the second quarter of PY24 and is forecasted to achieve its annual target. The EE program portfolio has delivered 7,219 MWh of the 14,621 annual targeted energy savings in the first quarter. The EE program portfolio has now achieved 49% of its annual energy savings target and has a developing pipeline that is indicative that the Company will fully satisfy the compliance goal.

As Table 1 shows, the Company has made solid progress toward its PY24 targets while maintaining Utility administered program expenditures at 41% of the annual budget. Through the

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<sup>1</sup> For the purposes of these quarterly reports, the numbering of the quarters aligns 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).

quarter RECO has delivered on cost efficient energy saving programs, therefore remaining under budget.

RECO targeted its efforts within the residential sector through Q2 resulting in the residential sector contributing 62% of overall savings achieved this quarter. The strongest subprograms under RECO’s portfolio have been the Residential Efficient Products and Behavioral subprogram which have achieved 86% of all energy savings within the residential sector.

C&I programs continue to be successful in the market as the Company worked with trade allies, distributors, and customers to build a pipeline for overall PY24 success. The most popular Commercial and Industrial (C&I) subprograms remain C&I Prescriptive/Custom and C&I Midstream Lighting. With a favorable pipeline, the C&I sector programs are anticipated to meet or exceed forecasted quantitative performance indicators (“QPIs”) for the program year.

RECO has continued its EE education and awareness campaign using a variety of tools including customer bill inserts, e-mail blasts, and social media to communicate the available energy savings and incentives opportunities through each of the programs.

RECO conducted specialized training with local trade allies in October 2023 to educate them on the no interest financing offer and how to utilize it to engage more customers. In addition, the Company also continues to recruit and train new lighting and heating, ventilation, and air conditioning (“HVAC”) contractors to submit their projects into the rebate programs.

Table 1 below sets forth the Company’s overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners program. This is the primary program serving low-income customers and is co-managed by the New Jersey Division of Clean Energy in conjunction with RECO and the other investor-owned electric and gas utilities.

**Table 1 – Program Year 2024 Q2 Results**

For Period Ending PY24Q2	Utility-Administered Programs ex-ante energy savings (MWh)	Comfort Partners ex-ante energy savings (MWh)	Other Programs ex-ante energy savings (MWh) <sup>1</sup>	Total ex-ante energy savings (MWh)	Compliance Baseline (MWh) <sup>2</sup>	Annual Target (%)	Annual Target (MWh)	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	2,680	9	0	2,688				
YTD	7,200	19	0	7,219	1,507,281	0.97%	14,621	49%

<sup>1</sup> RECO does not have any legacy energy efficiency programs.

<sup>2</sup> Calculated as average annual electricity 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.

<sup>3</sup> 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.

NOTE - Pursuant to paragraph 16(e)(i) of the July 7, 2022 Stipulation and Agreement among the Utilities, Staff, and Rate Counsel, “the Utilities may apply energy savings in excess of annual compliance goals (‘Carryover Savings’) toward goals and QPIs for Program Years 2023, 2024, and 2025.” The Board adopted the Stipulation and Agreement in its Order Approving Stipulation entered on August 17, 2022, in BPU Docket Nos. QO19010040, EO20090621, GO20090619, EO20090620, GO20090622, GO18101112, EO18101113, EO20090623, and GO20090618.

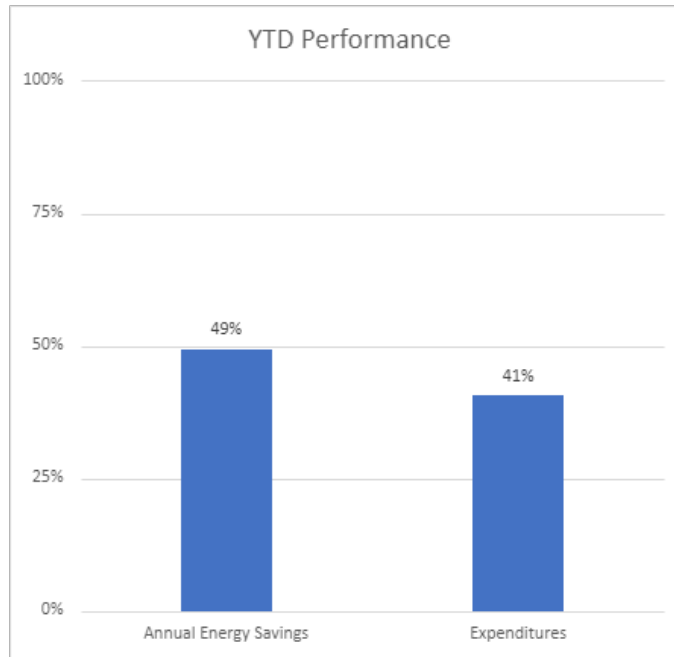


Figure 1: PY24 Performance of Annual Energy Savings and Budget

**Statewide Coordination PY24Q2 -**

The Utilities continue to work on the development of the Statewide Coordinator (SWC) system that will facilitate the exchange of both investments and energy savings between a Lead Utility and a Partner Utility. As of PY24Q2, all utilities have approved Residential programs through user acceptance testing and began the exchange of data for certain Residential programs. RECO has received invoices for certain Residential programs. SWC system user acceptance testing for C&I and Multi-family programs is progressing. As discussed during Utility Working Group meetings, 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 RECO, including those as the Lead Utility on behalf of a Partner Utility. At the end of PY24Q2, RECO received its first invoice as a Partner, and the impacts of the transferred savings will be reflected in a future reporting period. Electric savings shown within this report only reflects savings for projects led by RECO.

