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April 8, 2022

VIA ELECTRONIC MAIL ONLY

Carmen Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Board.secretary@bpu.nj.gov

**Re: Quarterly Progress Report of Elizabethtown Gas Company – 1st Quarter Program
Year 2022 – Updated with Energy Efficiency Baseline
DOCKET NOS. QO19010040 & GO20090619**

Dear Acting Secretary Diaz:

ETG is resubmitting the First Quarter Progress Report that incorporates an updated Energy Efficiency Baseline (see Table 1 – Energy Efficiency Baseline). Otherwise the report is identical to the one submitted on November 30th, 2021. Accordingly, we ask that you replace the previous report submitted on November 30th, 2021.

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for the first quarter ("Q1") of Program Year 2022¹ ("PY22") of Elizabethtown Gas ("ETG" or "Company") with respect to its Clean Energy Act of 2018 Energy Efficiency ("EE") and Peak Demand Reduction ("PDR") Programs.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. E020030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

¹ For the purposes of these quarterly reports, the numbering of the quarters align to these dates: **Q1** (7/1/21-9/30/21); **Q2** (10/1/21 - 12/31/21); **Q3** (1/1/22 - 3/31/22); **Q4** (4/1/22 - 6/30/22).

Energy Efficiency Program Progress - Executive Summary:

The Utilities are continuing to work on the development of the Statewide Coordinator (SWC) system that will facilitate the exchange of investments and energy savings between a Lead Utility and a Partner Utility. As of the date of this report, the SWC system is not yet fully tested and operational, therefore the utilities have not yet transferred information for expenditures and energy savings. As discussed during Utility Working Group discussions, Utilities are supporting the incentives for comprehensive projects that address both fuels with the intention to transfer all information through the SWC when the system is operational and integrated with each utility's program management software and tracking system. Accordingly, the information reflected within this quarterly report reflects all investments and financing made by Elizabethtown Gas, including those as the Lead Utility on behalf of a Partner Utility. Energy savings shown within this report only reflects savings for Elizabethtown Gas's primary fuel.

ETG launched the following Core programs on July 1, 2021: Residential Programs – Efficient Products and Home Performance with Energy Star, Multifamily Programs and Commercial Programs – Direct Install, Prescriptive and Custom. In addition, ETG launched the following Utility-Led programs: Residential Programs – Behavioral program, Moderate Income Weatherization, Quick Home Energy Check (QHEC) and Commercial Programs – Engineered Solutions.

- The Efficient Products program reported 1,677 DTh in energy savings or approximately 3% of the program's PY22 target.
- The Behavioral program reported 5,335 DTh in energy savings or approximately 6% of the program's PY22 target.

To support the implementation, ETG conducted contractor training for the residential and commercial core programs.

To support the transition of programs, ETG posted rebate forms and program information on the corporate company website and made materials available in Spanish. To assist implementation, ETG conducted contractor training for the residential and commercial core programs.

ETG programs delivered 7,011 DTh of savings in the first quarter, or approximately 4% of the annual target.

Figure 1 shows that the energy savings from the quarter

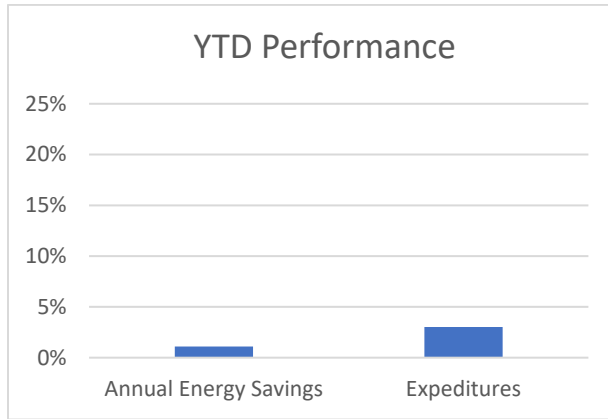


Figure 1: YTD performance of Annual Energy Savings and Budget

Year-to-Date, ETG Energy Efficiency programs reported savings of 4% of the Annual Target Achieved.

