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October 17, 2022

**VIA ELECTRONIC MAIL**  
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Carmen D. Diaz  
Acting Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism, and Other Related Relief for Plan Years One Through Three  
BPU Docket No. EO20090621

In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs  
BPU Docket No. QO10010040

Dear Acting Secretary Diaz:

By way of follow up to, and in compliance with, the above referenced Decision and Order Approving Stipulation dated April 27, 2021, and the New Jersey Board of Public Utilities' ("BPU" or the "Board") Order issued in connection with *In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket Nos. QO19010040, QO19060748, and QO17091004, dated June 10, 2020, following for filing is the Annual Report of Program Year One 2022 ("PY1"), which includes Q1 through Q4<sup>1</sup>

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<sup>1</sup> For purposes of these quarterly reports, the numbering of the quarters aligns to these dates: **Q1** (7/1/2021 - 9/30/2021); **Q2** (10/1/2021 - 12/31/2021); **Q3** (1/1/2022 - 3/31/2022); and **Q4** (4/1/2022 - 6/30/2022).

of Atlantic City Electric Company (“ACE” or “Company”) with respect to its Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

## Energy Efficiency Program Progress - Executive Summary

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ACE began offering its portfolio of EE programs on July 1, 2021. The portfolio includes distinct programs across the Residential, Multi-Family, and Commercial and Industrial (“C&I”) sectors. These programs include a diverse array of sub-programs and participation pathways designed to engage each unique segment of customers and make it easy to reduce energy usage.

The Residential and Multi-family sectors are made up of the following offerings:

- Behavioral: This program includes behavioral initiatives and energy education. It can reach a significant portion of the utility customer base, including low- to moderate-income customers, and share personalized education, including guidance on low and no-cost energy-saving strategies.
- Efficient Products: This program provides incentives and rebates for energy-efficient products, including those offered at retail and through the online marketplace, such as lighting, appliances, and Heating, Ventilation, and Air Conditioning (“HVAC”) equipment, as well as appliance recycling.
- Existing Homes: Home Performance with ENERGY STAR<sup>®</sup> (“HPwES”): This subprogram provides incentives to encourage customers to pursue comprehensive upgrades to their home.
- Existing Homes: Quick Home Energy Check-Up (“QHEC”): This subprogram helps customers understand their best opportunities to save energy through an in-home consultation and ensures savings through the direct installation of energy-saving measures. It is designed to help renters as well as homeowners and promotes additional energy-saving programs and opportunities that are appropriate for the customer.
- Existing Homes: Moderate Income Weatherization (“Home Weatherization”): This subprogram provides an opportunity for low- to moderate-income customers to receive energy efficiency measures and upgrades at no cost.
- Multifamily Program: This program provides maximum customer flexibility to meet the specific needs of each customer. A structured screening review is used to determine the customer’s needs and develop a tailored energy efficiency solution.

The following table provides an overview of all programs that the Company currently offers to residential and multifamily customers and the date ACE launched the programs.

<b>Program</b>	<b>Sub-program</b>	<b>Date Launched</b>
Behavior <sup>1</sup>	Home Energy Reports	Existing program from merger commitment
Efficient Products	HVAC	July 1, 2021
	Lighting	July 1, 2021
	Online Marketplace	October 14, 2021
	Appliance Rebates	July 1, 2021
	Appliance Recycling	July 1, 2021
Existing Homes <sup>1</sup>	HPwES	July 1, 2021
	QHEC	Existing program from merger commitment
	Moderate-Income Weatherization	September 1, 2021
Multi-family	Multi-family	September 1, 2021

<sup>1</sup>Merger/legacy commitment programs also defined as “Other Programs.”

The C&I EE and conservation programs included in the program portfolio consist of the following:

- Small Business Direct Install (“SBDI”): This subprogram provides a no-cost audit and direct-install measures, and incentives for comprehensive retrofit projects. Non-residential customers can also receive financing for project costs.
- Energy Solutions for Business: Prescriptive and Custom: This subprogram provides prescriptive and custom measures for lighting, HVAC, controls, and other C&I equipment.
- Energy Solutions for Business: Engineered Solutions: This subprogram provides tailored energy efficiency savings for medium-to large-commercial customers, including municipalities, universities, schools, hospitals, and non-profit entities.
- Energy Solutions for Business: Energy Management: This subprogram provides incentives to C&I customers to allow customers to manage their energy consumption more efficiently at their facilities. The subprogram includes incentives for several approaches to energy management focused on optimizing equipment and processes at commercial facilities.

The following table provides an overview of all programs that the Company currently offers to C&I customers and the date ACE launched the programs.

<b>Program</b>	<b>Sub-program</b>	<b>Date Launched</b>
Energy Solutions for Business	Prescriptive / Custom	July 1, 2021
SBDI	N/A	August 1, 2021
Energy Solutions for Business	Energy Management	October 1, 2021
Energy Solutions for Business	Engineered Solutions	October 1, 2021

## Challenges and Program Observations

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The Company has observed a few challenges in the process of deploying its EE programs to customers. Each utility has separate and distinct stipulated orders issued by the Board, though significant coordination is required with utilities that provide electric and natural gas service to customers to ensure that ACE, along with its peer utilities, design(s) programs and allocate funds to administer programs in a manner that is consistent with each stipulation. This coordination of budgets, participation criteria, and incentive levels may require ACE to shift resources committed to other programs, and additional funding may eventually be needed to ensure that programs remain open for the duration of the triennial plan period. The utilities jointly filed a petition with the BPU to alleviate some of the conditions leading to these budget constraints.<sup>2</sup> The Company will continue to monitor program performance and collaborate with the other utilities, BPU Staff, the New Jersey Division of Rate Counsel (“Rate Counsel”), and other parties in the working groups set by the BPU to address this issue.

ACE has been fully engaged in the multitude of working groups related to EE, including the work related to the Statewide Coordinator (“SWC”), which is responsible for constructing the database system to enable partner utilities to track data, metrics, and savings between shared customers. The SWC is a critical component to the success of ACE’s EE program, along with all the other utilities. The Company continues to participate in joint utility discussions to complete the build-out of the database which has extended beyond the originally scheduled completion date.

Similarly, ACE continues to build its internal program tracking system (known as “eTRACK+”), which, in coordination with other Company business applications, will enable ACE

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<sup>2</sup>In the Matter of the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and Decision and Order Adopting Stipulation, In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism and Other Related Relief for Plan Years One Through Three, BPU Docket No. EO20090621 (August 17, 2022), Agenda Item: 8B.

to track EE program administration, incentive costs, and savings across residential and C&I programs. eTRACK+ is a cornerstone of ACE's standard tracking framework and the Company is still targeting full implementation with the joint gas and electric partners.