The QPIs established by the Board are intended to guide the utilities to design EE and PDR programs that are cost effective, as measured using the Utility Cost Test, and achieve the annual energy savings targets with a significant focus on deeper energy conservation measures (“ECMs”) that have a long-lasting impact on the customers’ premises.

Table 2 below sets forth the results of the QPIs for all programs for which utilities are responsible, inclusive of the CEA-funded programs and Comfort Partners program. Also included in the table are RECO’s two pilot programs: Peak Demand Reduction and Clean Heat Beneficial Electrification.

**Table 2 – Quantitative Performance Indicators**

	Quarter				Year to Date				Annual Target <sup>1</sup>	Percent of Annual Target Achieved
	Utility-Administered Quarterly Results	Comfort Partners Plan Quarterly Results <sup>5</sup>	Other Programs Plan Quarterly Results	Total Plan Quarterly Results	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results	Other Programs Plan Year Results <sup>5</sup>	Total Plan Year Results		
Annual Energy Savings (MWh)	2,680	9	0	2,688	7,200	19	0	7,219	14,621	49%
Lifetime Savings (MWh)	23,351	140	0	23,491	80,456	322	0	80,778	188,707	43%
Annual Demand Savings (MW)	4.13	0.00	0.00	4.13	4.13	0.00	0.00	4.13		
Lifetime Persisting Demand Savings (MW-year) <sup>2</sup>	7.14	0.02	0.00	7.16	9.15	0.03	0.00	9.18		
Low/Moderate-Income Lifetime Savings (MWh) <sup>3</sup>	0	140	0	140	7,272	322	0	7,594		
Small Commercial Lifetime Savings (MWh) <sup>4</sup>	7,543		0	7,543	11,940		0	11,940		

<sup>1</sup> Annual Targets reflect estimated impacts as filed in the Company's 2021-2024 Clean Energy EE/PDR Filing. Does not include Comfort Partners program.

<sup>2</sup> Reflects Annual Demand Savings multiplied by the Effective Useful Life of installed equipment.

<sup>3</sup> Low/Moderate-Income lifetime savings are the total of any income-qualified Residential or Multi-Family program, including Comfort Partners.

<sup>4</sup> Small Commercial lifetime savings are Direct Install program savings and those from C&I small business customers (<200 kW peak demand) in other programs.

<sup>5</sup> 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 Energy Savings**

- **Residential Programs Sector Summary:**

RECO's Residential programs sector achieved a total of 1,187 MWh of electric energy savings during Q2 or, cumulatively, 69% of the annual forecast at a cost of approximately \$681K or, cumulatively, 41%<sup>2</sup> of the Residential sector's annual budget. As a result of changes to the Federal and State code standards for lighting products, RECO has discontinued its Residential Midstream Lighting subprogram prior to the start of Q2. However, there has been incremental growth in its other Residential Efficient Products subprograms including Midstream HVAC and Behavioral. In addition, RECO's Existing Homes programs have transitioned to full operations and contributed savings during the quarter.

The Behavioral subprogram continues to be a consistent contributor for RECO's overachievement of its residential customer participation forecast<sup>3</sup> for the quarter. Treatment group customers received enhanced communications with the introduction of marketing experiences that cross promoted other programs within the residential portfolio.

RECO, in coordination with its partner NEIF, continued to ramp up the 0.00% interest financing offer for home energy retrofits in quarter 2. This offers customers 100% project financing (net of rebate) with an instant credit decision and easy paperless process without hidden costs to the customer or contractors. The Company anticipates an uptick in program participation for comprehensive projects in PY24 because of its coordinated efforts with NEIF and its jointly hosted breakfast event with regional trade allies in October 2023.

The Moderate-Income Weatherization ("MIWx") has transitioned from kit distribution to marketing and promotion of the program's comprehensive services to income qualified customers in RECO's service territory. A marketing plan has been established that includes direct community outreach to local organizations to educate them on the benefits of the residential subprograms so that they may promote the offerings to their constituents. RECO has established an outreach plan to target and prioritize communities with the highest number of customers receiving energy assistance on their electric account. First events of this type are scheduled for PY24Q3 and will continue through the calendar year.

In regards to the Quick Home Energy Check-up (QHEC) and Home Performance with ENERGY STAR (HPwES) subprograms, contractor engagement has increased in the quarter resulting in first time reportable participants and achieved savings. RECO anticipates continued growth of these Existing Homes subprograms through PY24 on the

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<sup>2</sup> This cost does not include expenses related to the Behavioral subprogram which have not been invoiced.