Table 1 – Quarterly Progress Table

	Current Quarter Retail Savings ¹	YTD Retail Savings ²	Current Quarter Wholesale Savings ³	Energy Efficiency Baseline ⁴	YTD Savings as Percent of Baseline	Annual Utility Retail Savings Target (DTh)	Percent of Annual Target Achieved
Annual Energy Savings (DTh)	7,011	7,011	7,113	50,027,349	0.01%	181,031	4%
Lifetime Savings (DTh)	81,998	81,998	83,188				
Low/Moderate-Income Lifetime Savings (DTh) ⁵	686	686	696				
Small Commercial Lifetime Savings (DTh) ⁶	0	0	0				

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

² Encompasses all ex-ante savings for plan year, including prior period adjustments.

³ Wholesale savings at the gross wholesale level include retail savings plus marginal line losses, using approved loss factor in utility’s tariff grossed up by 1.5, per the Avoided Cost Methodology in the NJ Cost Test.

⁴ Calculated as average annual gas usage in the prior three program years (July 1, 2018-June 30,2021) per N.J.S.A. 48:3-87.9(a).

⁵ Low/Moderate-Income lifetime savings are the total of Comfort Partners, or any income-qualified Residential or Multi-Family program.

⁶ Small Commercial lifetime savings are Direct Install program savings and those from commercial and industrial (“C&I”) small business customers (<200 kW peak demand) in other programs.

Sector-Level Participation, Expenditures, and Annual Energy Savings

ETG Residential Programs had 146,561 participants and delivered 7,011 DTh of energy savings during the reporting period, amounting to 4% of the 2022 target. The savings were driven by the Behavioral Program and Efficient Products Program. The Efficient Products had customer participation in the HVAC, Appliance Rebate and Marketplace and annual savings of 3%.

Comfort Partners had 93 participants resulting in 686 DTh annual savings.

While there was customer interest in the Commercial and Multifamily programs, no projects were completed in the first quarter.

Table 2 – Quarterly Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	146,561	146,561	167,475	88%
Multi-Family	0	0	510	0%
C&I	0	0	1,065	0%
Reported Totals for Utility Administered Programs	146,561	146,561	169,050	87%
Comfort Partners ²	93	93	804	12%
Utility Total	146,654	146,654	169,854	86%

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

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

Elizabethtown Gas’s expenses for this quarter were 6% of the PY22 budget. The expenditures for Multifamily and C&I are attributed to program implementation start-up costs.

Table 3 – Quarterly Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$352	\$352	\$13,372	3%
Multi-Family	\$91	\$91	\$853	11%
C&I	\$215	\$215	\$2,395	9%
Reported Totals for Utility Administered Programs	\$658	\$658	\$16,620	4%
Comfort Partners	\$499	\$499	\$3,373	15%
Utility Total	\$1,157	\$1,157	\$19,993	6%

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

The Residential Program reported 7,011 DTh of energy savings, or 4% of the PY22 annual target.

Table 4 – Quarterly Sector-Level Annual Energy Savings

Annual Energy Savings ¹	Current Quarter Retail (DTh)	YTD Retail (DTh)	Annual Target Retail (DTh)	Percent of Annual Target
Residential	7,011	7,011	164,338	4%
Multi-Family	0	0	2,022	0%
C&I	0	0	14,671	0%
Reported Totals for Utility Administered Programs	7,011	7,011	181,031	4%
Comfort Partners ²	686	686	33,830	N/A
Utility Total	7,697	7,697	181,031	4%

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

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

Portfolio Expenditures Breakdown

The following table provides quarterly costs and budget variances by category. ETG expenditures for the first quarter were 3% of the 2021 budget.