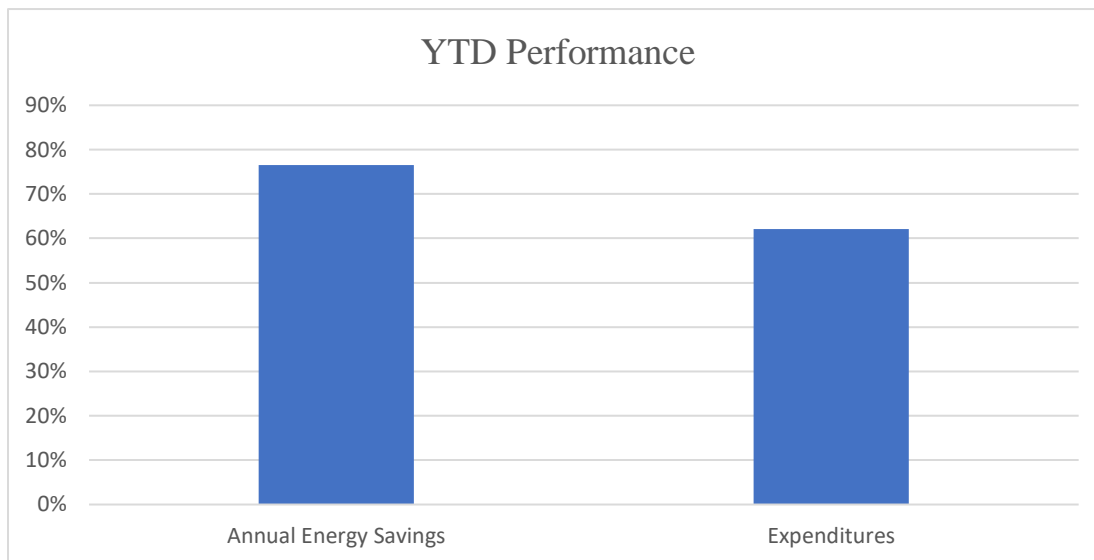
During the fourth quarter, ACE and its internal implementation contractor have completed Phase I of the Statement of Work of the full suite of the residential EE programs into eTRACK+. Integrating the C&I programs is now expected to be completed by end of Program Year Two 2023 ("PY2"). ACE continues to rely on data gathered from legacy systems and implementation contractors to support the information in this report.

Significant challenges for ACE's Residential programs in meeting its goals include the enactment and implementation of State Law A5160 and the U.S. Department of Energy ("DOE") announcement of the Energy Independence and the Security Act of 2007 ("EISA") backstop continue. The legislation known as A5160, enacted in January 2022, put minimum efficiency standards on several types of measures sold in New Jersey, chiefly State regulated general service lamps which includes reflectors and other specialty lamps. Other measures impacted by A5160 are air purifiers, faucet aerators, low-flow showerheads, computers, and monitors. The implementation of the EISA backstop establishes an efficiency requirement that all General Service Lamps (sometimes abbreviated as GSLs) must meet the minimum standard of 45 lumens per watt. The effect of these new requirements is that retail and wholesale selling of traditional and specialty incandescent or halogen incandescent bulbs will be phased out by 2023.

With the announcement of the new lighting rules, DOE set up an enforcement mechanism that will allow companies to import non-compliant bulbs up until January 2023 and will allow retailers to sell non-compliant bulbs until July 2023. After early to mid-2023, it is ACE's expectation that program activity for residential lighting will significantly drop off or potentially discontinue offering discounted Light Emitting Diode ("LED") bulbs. Lighting measures, along with low-flow showerheads and faucet aerators that are disbursed through a direct-install program, such as QHEC or Home Weatherization, will be allowed to continue to claim savings if ACE can verify that the replaced measure was of a lower efficiency.

## ACE EE Program Performance

Figure 1 shows that the energy savings Year-to-Date (“YTD”) is behind in terms of meeting the PY1 annual savings goal, while spending less than budgeted.



*Figure 1: PY1 performance of Annual Energy Savings and Budget*

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, the primary program serving low-income customers, and is co-managed by the BPU’s Division of Clean Energy in conjunction with ACE and the other investor-owned electric and gas utility companies. As noted, “Other Programs” include merger/legacy commitment EE programs that were authorized or funded by or through a prior filing or authorization.

Recognizing the transition to utility programs, the Board’s June 10, 2020 Clean Energy Act (“CEA”) Order did not establish specific energy use reduction requirements for PY1. Annual targets will become applicable in future years.

**Table 1 – Program YTD 2022 Program Results**

Utility-Administered Programs ex-ante energy savings (MWh or DTh)	Comfort Partners ex-ante energy savings (MWh or DTh)	Other Programs ex-ante energy savings (MWh or DTh) <sup>1</sup>	Total ex-ante energy savings (MWh or DTh)	Compliance Baseline (MWh or DTh) <sup>2</sup>	Annual Target (%)	Annual Target (MWh or DTh)	Percent of Annual Target (%)
(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
13,522	400	12,213	26,135	9,834,156	0.00%	-	N/A

<sup>1</sup>The annual target for PY1 is derived based on targets for future annual targets. Other Programs include merger/legacy-committed EE programs – QHEC and Behavior.

<sup>2</sup>Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year).

## Quantitative Performance Indicators (“QPIs”)

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

**Table 2 – Quantitative Performance Indicators**

	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results	Other Programs Plan Year Results	Total Plan Year Results	Annual Target (MWh) <sup>1</sup>	Percent of Annual Target Achieved
Annual Energy Savings (MWh)	13,522	400	12,213	26,135	33,017	79%
Lifetime Savings (MWh)	183,306	6,552	43,949	233,807		
Annual Demand Savings (MW)	1.723	0.082	3.583	5.388		
Lifetime Persisting Demand Savings (MW-year) <sup>2</sup>	23.356	1.352	9.075	33.782		
Low/Moderate-Income Lifetime Savings (MWh)	530	6,552		7,082		
Small Commercial Lifetime Savings (MWh)	39,544			39,544		
Net Present Value of Utility Cost Test Net Benefits (\$) <sup>3</sup>	\$ 10,167,397			\$ 10,167,397		

<sup>1</sup>Annual Targets reflect estimated impacts as filed in the Company’s 2021 - 2024 Clean Energy filing.

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

<sup>3</sup>Cost Effectiveness impacts are not calculated for Comfort Partners or Other Programs.

## Sector-Level Participation, Expenditures, and Annual Energy Savings

In the fourth quarter, ACE’s Residential programs had 273,771 participants across the sector’s programs and a total of 290,498 participants YTD. Program start-up efforts and coordination to align systems and marketing collateral with other New Jersey utilities continues to have a downward effect on the ramp-up to full scale implementation. The delayed development of platforms also impacted some programs’ ability to capture customer participation, such as Lighting, Appliance Rebates, and HPwES. These participants will be captured and reported in subsequent quarterly updates.

The Efficient Products program has had significant participation since the subprograms launched, despite the seasonality of each subprogram. The Company has seen an increase in lighting sales over the second half of PY1 resulting from additional retail partnerships that have

provided opportunities to increase the program's visibility to customers with premium end caps and off-shelf displays located in high traffic areas of the sales floors. These retailers have also provided the program to enhance and expand its reach to customers throughout the ACE service territory. In addition, the Company's Field Team has commenced conducting in-store visits focusing on promoting the program through direct customer interaction. The Company has established a relationship with the Food Bank of South Jersey to distribute EE kits throughout the ACE territory during Q4.

Appliance Rebates and HVAC subprograms have seen improvement in supply chain issues. Though supply issues still exist, there has been an increase in refrigerator and small appliance sales, as a result. Customers are seeing a decrease in wait times for appliance deliveries and despite longer wait times still having some prevalence, those times seem to be improving in comparison to the first few quarters of PY1. Improvements to the supply chain have also had a positive effect on previous HVAC issues. The backlog of parts, and more importantly the increased production of chips, has allowed ACE's Trade Ally ("TA") partners to move forward on overdue projects. Appliance recycling typically experiences a seasonal increase in participation during the Q4 timeframe.

The Existing Homes program, which includes HPwES, Home Weatherization, and QHEC, saw modest participation and/or increased interest throughout Q4. HPwES completed new projects in Q4 and secured additional pipeline projects. HPwES and Home Weatherization project cycles are lengthier than other programs, and the Company is beginning to see an increase. Additionally, HPwES expects to see an increase in applications once financing is available, which is expected in Q1 PY2. The QHEC program continues to provide useful insights to customers and has proven to be a customer's first introduction to ACE's EE measures.

The Behavioral program reported 1,805 MWh in energy savings this quarter. Year-to-date, the Company reports 10,745 MWhs in energy savings and 3.329 MWs in demand savings.