<sup>3</sup> RECO's annual forecast of 2,505 participants did not include the count of treatment customers in the Behavioral subprogram. Furthermore, it assumed a definition for participants in the Online Marketplace and Retail Lighting subprograms as the quantity of unique customers treated rather than the quantity of ECM units sold. The latter being the accepted participant definition as indicated in Appendix A.

heels of its trade ally outreach efforts conducted during the quarter. RECO will also seek to refine its marketing plan in PY24Q3 to increase customer participation using the QHEC program as a primer to screen and cross promote moderate- and low-income qualified programs and HPwES.

Clean Heat Beneficial Electrification pilot program engagement increased in PY24Q2 with a trade ally webinar differentiating the program from the Midstream HVAC and HPwES subprograms. RECO has expanded the 0% interest financing option through NEIF to include Clean Heat projects in an effort to reduce the financial barriers to beneficial electrification. RECO will continue to promote the Clean Heat program to the established network of experienced NY Clean Heat and NJ HPwES contractors through targeted trade ally outreach and sales education sessions.

- **Multifamily Program Summary:**

RECO's Multifamily program did not achieve reportable energy savings during Q2. Although, the Company did incur costs and did have activities in the field in Q2, data was not complete in time for the quarterly report and will be included in future reporting periods. This lack of performance is attributed to RECO's residential customer demographic overwhelmingly consisting of suburban single-family homes which has continued to make it difficult to find and recruit multi-unit buildings for program participation.

- **Commercial & Industrial Sector Summary:**

RECO's C&I sector programs achieved a total of 1,434 MWh of electric energy savings during Q2 or, cumulatively, 32% of forecast at a cost of approximately \$993K or, cumulatively, 45% of the sector's annual budget. Energy savings achievement continues to be driven by the C&I Prescriptive/Custom subprogram which provides rebates to customers who utilize a qualified contractor to perform ECMs related to the lighting, controls, or HVAC systems within their existing facility along with the Midstream Lighting or Instant Lighting Incentive program ("ILIP").

The Commercial Direct Install program completed twelve projects during this quarter. This program services small business customers with an average peak demand < 200 kW and provides turnkey efficiency upgrades for lighting, refrigeration, and HVAC along with incentives that cover a significant percentage of the project cost. The pipeline of projects continues to be strong for both RECO led, and Partner Gas Utility led small business projects. The Company anticipates depleting the program's triennial incentive budget prior to the end of PY24 Q3 and, therefore, will be filing a second budget reallocation notice to shift funds over from the other C&I programs within the sector.

- **NJ Comfort Partners Summary:**

RECO continues to partner with the BPU and its utility partners in the implementation of Comfort Partners and supporting its low-income customers. Comfort Partners program participation slowed during the quarter and, therefore, the Company will be looking to

enhance its marketing and outreach plans for the remainder of PY24 to generate new sources of leads and enrollments. The program is also being temporarily impacted by a transition of the tracking database system of record which has also led to difficulties in exporting data on projects that are completed or in progress. Through Q3 and Q4, RECO will be combining its outreach efforts for QHEC, MIWx, and Comfort Partners to engage income-qualified customers with high electric energy burdens. One possible focus area will be targeted communities with a high number of customers enrolled in energy assistance programs.

**Table 3 – Sector-Level Participation**

Sector <sup>1</sup>	Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential <sup>2</sup>	34,810	45,090	3,534	1276%
Multifamily	-	-	37	0%
C&I	30	44	415	11%
Peak Demand Reduction <sup>3</sup>	160	3,655	1,260	290%
Clean Heat Beneficial Electrification	3	6	179	3%
Reported Totals for Utility Administered Programs	35,003	48,795	5,425	899%
Comfort Partners <sup>4</sup>	2	9	37	24%
Utility Total	35,005	48,804	5,462	894%

<sup>1</sup> Please note that these numbers are totals across all programs within a Sector. Appendix B shows the participation results for individual programs or offerings.

<sup>2</sup> Residential sector participation is heavily driven by the Behavioral (aka “Home Energy Reports” or “HER”) Program. HER participation is defined as the cumulative count of treatment group customers enrolled. At the start of the program year the treatment group contains approximately 50% of all RECO’s residential customers.

<sup>3</sup> Peak Demand Reduction sector participation is heavily driven by the Bring Your-Own Thermostat (“BYOT”) and Behavioral Demand Response Programs. Participation in these programs is defined in Appendix A.

<sup>4</sup> Due to issues with the Comfort Partners Program’s tracking database, the cumulatively participation count is being adjusted downward from the previous Quarterly Progress Report.

RECO did not experience any adjustments to budgets or incentives that required Board Staff or Board approvals.