Table 5 – Quarterly costs and budget variances by category¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Budget Spent
Capital Costs	\$9	\$9	\$610	2%
Utility Administration	\$72	\$72	\$667	11%
Marketing	\$46	\$46	\$377	12%
Outside Services	\$492	\$492	\$2,607	19%
Rebates ²	\$29	\$29	\$11,786	0%
No- or Low-Interest Loans	\$0	\$0	\$4,929	0%
Evaluation, Measurement & Verification (“EM&V”)	\$3	\$3	\$377	1%
Inspections & Quality Control	\$0	\$0	\$190	0%
Utility EE/PDR Total	\$652	\$652	\$21,544	3%

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

² Rebates include rebates and other direct investments.

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

Respectfully,



Deborah M. Franco

DMF/caj

cc: Brian Lipman
Maura Caroselli
Stacy Peterson
Phillip Chao
Maureen Minkel
Peter Druckenmiller
Michael Savacool
Frank Vetri

Appendix 1 – Participant Definitions

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

Energy Efficiency and PDR Savings Summary

Elizabethtown Gas Quarterly Report - Appendix 2A
For Period Ending PY22Q1

		Participation				Actual Expenditures				Ex Ante Energy Savings						
		A	B	C	D=C/B	E	F	G	H=G/F	I	J	K	L=K/J	M	N	O
		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 (DTh)	Annual Forecasted Retail Energy Savings (DTh)	Reported Retail Energy Savings YTD (DTh)	YTD % of Annual Energy Savings	Reported Wholesale Energy Savings (DTh)	Peak Demand Savings YTD (DT) ⁴	Lifetime Retail Savings (DTh)
Residential Programs	Sub Program or Category¹															
Efficient Products*	HVAC	13		13		\$113		\$113		140		140		142	N/A	1,520
	Appliance Rebates	54		54		\$27		\$27		39		39		39	N/A	427
	Marketplace Efficient Products	192		192		\$27		\$27		1,499		1,499		1,520	N/A	16,037
	EE Kits	N/A		N/A		N/A		N/A		N/A		N/A		N/A	N/A	N/A
	Subtotal Efficient Products	259	16,375	259	2%	\$167	\$7,763	\$167	2%	1,678	65,382	1,678	3%	1,701	N/A	17,984
Existing Homes	Home Performance with Energy Star*	0	100	0	0%	\$56	\$1,937	\$56	3%	0	3,299	0	0%	0	N/A	0
	Quick Home Energy Check-Up	0	850	0	0%	\$36	\$680	\$36	5%	0	2,403	0	0%	0	N/A	0
	Moderate Income Weatherization	0	150	0	0%	\$81	\$1,858	\$81	4%	0	2,466	0	0%	0	N/A	0
Behavioral	Behavioral	146,302	150,000	146,302	98%	\$12	\$1,135	\$12	1%	5,335	90,789	5,335	6%	5,412	N/A	64,014
Total Residential		146,561	167,475	146,561	88%	\$352	\$13,373	\$352	3%	7,013	164,339	7,013	4%	7,113	N/A	81,998
Business Programs	Sub-Program															
C&I Direct Install	Direct Install*	0	10	0	0%	\$104	\$932	\$104	11%	0	1,381	0	0%	0	N/A	0
	Prescriptive/Custom* ³	0	1,055	0	0%	\$84	\$1,463	\$84	6%	0	13,290	0	0%	0	N/A	0
Energy Solutions for Business	Energy Management	0	0	0		\$11	\$0	\$11		0	0	0		0	N/A	0
	Engineered Solutions	0	0	0		\$16	\$0	\$16		0	0	0		0	N/A	0
	Subtotal Business	0	1,065	0	0%	\$215	\$2,395	\$215	9%	0	14,671	0	0%	0	N/A	0
Total Business		0	1,065	0	0%	\$215	\$2,395	\$215	9%	0	14,671	0	0%	0	N/A	0
Multifamily Programs	Sub-Program															
Multifamily*	HPwES	0		0		\$28		\$28		0		0		0	N/A	0
	Direct Install	0		0		\$10		\$10		0		0		0	N/A	0
	Prescriptive/Custom*	0		0		\$1		\$1		0		0		0	N/A	0
	Engineered Solutions	0		0		\$53		\$53		0		0		0	N/A	0
	Subtotal Multifamily	0	510	0	0%	\$92	\$853	\$92	11%	0	2,022	0	0%	0	N/A	0
Total Multifamily		0	510	0	0%	\$92	\$853	\$92	11%	0	2,022	0	0%	0	N/A	0
Home Optimization & Peak Demand Reduction																
Total Other																
Portfolio Total		146,561	169,050	146,561	87%	\$659	\$16,621	\$659	4%	7,013	181,032	7,013	4%	7,113	N/A	81,998
Supportive Costs Outside Portfolio																