In the fourth quarter, the Company's C&I programs recorded 41 participants. Year-to-date, the Prescriptive/Custom Program recorded 91 participants. As a result of TAs that were onboarded and trained in the new program offerings, the Company noted an increase in customer inquiries and applications that resulted in additional completed projects later in PY1. In addition, the Company is participating in ongoing efforts to align within joint utility working groups on the



final elements of program design and delivery strategy for comprehensive dual-fuel projects in the SBDI program that are expected to increase interest and participation in that program.

Energy Management and Engineered solutions were the last programs to launch and historically have the longest sales cycles due to the size and complexity of the projects. ACE expects to see increased interest and participation as market awareness increases in the large customer segment and specialized trade allies familiarize themselves with the new program structures. As a result of these factors, there were no completed projects or reported savings in Q4 for those two programs.

**Table 3 –Sector-Level Participation**

Sector <sup>1</sup>	Current Quarter Participants	Annual (YTD) Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	273,771	290,498	80,557	361%
Multi-Family	0	0	1,060	0%
C&I <sup>2</sup>	41	91	95,204	0%
Reported Totals for Utility Administered Programs	273,812	290,589	176,821	164%
Comfort Partners <sup>3</sup>	114	439	547	80%
Utility Total	273,926	291,028	177,368	164%

<sup>1</sup>Note that these numbers are totals across all programs within a sector. The appendix shows the participation numbers for individual programs. Participation from merger-funded programming is not omitted from these values.

<sup>2</sup>The participant definition for the Prescriptive/Custom component of the Energy Solutions for Business program, as agreed upon by the joint utilities, represents the count of projects while the forecast established in ACE's filed plan represents the count of measures.

<sup>3</sup>Comfort Partners, the primary program serving low-income customers, is co-managed by the BPU's Division of Clean Energy in conjunction with ACE and the other investor-owned electric and gas utility companies.

## ACE Portfolio Expenditures

During this reporting period, ACE's Residential Programs spent \$4.635 million ("M") across all cost categories and ACE's C&I programs recorded approximately \$4.981M in total expenditures across all programs during PY1 2021 - 2022. Most the ACE's expended resources were focused on the continued ramp-up of program coordination, which largely translates to administration costs, as well as incentives for programs that experienced activity. Marketing efforts continued including website development, and coordination of forms with other New Jersey utilities. ACE anticipates increased expenditures in the fourth quarter reporting period as programs continue to ramp-up, financing becomes available for customer use, and rebates are delivered to customers.

ACE has been working with the other utilities to ensure continuity of program requirements and incentives. As a result, adjustments were made in the HVAC sub-program to measure

eligibility criteria and incentive levels to better align with other utility program offerings. No adjustments were made to program budgets that required staff notification, staff approval or Board approval.

**Table 4 –Sector-Level Expenditures**

Expenditures <sup>1</sup>	Current Quarter Expenditures (\$000)	Annual (YTD) Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$1,466	\$4,635	\$8,307	56%
Multi-Family	\$53	\$157	\$549	29%
C&I	\$1,304	\$4,981	\$6,216	80%
Reported Totals for Utility Administered Programs	\$2,824	\$9,773	\$15,072	65%
Comfort Partners	\$538	\$1,873	\$2,142	87%
Utility Total	\$3,361	\$11,646	\$17,214	68%

<sup>1</sup>Expenditures include rebates, incentives, and loans, as well as program administration costs allocated across programs. Expenditures from merger-funded programming and Supportive Costs Outside Portfolio are omitted from these values.

## ACE Portfolio Annual Energy Savings

During the fourth quarter, the Residential programs generated 8,907 MWh of energy savings through the Efficient Products, QHEC, and Behavioral offerings and 20,808 MWh YTD. The pipeline for the deep retrofit programs, such as HPwES and Home Weatherization, continues to develop but did not commit any savings during this reporting period.

With respect to C&I programs, the Company had recorded 2,384 MWh of energy savings for the fourth quarter and 4,927 MWh of energy savings for the first plan year through the Prescriptive/Custom program. The SBDI program saw increased interest as trade allies completed their onboarding and training and continued providing energy assessments to customers. However, as no customers had completed the process, no documented energy savings occurred during this reporting period. Newly onboarded trade allies are working on outreach and customer engagement to build interest for the Engineered Solutions and Energy Management programs.

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

Annual Energy Savings <sup>1</sup>	Current Quarter Retail (MWh)	Annual (YTD) Retail (MWh)	Annual Target Retail (MWh)	Percent of Annual Target
Residential	8,907	20,808	10,227	203%
Multi-Family	0	0	968	0%
C&I	2,384	4,927	21,822	23%
Reported Totals for Utility Administered Programs	11,291	25,735	33,017	78%
Comfort Partners	116	400	N/A	N/A
Utility Total	11,407	26,135	33,017	79%

<sup>1</sup>Annual energy savings represent the total expected annual savings from all energy efficiency measures within each sector and includes savings from merger-funded programs.

## Secondary Metrics

The June 2020 Board Order states that EE programs are evaluated with the Board approved 2020 Protocols to Measure Resource Savings (“2020 TRM<sup>3</sup>”) or 2021 TRM Addendum throughout the first triennial. The Evaluation, Measurement and Verification (“EM&V”) Working Group agreed that the 2020 TRM and 2021 TRM Addendum have dated assumptions and models that lead to overestimation of savings. The EM&V Working Group created a 2022 TRM Addendum to address these issues. The annual energy savings using the 2020 TRM vs the 2022 TRM Addendum are shown in Figure 2. The utilities’ performance is officially assessed based on values using the 2020 TRM, while the values using the 2022 TRM are provided for information and planning purposes.

<sup>3</sup>Utilities are currently utilizing the 2020 Technical Reference Manual in combination with a Coordinated Measures List developed jointly by the utilities to address missing measures and outdated assumptions, which is available at <https://njcleanenergy.com/main/public-reports-and-library/market-analysis-protocols/market-analysis-baseline-studies/market-an>.

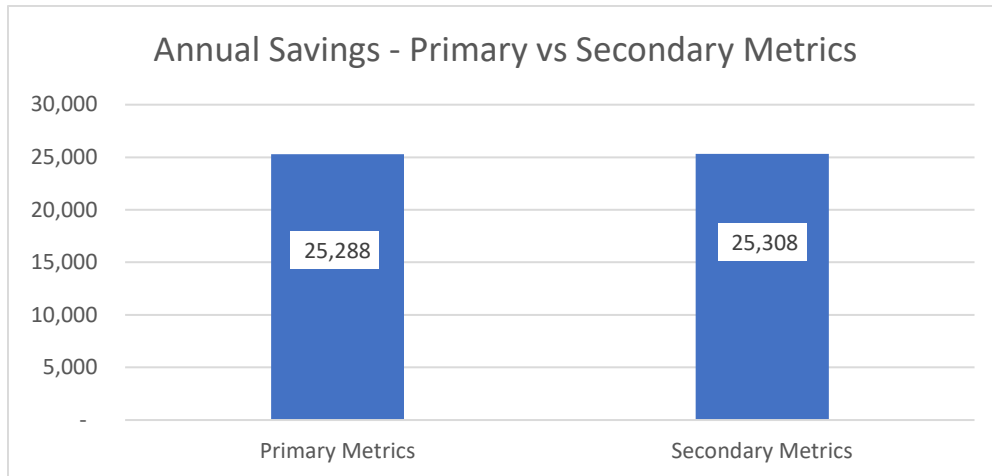


Figure 2 – 2020 TRM vs 2022 TRM

## Portfolio Expenditures Breakdown

During the fourth reporting period, ACE continued spending in the cost categories that support planning, development, coordination, contracting, and systems development. These include Capital Costs, Utility Administration, and Outside Services. As new programs mature, ACE anticipates that spending will increase in the cost categories that represent program delivery. Those cost categories include Marketing, Rebates, Loans, EM&V, and Inspections and Quality Control.