**Table 4 – Sector-Level Expenditures**

Expenditures <sup>1</sup>	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget (\$000)	Percent of Annual Budget
Residential	\$681	\$958	\$2,318	41%
Multifamily	\$78	\$102	\$504	20%
C&I	\$993	\$1,467	\$3,235	45%
Peak Demand Reduction	\$214	\$248	\$417	59%
Clean Heat Beneficial Electrification	\$94	\$159	\$747	21%
Reported Totals for Utility Administered Programs	\$2,060	\$2,934	\$7,221	41%
Comfort Partners	\$41	\$126	\$311	41%
Utility Total	\$2,100	\$3,060	\$7,532	41%

1 - Excludes Statewide Coordinator

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



**Table 5 –Sector-Level Energy Savings**

Annual Energy Savings <sup>1</sup>	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh) <sup>4</sup>	Percent of Annual Target
Residential	1,187	4,476	6,470	69%
Multifamily	-	-	453	0%
C&I	1,434	2,640	8,307	32%
Peak Demand Reduction <sup>2</sup>	-	-	-	0%
Clean Heat Beneficial Electrification	59	84	1,279	7%
Reported Totals for Utility Administered Programs	2,680	7,200	16,509	44%
Comfort Partners <sup>3</sup>	9	19	NA	NA
Utility Total	2,688	7,219	16,509	44%

<sup>1</sup> Annual energy savings represent the total expected annual savings from all EE measures within each Sector. Appendix B sets forth the annual energy savings results for individual programs or offerings.

<sup>2</sup> Peak Demand Reduction Pilot has target savings in MW and are not included in the portfolio's MWh total.

<sup>3</sup> 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.

<sup>4</sup> Annual Target Retail Savings are based on RECO's initial Triennium 1 filed targets. This value does not account for changes in retail sales since the initial filing.

### **Portfolio Expenditures Breakdown**

RECO spent a total of \$2,936K through Q2 or 41% of the annual budget. This expenditure includes program incentives and implementation fees and the costs for various overhead and support functions including marketing, program administration, Evaluation, Measurement & Verification ("EM&V"), and quality control inspections.

**Table 6 – Annual Costs and Budget Variances by Category**

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs				
Utility Administration	\$114	\$243	\$341	71%
Marketing	\$60	\$75	\$181	42%
Outside Services	\$717	\$907	\$1,428	64%
Rebates	\$644	\$1,156	\$4,323	27%
No- or Low-Interest Loans	\$21	\$49	\$612	8%
Evaluation, Measurement & Verification ("EM&V")	\$504	\$504	\$292	172%
Inspections & Quality Control	\$0	\$0	\$45	0%
<i>State-Wide Coordinator</i>	\$1	\$2	NA	NA
Utility Total	\$2,061	\$2,936	\$7,221	41%

1 - Excludes Comfort Partners

<sup>1</sup> Categories herein align to RECO's EE plan as approved by the BPU.

### **Equity Metrics**

These equity metrics draw from the considerable work of the New Jersey Office of Environmental Justice's Overburdened Community ("OBC") designations. Pursuant to 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 met,<sup>4</sup> and metrics reported herein reflect further direction from Board Staff.<sup>5</sup> For PY24, RECO updated its project mapping tool to incorporate the most recent 2022 OBC mapping data<sup>6</sup>.

RECO's customer demographics reflect that 2.3% of its census block groups meet the definition of an OBC. The Company will conduct outreach to these OBCs through local food pantries, churches, and community centers, as well as through targeted marketing including bill inserts and postcards. RECO is also collaborating with the Workforce Development and Equity Working Group to coordinate with local organizations to be sure that the needs of this community are met.

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<sup>4</sup> N.J.S.A. 13:1D-157 provides that (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.

<sup>5</sup> Per guidance from Board 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.

<sup>6</sup> The 2022 OBC mapping data shows that 1,664 RECO customers meet the classification requirements. This is an increase from the 644 customers that met the classification requirements based on 2021 OBC mapping data.