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

Total Utility EE/PDR <sup>1</sup>	Quarter Reported (\$000)	Annual Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent <sup>2</sup>
Capital Costs	\$74	\$857	\$1,750	49%
Utility Administration	\$434	\$1,444	\$592	244%
Marketing <sup>3</sup>	(\$158)	\$595	\$608	98%
Outside Services	\$1,152	\$4,724	\$2,826	167%
Rebates	\$1,267	\$2,233	\$8,360	27%
No- or Low-Interest Loans			\$1,047	0%
EM&V	\$76	\$102	\$543	19%
Inspections & Quality Control			\$295	0%
<b>Utility EE/PDR Total</b>	<b>\$2,845</b>	<b>\$9,954</b>	<b>\$16,021</b>	<b>62%</b>

<sup>1</sup>Categories herein align to ACE’s EE plan as approved by the Board.

<sup>2</sup>While annual budgets are used for informational purposes, the portfolio is managed to a total not-to-exceed amount established by cost category for the full triennial program cycle.

<sup>3</sup>In the Matter of the Petition of Rockland Electric Company’s Annual Conservation Incentive Program Filing – Reconciliation for the Period July 1, 2021 – June 30, 2022, BPU Docket No. EO22070469.

## Equity Metrics

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During ACE's PY1 Q4, residential and C&I marketing and outreach efforts continued to build awareness of the Company's programs among all customers with some focus on Overburdened Communities ("OBCs"). For residential customers, ACE launched a multichannel marketing strategy to drive program awareness and participation. This included digital, email, and direct mail advertising that educated customers on available programs and how to start increasing energy savings. Outreach included distribution of bilingual (Spanish) flyers, brochures and door hangers promoting the QHEC, Multifamily, and Lighting programs for events and canvassing efforts. These are great programs for low- to moderate-income customers in OBCs because there are minimal to no barriers to entry. More information about how these programs reached customers can be found in the Efficient Products and Existing Homes Programs sections of this report.

During ACE PY1 Q4, outreach to OBCs continued to increase awareness of C&I EE programs among business customers and contractors. In-person events, virtual meetings, and phone call and email campaigns were part of an equitable focus on customers and contractors located in the overburdened communities of Atlantic City, Bridgeton, Millville, and Cape May County. Outreach to contractors in OBCs encouraged the submission of program applications and recruitment of contractors to become approved ACE TAs.

ACE's outreach team staffed a vendor table at the New Jersey Chamber of Commerce's ReNew Jersey Conference in Atlantic City on April 13, 2022. ACE's event sponsorship included a vendor table that enabled the outreach team to participate and network with contractors and customers. Large portions of the City of Atlantic City are identified by the New Jersey Department of Environmental Protection ("DEP") as being an OBC. Conference attendees also represented other OBCs in ACE's service territory.

On April 26, 2022, ACE attended and staffed a booth at the Cape May County Chamber of Commerce – Business at the Beach EXPO, where the team engaged 96 attendees. Cape May County includes many OBCs, including Wildwood, North Wildwood, Rio Grande, Cape May, North Cape May, Middle Township, and others.

From May 10 to 12, 2022, the Outreach team staffed an ACE booth at the New Jersey Conference of Mayors in Atlantic City. ACE engaged 18 attendees, which included mayors and local government officials from municipalities within the ACE service territory.

TA recruitment in May for the Prescriptive and Custom Program resulted in the approval of Turtle & Hughes, a certified woman-owned business, as a new TA. In June, ACE targeted contractors and local partner organizations located in OBCs. As part of the campaign, the team exchanged emails, held phone calls, and arranged virtual meetings to discuss TA opportunities to recruit TAs located in the OBCs. The goal of recruiting TAs located in an OBC is to have them submit applications for C&I customers located in those communities. ACE also connected with local chambers of commerce whose geographical membership area includes OBCs. Through this campaign, ACE continues to identify speaker, newsletter, webinar, and other opportunities for Fall 2022 to share program information with the organizations' members.

Also, in June, ACE engaged 24 webinar attendees to recruit and train TAs on the application portal. TA recruitment for the Prescriptive and Custom Program resulted in the June approval of one new TA located in an OBC within ACE's service territory.

The ongoing outreach campaign targeting customers and contractors in Atlantic City has engaged a total of 67 contractors and customers. This campaign is continuing throughout the summer months.

To date, 50% (six of 12) of approved SBDI TAs are located in a New Jersey OBC, one of which is located in the ACE service territory. Forty-eight percent (ten of 21) of approved Prescriptive and Custom Program TAs are located in an OBC, two of which are in the ACE service territory. One certified woman-owned business is a Prescriptive and Custom Program TA. For Q4, 47% of all projects received are in an OBC, up from 36.5% in Q3. The 35 completed projects located in OBCs received a total of \$579,659 in incentives.

## Existing Homes Programs

To increase performance of the Existing Homes portfolio and drive engagement of Low and Middle Income ("LMI")/OBC customers, ACE residential implementation team met with the Vice President of Energy and Sustainability for the Stewards of Affordable Housing for the Future ("SAHF"), who connected ACE with the following organizations:

**Stewards of Affordable Housing for the Future:** SAHF's mission is to advance the creation and preservation of healthy, sustainable affordable rental homes that foster equity, opportunity, and wellness for people of limited economic resources (touches multiple programs, including Multifamily, Home Weatherization, QHEC):

- Collaborative of 12 non-profit affordable housing providers who own more than 149,000 affordable rental homes.
- The organization has been providing contact information for their partner organizations who share their mission to serve those with limited income.
- SAFH can support energy equity by ensuring their low-income housing organizations are provided information and opportunity to participate in energy cost savings programs.

**National Churches Residences**, whose mission is to provide high quality care, services, and residential communities for seniors of all income levels (Multifamily Program focus), provides housing to 30,000 seniors in 340 communities. The organization can support energy equity by deploying efficiency and energy cost saving programs in lower income multifamily communities.

### Efficient Products

The program team has coordinated with Atlantic City Electric to extend outreach to OBCs with its EE lighting kit efforts through the Company’s partnership with the Food Bank of South Jersey. Efforts initially began in Q2. Due to COVID resurgence and holidays, however, action related to the partnership was delayed until Q4.

- Distribution for the lighting kits began in Q4. The first round included 4,000 kits in April, 5,000 kits in May, and another 1,000 kits before the fiscal year ended on June 30<sup>th</sup>.
- The program, in coordination with the Company’s Dollar Tree and Goodwill partners, allows ACE to reach low- to moderate-income customers and offer them opportunities to access the Company’s EE programs.