**Table 7 – Equity Performance**

Territory-Level Benchmarks	Overburdened <sup>1</sup>	Non-Overburdened	%OBC2				
Population	1,705	73,476	2.3%				
# of Household Accounts	1,417	64,135	2.2%				
# of Business Accounts	314	9,312	3.3%				
Total Annual Energy (MWh)	27,592	1,479,689	1.8%				
	Type of Program/Offering	Quarter Overburdened <sup>1</sup>	Quarter Non-Overburdened	%OBC2	Annual Overburdened <sup>1</sup>	Annual Non-Overburdened	%OBC2
<b>Participation</b>							
Residential - Behavioral <sup>7</sup>	Core	458	33,602	1.3%	458	33,602	1.3%
Residential - Other Efficient Products	Core	0	738	0.0%	70	7,444	0.9%
Residential - HPwES and Quick Home Energy Checkups	Core	0	12	0.0%	0	12	0.0%
Residential - Income-Eligible Weatherization	Core	0	0	0.0%	76	3,428	0.0%
C&I - Direct Install	Core	0	12	0.0%	0	18	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	0	18	0.0%	0	26	0.0%
Multi-Family	Core	0	0	0.0%	0	0	0.0%
<b>Total Core Participation</b>		<b>458</b>	<b>34,382</b>	<b>1.3%</b>	<b>604</b>	<b>44,530</b>	<b>1.3%</b>
Peak DR -Behavioral DR	Additional	0	0	0.0%	37	1,688	2.1%
Peak DR - BYOT, CSRП	Additional	3	157	1.9%	42	1,888	2.2%
Clean Heat Beneficial Electrification	Additional	0	3	0.0%	0	6	0.0%
Comfort Partners	Joint	0	2	0.0%	3	6	33.3%
<b>Total Non-Core Participation</b>		<b>3</b>	<b>162</b>	<b>1.8%</b>	<b>82</b>	<b>3,588</b>	<b>2.2%</b>
<b>Total Participation</b>		<b>461</b>	<b>34,544</b>	<b>1.3%</b>	<b>686</b>	<b>48,118</b>	<b>1.4%</b>
<b>Expenditures (\$000)</b>							
Residential - Behavioral	Core	\$0	\$0	0.0%	\$0	\$31	1.9%
Residential - Other Efficient Products	Core	\$0	\$507	0.0%	\$3	\$686	0.4%
Residential - HPwES and Quick Home Energy Checkups	Core	\$0	\$155	0.0%	\$0	\$188	0.0%
Residential - Income-Eligible Weatherization	Core	\$0	\$19	0.0%	\$0	\$50	0.0%
C&I - Direct Install	Core	\$0	\$601	0.0%	\$0	\$910	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	\$0	\$392	0.0%	\$0	\$557	0.0%
Multi-Family	Core	\$0	\$78	0.0%	\$0	\$102	0.0%
<b>Total Core Expenditures</b>		<b>\$0</b>	<b>\$1,752</b>	<b>0.0%</b>	<b>\$3</b>	<b>\$2,524</b>	<b>0.1%</b>
Peak DR -Behavioral DR	Additional	\$0	\$5	2.2%	\$0	\$11	0.0%
Peak DR - BYOT, CSRП	Additional	\$5	\$204	2.4%	\$5	\$232	2.1%
Clean Heat Beneficial Electrification	Additional	\$0	\$94	0.0%	\$0	\$159	0.0%
Comfort Partners	Joint	\$4	\$37	9.8%	\$57	\$69	45.2%
<b>Total Non-Core Expenditures</b>		<b>\$9</b>	<b>\$340</b>	<b>2.6%</b>	<b>\$62</b>	<b>\$471</b>	<b>11.6%</b>
<b>Total Expenditures</b>		<b>\$9</b>	<b>\$2,092</b>	<b>0.4%</b>	<b>\$65</b>	<b>\$2,995</b>	<b>2.1%</b>

Annual Energy Savings (MWh)							
Residential - Behavioral	Core	18.4	1,025.6	1.9%	29.7	1,663.3	1.9%
Residential - Other Efficient Products	Core	0.0	81.0	0.0%	19.5	2,126.5	0.9%
Residential - HPwES and Quick Home Energy Checkups	Core	0.0	62.0	0.0%	0.0	62.0	0.0%
Residential - Income-Eligible Weatherization	Core	0.0	0.0	0.0%	12.4	563.2	0.0%
C&I - Direct Install	Core	0.0	661.0	0.0%	0.0	864.0	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	0.0	773.0	0.0%	0.0	1,777.0	0.0%
Multi-Family	Core	0.0	0.0	0.0%	0.0	0.0	0.0%
<b>Total Core Annual Energy Savings</b>		<b>18</b>	<b>2,603</b>	<b>0.7%</b>	<b>62</b>	<b>7,056</b>	<b>0.9%</b>
Peak DR -Behavioral DR	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Peak DR - BYOT, CSRP	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Clean Heat Beneficial Electrification	Additional	0.0	59.0	0.0%	0.0	84.0	0.0%
Comfort Partners	Joint	1.0	8.0	11.1%	5.5	13.5	28.9%
<b>Total Non-Core Annual Energy Savings</b>		<b>1</b>	<b>67</b>	<b>1.5%</b>	<b>6</b>	<b>98</b>	<b>5.3%</b>
<b>Total Annual Energy Savings</b>		<b>19</b>	<b>2,670</b>	<b>0.7%</b>	<b>67</b>	<b>7,154</b>	<b>0.9%</b>
Lifetime Energy Savings (MWh)							
Residential - Behavioral	Core	20.0	1,024.0	1.9%	32.0	1,661.0	1.9%
Residential - Other Efficient Products	Core	0.0	954.0	0.0%	283.4	30,962.6	0.9%
Residential - HPwES and Quick Home Energy Checkups	Core	0.0	693.0	0.0%	0.0	693.0	0.0%
Residential - Income-Eligible Weatherization	Core	0.0	0.0	0.0%	186.7	8,448.7	0.0%
C&I - Direct Install	Core	0.0	9,909.0	0.0%	0.0	12,836.0	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	0.0	9,871.0	0.0%	0.0	24,059.0	0.0%
Multi-Family	Core	0.0	0.0	0.0%	0.0	0.0	0.0%
<b>Total Core Annual Energy Savings</b>		<b>20</b>	<b>22,451</b>	<b>0.1%</b>	<b>502</b>	<b>78,660</b>	<b>0.6%</b>
Peak DR -Behavioral DR	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Peak DR - BYOT, CSRP	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Clean Heat Beneficial Electrification	Additional	0.0	880.0	0.0%	0.0	1,295.0	0.0%
Comfort Partners	Joint	14.6	125.4	10.4%	88.9	233.1	27.6%
<b>Total Non-Core Annual Energy Savings</b>		<b>15</b>	<b>1,005</b>	<b>1.4%</b>	<b>89</b>	<b>1,528</b>	<b>5.5%</b>
<b>Total Annual Energy Savings</b>		<b>35</b>	<b>23,456</b>	<b>0.1%</b>	<b>591</b>	<b>80,188</b>	<b>0.7%</b>