**Table 7 – Equity Performance**

Territory-Level Benchmarks	Over-burdened <sup>1</sup>	Non-Over-burdened	Ratio <sup>2</sup>
# of Household Accounts	92,577	337,530	0.22
# of Business Accounts	15,416	40,145	0.28
Total Annual Energy (MWh)	2,349,373	4,674,009	0.33

Programs	Sub Program or Offering	Type of Sub Program/Offering	Quarter Over-burdened <sup>1</sup>	Quarter Non-Over-burdened	Ratio <sup>2</sup>	YTD Over-burdened	YTD Non-Over-burdened	Ratio
<b>Participation</b>								
Efficient Products	HVAC	Core	19	212	0.08	46	567	0.08
	Appliance Rebates	Core	70	571	0.11	207	1,704	0.11
	Appliance Recycling	Core	63	458	0.12	109	765	0.12
	Online Marketplace	Core	68	461	0.13	94	827	0.10
	Food Banks	Core	0	0	0.00	0	0	0
	Others - Lighting	Core	TBD	TBD	TBD	TBD	TBD	TBD
Existing Homes	Home Performance with Energy Star	Core	0	1	0.00	0	10	0.00
	Quick Home Energy Check-Up	Additional	730	677	0.52	2,037	1,938	0.51
	Moderate Income Weatherization	Additional	0	0	0.00	0	0	0.00
Home Energy Education & Management	Behavioral	Additional	0	0	0.00	0	0	0.00
C&I Direct Install	Direct Install	Core	0	0	0.00	0	0	0.00
Energy Solutions for Business	Prescriptive/Custom	Core	16	25	35.00	35	56	0.38
	Energy Management	Additional	0	0	0.00	0	0	0.00
	Engineered Solutions	Additional	0	0	0.00	0	0	0.00
Multi-Family	HPwES	Core	0	0	0.00	0	0	0.00
	Direct Install	Core	0	0	0.00	0	0	0.00
	Prescriptive/Custom	Core	0	0	0.00	0	0	0.00
	Engineered Solutions	Core	0	0	0.00	0	0	0.00
Total Core Participation			236	1,728	0.00	491	3,929	0.11
Total Additional Participation			730	677	0.00	2,037	1,938	0.00
Total Participation			966	2,405	0.00	2,528	5,867	0.11
<b>Annual Energy Savings</b>								
Efficient Products	HVAC	Core	11	107	0.09	20	254	0.07
	Appliance Rebates	Core	10	80	0.11	35	249	0.12
	Appliance Recycling	Core	70	494	0.12	119	828	0.13
	Online Marketplace	Core	21	121	0.15	25	168	0.13
	Food Banks	Core	0	0	0.00	0	0	0.00
	Others - Lighting	Core	TBD	TBD	TBD	TBD	TBD	TBD
Existing Homes	Home Performance with Energy Star	Core	0	0	0.00	0	1	0.00
	Quick Home Energy Check-Up	Additional	197	216	0.48	2,628	3,006	0.47
	Moderate Income Weatherization	Additional	0	0	0.00	0	0	0.00
Home Energy Education & Management	Behavioral	Additional	0	0	0.00	0	0	0.00
C&I Direct Install	Direct Install	Core	0	0	0.00	0	0	0.00
Energy Solutions for Business	Prescriptive/Custom	Core	1,136	1,248	0.48	2,544	2,382	0.52
	Energy Management	Additional	0	0	0.00	0	0	0.00
	Engineered Solutions	Additional	0	0	0.00	0	0	0.00
Multi-Family	HPwES	Core	0	0	0.00	0	0	0.00
	Direct Install	Core	0	0	0.00	0	0	0.00
	Prescriptive/Custom	Core	0	0	0.00	0	0	0.00
	Engineered Solutions	Core	0	0	0.00	0	0	0.00
Total Core Annual Energy Savings			1,247	2,049	0.00	2,743	3,883	0.41
Total Additional Annual Energy Savings			197	216	0.00	2,628	3,006	0.00
Total Annual Energy Savings			1,444	2,265	0.00	5,371	6,889	0.41
<b>Lifetime Energy Savings</b>								
0.00								
Efficient Products	HVAC	Core	174	1,678	0.09	319	3,952	0.07
	Appliance Rebates	Core	108	899	0.11	371	2,747	0.12
	Appliance Recycling	Core	336	2,394	0.12	575	4,027	0.12
	Online Marketplace	Core	272	1,513	0.15	310	1,983	0.14
	Food Banks	Core	0	0	0.00	0	0	0.00
	Others - Lighting	Core	TBD	TBD	TBD	TBD	TBD	TBD
Existing Homes	Home Performance with Energy Star	Core	0	0	0.00	0	158	0.00
	Quick Home Energy Check-Up	Additional	2,628	3,006	0.47	9,433	9,513	0.50
	Moderate Income Weatherization	Additional	0	0	0.00	0	0	0.00
Home Energy Education & Management	Behavioral	Additional	0	0	0.00	0	0	0.00
C&I Direct Install	Direct Install	Core	0	0	0.00	0	0	0.00
Energy Solutions for Business	Prescriptive/Custom	Core	17,029	18,388	0.48	37,270	35,207	0.51
	Energy Management	Additional	0	0	0.00	0	0	0.00
	Engineered Solutions	Additional	0	0	0.00	0	0	0.00
Multi-Family	HPwES	Core	0	0	0.00	0	0	0.00
	Direct Install	Core	0	0	0.00	0	0	0.00
	Prescriptive/Custom	Core	0	0	0.00	0	0	0.00
	Engineered Solutions	Core	0	0	0.00	0	0	0.00
Total Core Lifetime Energy Savings			17,920	24,872	0.42	38,846	48,073	0.45
Total Additional Lifetime Energy Savings			2,628	3,006	0.00	9,433	9,513	0.00
Total Lifetime Energy Savings			20,548	27,878	0.42	48,278	57,585	0.45

<sup>1</sup>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 DEP ([www.nj.gov/dep/ej/communities.html](http://www.nj.gov/dep/ej/communities.html)).

<sup>2</sup>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.



## Benefit Cost Test Results

ACE's PY1 EE portfolio is cost effective under the New Jersey Cost Test ("NJCT") framework with a ratio of 2.29. The C&I and Residential portfolios are cost effective with NJCT ratios of 1.31 and 3.34, respectively. Additionally, all individual programs, with the exception of Existing Homes, achieved cost effectiveness under the NJCT.

As is common with the first year of an EE portfolio, ACE had higher start-up costs with lower participation levels. In PY1, ACE's incentive spending was \$2.091M and administrative spending was \$7.681M but expects an improved incentive-to-administrative cost ratio over time, resulting in lower acquisition costs.

The primary driver of NJCT costs were administrative costs, followed by customer incremental costs. The C&I Direct Install and Multi-Family programs contributed administrative spending to the portfolio but did not result in savings or benefits. ACE does not anticipate this to occur in future program years.

A primary driver of portfolio savings and NJCT benefits come from lighting measures. Due to lighting interactive effects, there is a therm consumption increase contributing to a small negative benefit to the portfolio. Home energy reports contribute the largest single measure savings, followed by LED lamps and community kits, however, lamps and kits provide the greatest net benefits to the portfolio. All programs offered in PY1 result in a positive Participant Cost Test.

**Table 8 – Benefit Cost Test**

	Initial						Final					
	NJCT	PCT	PACT	RIMT	TRCT	SCT	NJCT	PCT	PACT	RIMT	TRCT	SCT
Portfolio Total	3.8	5.5	3.2	1.5	2.9	7.4	2.29	8.20	0.99	0.25	0.85	1.02
C&I	5.2	6.5	4.8	2	3.9	11	1.31	3.80	0.69	0.26	0.55	0.68
Residential	3.1	5.5	2.7	1.1	2.4	5.2	3.34	15.22	1.27	0.24	1.17	1.38
C&I Direct Install	2.6	4.7	1.7	1	1.9	4.8	-	-	-	-	-	-
Efficient Products	4.6	10.2	3.7	1.2	3.5	7.5	4.38	14.40	1.71	0.25	1.50	1.78
Energy Solutions for Business	7.4	7.7	10.4	2.8	5.7	16.3	1.70	3.80	0.97	0.29	0.72	0.89
Existing Homes	1.6	2.7	1.3	0.8	1.16	2.7	0.07	1.86	0.02	0.02	0.02	0.03
Other Programs	2.9	4.8	2.6	1.1	2.6	3.9	6.20	25.42	2.32	0.28	2.32	2.67
Multi-Family	4.2	6	3.1	1.2	3.1	6.9	-	-	-	-	-	-

## Conclusion

ACE is pleased to provide the above information regarding the performance of the Company's portfolio of energy efficiency programs. ACE looks forward to continued

collaboration with Board Staff, Rate Counsel, and other parties to address the challenges noted above.