<sup>1</sup> Across all programs, participation/expenditures/savings are classified as either in an Environmental Justice OBC census block or not based on the program participant's address. OBC census blocks were developed and defined by the NJ Department of Environmental Protection ([www.nj.gov/dep/ej/communities.html](http://www.nj.gov/dep/ej/communities.html)). The OBC census blocks are defined using three criteria: (1) at least 35% of households qualify as low-income, (2) at least 40% of residents identify as minority, and (3) at least 40% of households have limited English proficiency. If any of the three criteria is satisfied, the census block is defined as OBC. Board Staff directed to only include OBC census blocks where at least 35% of households qualify as low-income. For example, a census block that only satisfies the limited English proficiency criteria is not included.

<sup>2</sup> The %OBC column shows the ratio of the overburdened metric over the total of overburdened plus non-overburdened. Comparing the territory-level benchmark %OBC (upper table) with the program %OBC (lower table) shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program %OBC is greater than the benchmark %OBC, then the overburdened population is better represented in the program relative to the percentage of overburdened households or business in the utility territory.

<sup>3</sup> Estimation of accounts with the OBC designation determined to be active immediately preceding the current Plan Year.

<sup>4</sup> Estimation of usage with OBC designation for the 12-month period immediately preceding the current Plan Year.

<sup>6</sup> Individual line items or totals as listed in the OBC table may differ slightly from those results in Appendix B table due to rounding.

<sup>7</sup> Residential - Behavioral OBC participation and savings were trued up during PY24Q2 and are therefore lower than the values indicated in RECO's prior Quarterly Progress Report.

## **Conclusion**

The Company has achieved 49% of its annual energy savings target and is on track to fully satisfy the annual compliance target for PY24. The implementation plan that the Company initially established in its 2021 – 2024 Clean Energy Filing has demonstrated success and, therefore, the Company proposes no changes at this time. The Company looks forward to continued collaboration with Board Staff and other stakeholders in achieving the State’s energy savings goals.

Please contact the undersigned should you have any questions or concerns regarding this report.

Respectfully submitted,

/s/ Philip Madnick

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## **List of Appendices**

The bolded appendices in list below also appear in the accompanying Annual Report Appendix Spreadsheet.

- **Appendix A – Participant Definitions**
- **Appendix B – Energy Efficiency and PDR Savings Summary**
- **Appendix C - Energy Efficiency and PDR Savings Summary, LMI Customers**
- **Appendix D - Energy Efficiency and PDR Savings Summary, Business Customers**
- **Appendix E - Annual Baseline Calculation**

## Appendix A – Participant Definitions

NJ Program		Participants (as lead utility)
<b>Efficient Products</b>	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Lighting - Midstream	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)
<b>Existing Homes</b>	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)
<b>Home Energy Education &amp; Management</b>	Behavioral	Count of treatment customers at end of reporting period
<b>C&amp;I Direct Install</b>	Direct Install	Count based on number of applications/projects completed, not account number
<b>Energy Solutions for Business</b>	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
	HPwES	Count of completed HPwES projects

<b>Multifamily</b>	Direct Install	Count based on number of projects completed (see approach)
	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
<b>Demand Response</b>	BYOT	Quarterly - Incremental change in total quantity of enrolled customers from the start to the end of reporting period. YTD – total count of all enrolled customers as of the end of reporting period.
	Behavioral DR	Count of treatment customers at end of reporting period



## Appendix B – Energy Efficiency and PDR Savings Summary

For Period Ending PY24Q2		Participation				Actual Expenditures			
		A	B	C	D=C/B	E	F	G	H=G/F
		Quarter	Annual Forecasted Participation Number	YTD Reported Participation Number	YTD % of Annual Participants	Quarter (\$000)	Annual Forecasted Program Costs (\$000) <sup>1</sup>	YTD Reported Program Costs (\$000)	YTD % of Annual Budget
<b>Residential Programs</b>	<b>Sub Program</b>								
Efficient Products*	Appliance Recycling/Rebate, Retail Lighting, Marketplace, Midstream HVAC Behavioral	738	2,505	7,514	300%	\$507		\$689	
		34,060	NA	34,060	NA	\$0	\$1,293	\$32	56%
Existing Homes*	Home Performance with Energy Star, Quick Home Energy Check	12	954	12	1%	\$155	\$688	\$188	27%
	Moderate Income Weatherization	0	75	3,504	4672%	\$19	\$337	\$50	15%
<b>Total Residential</b>		<b>34,810</b>	<b>3,534</b>	<b>45,090</b>	<b>1276%</b>	<b>\$681</b>	<b>\$2,318</b>	<b>\$958</b>	<b>41%</b>
<b>Business Programs</b>	<b>Sub-Program</b>								
C&I Direct Install*	N/A	12	135	18	13%	\$601	\$1,687	\$910	54%
C&I Rebate Program*	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream Lighting/HVAC	18	280	26	9%	\$392	\$1,548	\$557	36%
<b>Total Business</b>		<b>30</b>	<b>415</b>	<b>44</b>	<b>11%</b>	<b>\$993</b>	<b>\$3,235</b>	<b>\$1,467</b>	<b>45%</b>
Multi-Family*	N/A	0	37	0	0%	\$78	\$504	\$102	20%
<b>Pilot Programs</b>	<b>Sub Program</b>								
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program	160	1,260	1,930	153%	\$209		\$237	
	Behavioral DR	0	NA	1,725	NA	\$5	\$417	\$11	59%
Clean Heat Beneficial Electrification**	N/A	3	179	6	3%	\$94	\$747	\$159	21%
<b>Total Pilot</b>		<b>163</b>	<b>1,439</b>	<b>3,661</b>	<b>254%</b>	<b>\$308</b>	<b>\$1,164</b>	<b>\$407</b>	<b>35%</b>
NJCEP Comfort Partners***	N/A	2	37	9	24%	\$41	\$311	\$126	41%
<b>Supportive Costs Outside Portfolio****</b>						\$1		\$2	
<b>Portfolio Total</b>		<b>35,005</b>	<b>5,462</b>	<b>48,804</b>	<b>894%</b>	<b>\$2,101</b>	<b>\$7,532</b>	<b>\$3,063</b>	<b>41%</b>

<sup>1</sup> Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR proposals and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.

<sup>2</sup> Wholesale savings at the gross wholesale level include retail savings plus marginal line losses, using approved line loss factor in utility's tariff grossed up by 1.5, per the Avoided Cost Methodology in the NJ Cost Test.

\* Denotes a core EE program. Home Performance with Energy Star only includes non-LMI; the comparable program for LMI participants is Comfort Partners, which is jointly administered by the State and Utilities.

\*\* Savings are in captured in MMBtu and converted to MWh here

\*\*\*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.

\*\*\*\*Supportive Costs include the Statewide Coordinator

For Period Ending PY24Q2		Ex Ante Energy Savings							
		I	J	K	L=K/J	M	N	O	P
		Quarter Annual Retail Energy Savings (MWh)	Annual Forecasted Retail Energy Savings (MWh)	YTD Reported Retail Energy Savings (MWh)	YTD % of Annual Energy Savings	Reported Wholesale Energy Savings <sup>2</sup> (MWh)	YTD Peak Demand Savings (MW)	Quarter Lifetime Savings (MWh)	YTD Lifetime Savings (MWh)
<b>Residential Programs</b>	<b>Sub Program</b>								
Efficient Products*	Appliance Recycling/Rebate, Retail Lighting, Marketplace, Midstream HVAC	81		2,146		2,220	0.18	954	31,246
	Behavioral	1,044	5,392	1,693	71%	1,751	0.00	1,044	1,693
Existing Homes*	Home Performance with Energy Star, Quick Home Energy Check	62	951	62	7%	64	0.00	693	693
	Moderate Income Weatherization	0	127	576	453%	596	0.04	0	8,635
<b>Total Residential</b>		<b>1,187</b>	<b>6,470</b>	<b>4,476</b>	<b>69%</b>	<b>4,631</b>	<b>0.22</b>	<b>2,690</b>	<b>42,267</b>
<b>Business Programs</b>	<b>Sub-Program</b>								
C&I Direct Install*	N/A	661	3,021	864	29%	893	0.17	9,909	12,836
C&I Rebate Program*	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream Lighting/HVAC	773	5,286	1,777	34%	1,838	0.43	9,871	24,059
<b>Total Business</b>		<b>1,434</b>	<b>8,307</b>	<b>2,640</b>	<b>32%</b>	<b>2,731</b>	<b>0.60</b>	<b>19,781</b>	<b>36,895</b>
Multi-Family*	N/A	0	453	0	0%	0	0.00	0	0
<b>Pilot Programs</b>	<b>Sub Program</b>								
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program						3.31		
	Behavioral DR						0.00		
Clean Heat Beneficial Electrification**	N/A	59	1,279	84	7%	86	0.00	880	1,295
<b>Total Pilot</b>		<b>59</b>	<b>1,279</b>	<b>84</b>	<b>7%</b>	<b>86</b>	<b>3.31</b>	<b>880</b>	<b>1,295</b>
NJCEP Comfort Partners***	N/A	9	NA	19	NA	19	0.00	140	322
<b>Supportive Costs Outside Portfolio****</b>									
<b>Portfolio Total</b>		<b>2,688</b>	<b>16,509</b>	<b>7,219</b>	<b>44%</b>	<b>7,468</b>	<b>4.13</b>	<b>23,491</b>	<b>80,778</b>

<sup>1</sup> Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR proposals and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.