Consistent with the Order issued by the Board in connection within *the Matter of 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 Petition and related documents are being electronically filed with the Secretary of the Board, the Division of Law, and Rate Counsel. No paper copies will follow.

Feel free to contact the undersigned should you have any questions or concerns regarding this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", with a large, stylized flourish on the left side that loops around the name.

Philip J. Passanante  
An Attorney at Law of the  
State of New Jersey

Enclosures

cc: Service List

# Appendices

## Appendix A – Participation 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)
Home Energy Education & Management	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
Multifamily	HPwES	Count of completed HPwES projects - Projects are based on the building or could be several buildings (not units within a building) participation is the number of projects completed. A MF site with multiple buildings (e.g. garden apartment) will have multiple projects. Account numbers will need to be collected if measures are done associated with that account.
	Direct Install	Count based on number of projects completed - One to one - Project = participant and based on individual occupant/unit, participation as well as common areas. Account numbers will need to be collected if measures are done associated with that account and to tie to that location.
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number - Projects are based on the MF site /property owner, regardless of # of buildings or occupants. Participation is the number of completed projects.
	Engineered Solutions	Count based on number of applications/projects completed, not account number - Projects are based on the MF site /property owner, regardless of # of buildings or occupants. Participation is the number of completed projects.
	Reporting Template Total	Count based on number of applications/projects completed, not account number

# Appendix B – Energy Efficiency and PDR Savings Summary

	Participation				Actual Expenditures				Ex Ante Energy Savings							**Supplement for Annual Report				
	A	B	C	D=C/B	E	F	G	H=G/F	I	J	K	L=K/I	M	N	O	P	Q	R	S	
	Current Quarter	Annual Forecasted Participation Number	Reported Participation Number YTD	YTD % of Annual Participants	Current Quarter (\$000)	Annual Forecasted Program Costs (\$000) 2	Reported Program Costs YTD (\$000)	YTD % of Annual Budget	Current Quarter Annual Retail Energy Savings (MWh)	Annual Forecasted Retail Energy Savings (MWh)	Reported Annual Retail Energy Savings YTD (MWh)	YTD % of Annual Energy Savings	Current Quarter Annual Wholesale Energy Savings (MWh)	Retail Peak Demand Savings YTD (MW)	Current Quarter Lifetime Retail Energy Savings (MWh)	Reported Lifetime Retail Energy Savings YTD (MWh)	Current Quarter Retail Peak Demand Savings (MW)	Current Quarter Lifetime Wholesale Energy Savings (MWh)	Current Quarter Wholesale Peak Demand Savings (MW)	
<b>Residential Programs</b>	<b>Sub Program or Category<sup>1</sup></b>																			
Efficient Products <sup>*</sup>	HVAC	233	N/A	619	N/A	\$ 286	N/A	\$ 567	N/A	117	N/A	275	N/A	130	0.148	2,781	4,271	0.052	3,101	0.059
	Appliance Rebates	700	N/A	2,063	N/A	\$ 384	N/A	\$ 757	N/A	88	N/A	284	N/A	98	0.033	986	3,118	0.010	1,099	0.012
	Appliance Recycling	522	N/A	875	N/A	\$ 169	N/A	\$ 492	N/A	563	N/A	947	N/A	628	0.151	2,730	4,602	0.090	3,044	0.102
	Online Marketplace	534	N/A	947	N/A	\$ 54	N/A	\$ 676	N/A	142	N/A	194	N/A	158	0.011	1,786	2,293	0.010	1,991	0.011
	Food Banks	10,000	N/A	10,000	N/A		N/A	\$ -	N/A	2,704	N/A	2,704	N/A	3,016	0.246	33,371	33,371	0.246	37,209	0.279
	Others - Lighting	22,864	N/A	34,565	N/A	\$ 156	N/A	\$ 424	N/A	2,966	N/A	4,159	N/A	3,307	0.312	44,486	62,390	0.222	49,602	0.252
	<b>Subtotal Efficient Products</b>	<b>34,853</b>	<b>79,922</b>	<b>49,069</b>	<b>61.4%</b>	<b>\$ 1,047</b>	<b>\$ 4,621</b>	<b>\$ 2,916</b>	<b>63.1%</b>	<b>6,581</b>	<b>9,237</b>	<b>8,563</b>	<b>92.7%</b>	<b>7,338</b>	<b>0.901</b>	<b>86,141</b>	<b>110,046</b>	<b>0.630</b>	<b>96,047</b>	<b>0.714</b>
	Existing Homes	Home Performance with Energy Star <sup>2</sup>	9	190	9	4.7%	\$ 227	\$ 2,025	\$ 828	40.9%	-	424	1	0.2%	-	-	253	-	-	-
Quick Home Energy Check-Up <sup>3</sup>		1,621	285	4,132	1449.8%	\$ 37	\$ 155	\$ 215	138.6%	490	273	1,468	538.2%	546	0.254	10,857	33,204	0.035	12,106	0.040
Home Energy Education & Management	Moderate Income Weatherization	33	160	33	20.6%	\$ 156	\$ 1,508	\$ 676	44.9%	31	293	31	0.0%	35	0.003	530	530	0.003	591	0.003
	Behavioral <sup>3</sup>	237,255		237,255	N/A	\$ -	\$ -	\$ -	0.0%	1,805	-	10,745	N/A	2,013	3.320	1,805	10,745	1.369	2,013	1.552
<b>Total Residential</b>	<b>273,771</b>	<b>80,557</b>	<b>290,498</b>	<b>360.6%</b>	<b>\$ 1,466</b>	<b>\$ 8,307</b>	<b>\$ 4,635</b>	<b>55.8%</b>	<b>8,907</b>	<b>10,227</b>	<b>20,808</b>	<b>203.5%</b>	<b>9,931</b>	<b>4.487</b>	<b>99,333</b>	<b>154,778</b>	<b>2.037</b>	<b>110,756</b>	<b>2.310</b>	
<b>Business Programs</b>	<b>Sub-Program</b>																			
C&I Direct Install	Direct Install <sup>4</sup>	-	45	-	0.0%	\$ 317	\$ 3,222	\$ 1,455	45.2%	-	2,091	-	0.0%	-	-	-	-	-	-	-
	Prescriptive/Custom <sup>4</sup>	41	95,134	91	0.1%	\$ 630	\$ 2,569	\$ 2,292	89.2%	2,384	18,930	4,927	26.0%	2,601	0.819	35,417	72,477	0.417	38,640	0.464
Energy Solutions for Business	Energy Management	-	25	-	0.0%	\$ 115	\$ 297	\$ 437	147.2%	-	801	-	0.0%	-	-	-	-	-	-	-
	Engineered Solutions	-	-	-	N/A	\$ 241	\$ 128	\$ 798	620.9%	-	-	-	#DIV/0!	-	-	-	-	-	-	-
<b>Total Business</b>	<b>41</b>	<b>95,204</b>	<b>91</b>	<b>0.1%</b>	<b>\$ 1,304</b>	<b>\$ 6,216</b>	<b>\$ 4,981</b>	<b>80.1%</b>	<b>2,384</b>	<b>21,822</b>	<b>4,927</b>	<b>22.6%</b>	<b>2,601</b>	<b>0.819</b>	<b>35,417</b>	<b>72,477</b>	<b>0.417</b>	<b>38,639.947</b>	<b>0.464</b>	
Multi-Family <sup>*</sup>	HPwES	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-	-	-	-	-
	Direct Install	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-	-	-	-	-
	Prescriptive/Custom <sup>*</sup>	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-	-	-	-	-
	Engineered Solutions	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-	-	-	-	-
<b>Subtotal Multi-Family</b>	<b>-</b>	<b>1,060</b>	<b>-</b>	<b>0.0%</b>	<b>\$ 53</b>	<b>\$ 549</b>	<b>\$ 157</b>	<b>28.6%</b>	<b>-</b>	<b>968</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Programs</b>	<b>Home Optimization &amp; Peak Demand Reduction</b>																			
Comfort Partners	114	547	439	80.3%	\$ 538	\$ 2,142	\$ 1,873	87.5%	116	N/A	400	N/A	125	0.082	1,993	6,552	0.360	2,147	0.023	
<b>Total Other</b>	<b>114</b>	<b>547</b>	<b>439</b>	<b>80.3%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	<b>116</b>	<b>-</b>	<b>400</b>	<b>N/A</b>	<b>125</b>	<b>0</b>	<b>1,993</b>	<b>6,552</b>	<b>0</b>	<b>2,147</b>	<b>0</b>	
<b>Portfolio Total</b>	<b>273,926</b>	<b>177,368</b>	<b>291,028</b>	<b>164.1%</b>	<b>\$ 2,824</b>	<b>\$ 15,072</b>	<b>\$ 9,772.699</b>	<b>64.8%</b>	<b>11,407</b>	<b>33,017</b>	<b>26,135</b>	<b>79.2%</b>	<b>12,657</b>	<b>5.388</b>	<b>136,743</b>	<b>233,807</b>	<b>2.814</b>	<b>151,543</b>	<b>2.797</b>	