<sup>2</sup> Wholesale savings at the gross wholesale level include retail savings plus marginal line losses, using approved line loss factor in utility's tariff grossed up by 1.5, per the Avoided Cost Methodology in the NJ Cost Test.

\* Denotes a core EE program. Home Performance with Energy Star only includes non-LMI; the comparable program for LMI participants is Comfort Partners, which is jointly administered by the State and Utilities.

\*\* Savings are in captured in MMBtu and converted to MWh here

\*\*\*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.

\*\*\*\*Supportive Costs include the Statewide Coordinator

Note: The Behavioral DR (“Demand Response”) program did not enroll any new customers during Q1 but continues to maintain a treatment group of 1,725 customers that were in enrolled during PY2. The program did not achieve any measurable peak demand reductions (MW) during Q1-Q2.

Appendix C - Energy Efficiency and PDR Savings Summary, LMI Customers

For Period Ending PY24Q2		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$000)		YTD Reported Retail Energy Savings (MWh)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	Appliance Recycling/Rebate, Retail Lighting, Marketplace, Midstream HVAC Behavioral	0	7,514	\$0.0	\$206.91	0	2,146
Existing Homes	Home Performance with Energy Star, Quick Home Energy Check	N/A	34,060	N/A	\$0.0	N/A	1,693
	Moderate Income Weatherization	0	12	\$0.0	\$11.9	0	62
<b>Total Residential</b>		3,504	N/A	\$18.5	N/A	576	N/A
		<b>3,504</b>	<b>41,586</b>	<b>\$18.5</b>	<b>\$218.8</b>	<b>576</b>	<b>3,900</b>
Multi-Family	N/A	0	0	\$0.0	\$0.0	0	0
<b>Pilot Programs</b>	<b>Sub Program</b>						
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program	0	1,930	\$0.0	\$60.4	N/A	N/A
	Behavioral DR	N/A	1,725	N/A	\$0.0	N/A	N/A
Clean Heat Beneficial Electrification	N/A	0	6	\$0.0	\$64.9	0	84
<b>Total Pilot</b>		<b>0</b>	<b>3,661</b>	<b>\$0.0</b>	<b>\$125.3</b>	<b>0</b>	<b>84</b>
NJCEP Comfort Partners	N/A	9	N/A	\$70.6	N/A	19	N/A
<b>Supportive Costs Outside Portfolio</b>				<b>\$0.0</b>	<b>\$0.0</b>		
<b>Portfolio Total</b>		<b>3,513</b>	<b>45,247</b>	<b>\$89.1</b>	<b>\$344.1</b>	<b>594</b>	<b>3,984</b>

**Appendix D - Energy Efficiency and PDR Savings Summary, Business Customers**

For Period Ending PY24Q2		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$000)		YTD Reported Retail Energy Savings (MWh)	
Business Programs	Sub-Program	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	N/A	18	N/A	\$609	N/A	864	N/A
C&I Rebate Program	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream	3	23	\$27	\$206	205	1,572
<b>Total Business</b>		<b>21</b>	<b>23</b>	<b>\$636</b>	<b>\$206</b>	<b>1,069</b>	<b>1,572</b>
<b>Pilot Programs</b>	<b>Sub Program</b>						
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program	0	0	\$0	\$0	0	0
	Behavioral DR	0	0	\$0	\$0	0	0
Clean Heat Beneficial Electrification**	N/A	0	0	\$0	\$0	0	0
<b>Total Pilot</b>		<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>Supportive Costs Outside Portfolio</b>				<b>\$0</b>	<b>\$0</b>		
<b>Portfolio Total</b>		<b>21</b>	<b>23</b>	<b>\$636</b>	<b>\$206</b>	<b>1,069</b>	<b>1,572</b>

## Appendix E - Annual Baseline Calculation

For Period Ending PY24Q2												
Energy Efficiency Compliance Baselines and Benchmarks (MWh)												
Electric Utility	Plan Year	Sales Period	Sales (MWh)	Adjustments (MWh)	Adjusted Retail Sales (MWh)	Compliance Baseline (MWh)	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (MWh)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (MWh)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (MWh)
			(A)	(B)	(C) = (A)-(B)	(D) = Average (C)	(E)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
RECO	2020	1/1/20 - 12/31/20	1,493,921	0	1,493,921							
	2021	1/1/21 - 12/31/21	1,495,589	0	1,495,589							
	2022	1/1/22 - 12/31/22	1,532,334	0	1,532,334							
	Program Year 2024					1,507,281	1.45%	21,856	0.48%	7,235	0.97%	14,621

**Notes:**

(A) Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year)

(B) No included adjustments