<sup>1</sup>Subprograms provide relevant forecasts as included in the Company's approved EE/PDR Plans. Program delivery elements are generally listed as categories for informational purposes only.

<sup>2</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>3</sup>Quick Home Energy Check-Up and Behavioral Program costs in PY1 are supported by merger funding. For consistency with the Company's approved plan, the costs and participation count for projects funded this way are excluded from the table above. Savings from these programs is included in this report as permitted by the June 10th Board Order. Merger Commitment Behavior had 237,255 participants in Q4 and YTD. Merger Commitment QHEC had 2,511 participants YTD.

<sup>4</sup>The participant definition for the Prescriptive/Custom component of the Energy Solutions for Business program as agreed upon by the joint utilities represents the count of projects while the forecast established in ACE's filed plan represents the count of measures.

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

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

		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		Reported Participation Number YTD		Reported Incentive Costs YTD (\$000)		Reported Retail Energy Savings YTD (MWh)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	4	615	\$ 2.00	\$ 217.28	1.002	273.537
	Food Banks	10,000	-	\$ 277.10	\$ -	2,704.492	0.000
	Others	-	37,503	\$ -	\$ 386.60	0.000	5,390.107
Existing Homes	Home Performance with Energy Star <sup>1</sup>	1	8	\$ 2.05	\$ 24.63	0.150	0.790
	Quick Home Energy Check-Up	2,012	2,120			652.080	815.800
	Moderate Income Weatherization	33	N/A	\$ 20.99	N/A	30.980	N/A
Home Energy Education & Management	Behavioral	TBD	TBD	TBD	TBD	TBD	TBD
Total Residential		12,050	40,246	\$ 302.14	\$ 628.51	3,388.705	6,480.235
Multi-Family	HPwES	0	0	\$ -	\$ -	-	-
	Direct Installation/MF QHEC	0	0	\$ -	\$ -	-	-
Total Multi-Family		0	0	\$ -	\$ -	-	-
Other Programs							
NONE		N/A	N/A	N/A	N/A	N/A	N/A
Total Other		0	0	\$ -	\$ -	-	-
Portfolio Total		12,050	40,246	\$ 302.14	\$ 628.51	3,388.705	6,480.235
Supportive Costs Outside Portfolio				\$ -	\$ -		

<sup>1</sup>Income-qualified customers are directed to participate through the Comfort Partners or Moderate-Income Weatherization programs.



## Appendix E - Annual Baseline Calculation<sup>1</sup>

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)
FERC <sup>1</sup>												
ACE	2019	07/01/2018-06/30/2019	10,342,185	-	10,342,185							
	2020	07/01/2019-06/30/2020	9,434,779	-	9,434,779							
	2021	07/01/2020-06/30/2021	9,725,505	-	9,725,505							
	Plan Year 2022					9,834,156	1.10%	108,176	0.36%	35,403	0.74%	72,773

<sup>1</sup>Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year).



## Appendix F– Secondary Metrics

**Table 1 – Sector-Level Energy Savings: Primary Metrics**

Annual Energy Savings <sup>1,2</sup>	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	20,361	10,227	199%
Multifamily	-	968	0%
C&I	4,927	21,822	23%
Reported Totals for Utility Administered Programs	25,288	33,017	77%
Comfort Partners	400	0	
Utility Total	25,688	33,017	78%

**Table 2 – Sector-Level Energy Savings: Secondary Metrics**

Annual Energy Savings <sup>1,2</sup>	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	20,352	10,227	199%
Multifamily	-	968	0%
C&I	4,956	21,822	23%
Reported Totals for Utility Administered Programs	25,308	33,017	77%
Comfort Partners	400	-	
Utility Total	25,708	33,017	78%

<sup>1</sup>Annual energy savings represent the total expected annual savings from all energy efficiency measures within each sector, and not only those measures affected by the FY2022 TRM Addendum.

<sup>2</sup>Residential sector includes savings from ACE merge /legacy commitment programs.

**Appendix G - Ex-Ante Energy Savings Held for Transfer**

Estimated Annual Energy Savings Held by ACE		
Program	Kwh held for transfer	Therms (DTHw) held for transfer
Res Efficient Products <sup>1</sup>		7,065
Home Performance w/Energy Star		1,192
Quick Home Energy Check-Up		28,634
Moderate Income Weatherization		1,031
Multi-Family		0
C&I Prescriptive/Custom		0
C&I Small Business Direct Install		0
C&I Energy Management		0
C&I Engineered Solutions		0
<b>TOTAL<sup>2</sup></b>		<b>37,922</b>

<sup>1</sup>This number excludes the fuel penalty for lighting.

<sup>2</sup>With the fuel penalty considered the total number is -27,279.

## Appendix H – Cost Effectiveness Test Details

	Residential	Business	MF	Other	Total Portfolio	Efficient Products	C&I Direct Install	Energy Solutions for Business	Existing Homes	Other Programs	Multi-Family
<b>Total Resource Cost Test (TRC)</b>						Quarter Retail Savin	YTD Retail Savings2	Quarter Whole Savir	Energy Efficiency Baseline4		
1 Lost Revenue from Energy Savings (kWh)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Lost Revenue from Peak Demand Savings (kW)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Lost Revenue from Gas Savings (Therms)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Avoided Costs from Energy Savings (kWh)	\$ 4,620,362	\$ 2,887,664	\$ -	\$ 1,377,391	\$ 8,885,417	\$ 4,589,880	\$ -	\$ 2,887,664	\$ 30,482	\$ 1,377,391	\$ -
5 Avoided Costs from Demand Savings (kW)	\$ 601,784	\$ 611,490	\$ -	\$ 363,723	\$ 1,576,998	\$ 600,535	\$ -	\$ 611,490	\$ 1,249	\$ 363,723	\$ -
6 Avoided Costs from Gas Savings (Therms)	\$ (217,838)	\$ (77,180)	\$ -	\$ -	\$ (295,018)	\$ (217,838)	\$ -	\$ (77,180)	\$ -	\$ -	\$ -
7 Environmental Adder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 DRIPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Benefit = 1+2+3+4+5+6+7+8</b>	<b>\$ 5,004,309</b>	<b>\$ 3,421,974</b>	<b>\$ -</b>	<b>\$ 1,741,114</b>	<b>\$ 10,167,397</b>	<b>\$ 4,972,578</b>	<b>\$ -</b>	<b>\$ 3,421,974</b>	<b>\$ 31,731</b>	<b>\$ 1,741,114</b>	<b>\$ -</b>
9 Administrative Costs	\$ 3,539,265	\$ 3,769,887	\$ 156,799	\$ 496,107	\$ 7,962,058	\$ 2,089,271	\$ 1,454,791	\$ 2,315,096	\$ 1,449,994	\$ 496,107	\$ 156,799
10 Participant Incremental Costs	\$ 1,318,036	\$ 2,455,480	\$ -	\$ 254,446	\$ 4,027,962	\$ 1,225,017	\$ -	\$ 2,455,480	\$ 93,020	\$ 254,446	\$ -
11 Incentives	\$ 880,375	\$ 1,210,928	\$ -	\$ 254,446	\$ 2,345,749	\$ 826,684	\$ -	\$ 1,210,928	\$ 53,692	\$ 254,446	\$ -
<b>Total Costs (9+10+11)</b>	<b>\$ 4,857,301</b>	<b>\$ 6,225,367</b>	<b>\$ 156,799</b>	<b>\$ 750,553</b>	<b>\$ 11,990,020</b>	<b>\$ 3,314,288</b>	<b>\$ 1,454,791</b>	<b>\$ 4,770,576</b>	<b>\$ 1,543,013</b>	<b>\$ 750,553</b>	<b>\$ 156,799</b>
<b>Benefit Cost Ratio = (1+2+3+4+5+6+7+8)/(9+10+11)</b>	<b>1.03</b>	<b>0.55</b>	<b>-</b>	<b>2.32</b>	<b>0.85</b>	<b>1.50</b>	<b>-</b>	<b>0.72</b>	<b>0.02</b>	<b>2.32</b>	<b>-</b>
<b>Participant Cost Test (PCT)</b>											
12 Lifetime Participant Benefits	\$ 17,811,851	\$ 9,340,446	\$ -	\$ 5,614,859	\$ 32,767,156	\$ 17,639,030	\$ -	\$ 9,340,446	\$ 172,822	\$ 5,614,859	\$ -
13 Lifetime Repayment Benefits	\$ 1,318,036	\$ 2,455,480	\$ -	\$ 220,878	\$ 3,994,395	\$ 1,225,017	\$ -	\$ 2,455,480	\$ 93,020	\$ 220,878	\$ -
<b>Benefit Cost Ratio = (11+12+13)/9</b>	<b>13.51</b>	<b>3.80</b>	<b>-</b>	<b>25.42</b>	<b>8.20</b>	<b>14.40</b>	<b>-</b>	<b>3.80</b>	<b>1.86</b>	<b>25.42</b>	<b>-</b>
<b>Program Administrator Cost Test (PAC)</b>											
<b>Benefit Cost ratio = (1+2+3+4+5+6+7+8)/(10+11+13)</b>	<b>1.13</b>	<b>0.69</b>	<b>-</b>	<b>2.32</b>	<b>0.99</b>	<b>1.71</b>	<b>-</b>	<b>0.97</b>	<b>0.02</b>	<b>2.32</b>	<b>-</b>
<b>Ratepayer Impact Measure Test (RIM)</b>											
14 Lifetime utility Revenue Gained	\$ 5,004,309	\$ 3,421,974	\$ -	\$ 1,741,114	\$ 10,167,397	\$ 4,972,578	\$ -	\$ 3,421,974	\$ 31,731	\$ 1,741,114	\$ -
15 Lifetime Utility Cost	\$ 21,351,116	\$ 13,110,332	\$ 156,799	\$ 6,144,534	\$ 40,762,781	\$ 19,728,301	\$ 1,454,791	\$ 11,655,542	\$ 1,622,815	\$ 6,144,534	\$ 156,799
<b>Benefit Cost ratio = (1+2+3+4+5+6+7+8+14)/(10+11+13+15)</b>	<b>0.23</b>	<b>0.26</b>	<b>-</b>	<b>0.28</b>	<b>0.25</b>	<b>0.25</b>	<b>-</b>	<b>0.29</b>	<b>0.02</b>	<b>0.28</b>	<b>-</b>
<b>New Jersey Cost Test (NJCT)</b>											
16 Lost Revenue from Energy Savings (kWh)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17 Lost Revenue from Peak Demand Savings (kW)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 Lost Revenue from Gas Savings (Therms)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Avoided Costs from Energy Savings (kWh)	\$ 13,563,445	\$ 6,767,900	\$ -	\$ 3,840,064	\$ 24,171,409	\$ 13,468,856	\$ -	\$ 6,767,900	\$ 94,589	\$ 3,840,064	\$ -
20 Avoided Costs from Demand Savings (kW)	\$ 652,197	\$ 744,954	\$ -	\$ 347,832	\$ 1,744,984	\$ 650,889	\$ -	\$ 744,954	\$ 1,308	\$ 347,832	\$ -
21 Avoided Costs from Gas Savings (Therms)	\$ (898,485)	\$ (226,054)	\$ -	\$ -	\$ (1,124,539)	\$ (898,485)	\$ -	\$ (226,054)	\$ -	\$ -	\$ -
22 Environmental Adder	\$ (282,463)	\$ (97,125)	\$ -	\$ 1,809	\$ (377,779)	\$ (282,505)	\$ -	\$ (97,125)	\$ 42	\$ 1,809	\$ -
23 DRIPE	\$ 862,400	\$ 561,002	\$ -	\$ 254,650	\$ 1,678,053	\$ 856,584	\$ -	\$ 561,002	\$ 5,816	\$ 254,650	\$ -
24 NEB Adder	\$ 720,548	\$ 375,643	\$ -	\$ 209,395	\$ 1,305,586	\$ 713,587	\$ -	\$ 375,643	\$ 6,961	\$ 209,395	\$ -
25 Lifetime Avoided Ancillary Services Costs											
<b>Total Benefit = 16+17+18+19+20+21+22+23+24+25</b>	<b>\$ 14,617,643</b>	<b>\$ 8,126,319</b>	<b>\$ -</b>	<b>\$ 4,653,750</b>	<b>\$ 27,397,712</b>	<b>\$ 14,508,927</b>	<b>\$ -</b>	<b>\$ 8,126,319</b>	<b>\$ 108,716</b>	<b>\$ 4,653,750</b>	<b>\$ -</b>
26 Administrative Costs	\$ 3,539,265	\$ 3,769,887	\$ 156,799	\$ 496,107	\$ 7,962,058	\$ 2,089,271	\$ 1,454,791	\$ 2,315,096	\$ 1,449,994	\$ 496,107	\$ 156,799
27 Participant Incremental Costs	\$ 1,318,036	\$ 2,455,480	\$ -	\$ 254,446	\$ 4,027,962	\$ 1,225,017	\$ -	\$ 2,455,480	\$ 93,020	\$ 254,446	\$ -
28 Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Costs = 26+27+28</b>	<b>\$ 4,857,301</b>	<b>\$ 6,225,367</b>	<b>\$ 156,799</b>	<b>\$ 750,553</b>	<b>\$ 11,990,020</b>	<b>\$ 3,314,288</b>	<b>\$ 1,454,791</b>	<b>\$ 4,770,576</b>	<b>\$ 1,543,013</b>	<b>\$ 750,553</b>	<b>\$ 156,799</b>
<b>Benefit Cost Ratio = (16+17+18+19+20+21+22+23+24+25)/(26+27+28)</b>	<b>3.01</b>	<b>1.31</b>	<b>-</b>	<b>6.20</b>	<b>2.29</b>	<b>4.38</b>	<b>-</b>	<b>1.70</b>	<b>0.07</b>	<b>6.20</b>	<b>-</b>