¹ 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.

² Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR filings and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.

³ Prescriptive/Custom Participation Number is reported on a Measure level

⁴ On-going discussions within the Evaluation, Measurement and Verification (EM&V) Working Group have noted that there is no clearly defined protocol for calculating Peak Demand Savings for natural gas measures. It is anticipated this issue will be addressed by the EM&V Working Group within this Triennial. No Peak Demand Savings for natural gas measures will be reported until an agreed upon methodology has been determined.

* 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.

Energy Efficiency and PDR Savings Summary

Elizabethtown Gas Quarterly Report - Appendix 2B

For Period Ending PY22Q1

		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 (DTh)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	HVAC	0	13	\$0	\$7	0	140
	Appliance Rebates	0	54	\$0	\$8	0	39
	Marketplace Efficient Products	0	192	\$0	\$14	0	1,499
	Efficient Products Kits	N/A	N/A	N/A	N/A	N/A	N/A
	Subtotal Efficient Products	0	259	\$0	\$29	0	1,678
Existing Homes	Home Performance with Energy Star ¹	0	0	\$0	\$0	0	0
	Quick Home Energy Check-Up	0	0	\$0	\$0	0	0
	Moderate Income Weatherization	0	0	\$0	\$0	0	0
Home Energy Education & Management	Behavioral	0	146,302	\$0	\$0	0	5,335
Total Residential		0	146,561	\$0	\$29	0	7,013
Multifamily Programs							
Multifamily	HPwES	0	0	\$0	\$0	0	0
	Direct Installation/MF QHEC	0	0	\$0	\$0	0	0
Total Multifamily		0	0	\$0	\$0	0	0
Home Optimization & Peak Demand Reduction							
Total Other							
Portfolio Total		0	146,561	\$0	\$29	0	7,013
Supportive Costs Outside Portfolio							

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

Energy Efficiency and PDR Savings Summary

Elizabethtown Gas Quarterly Report - Appendix 2C

For Period Ending PY22Q1

		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 (DTh)	
Business Programs	Sub-Program	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	Direct Install	0	N/A	\$0	N/A	0	N/A
Energy Solutions for Business	Prescriptive/Custom	0	0	\$0	\$0	0	0
	Energy Management	0	0	\$0	\$0	0	0
	Engineered Solutions	0	0	\$0	\$0	0	0
Total Business		0	0	\$0	\$0	0	0
Multifamily Programs							
Multifamily	Prescriptive/Custom	0	0	\$0	\$0	0	0
	Engineered Solutions	0	0	\$0	\$0	0	0
Total Multifamily		0	0	\$0	\$0	0	0
Home Optimization & Peak Demand Reduction							
Total Other		0	0	\$0	\$0	0	0
Portfolio Total		0	0	\$0	\$0	0	0
Supportive Costs Outside Portfolio							

Appendix 3 - Elizabethtown Gas Energy Efficiency Compliance Baselines and Benchmarks

Energy Efficiency Compliance Baselines and Benchmarks (therms)												
Gas Utility	Plan Year	Sales Period	Sales (therms)	Adjustments	Adjusted Retail Sales	Compliance Baseline	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (therms)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (therms)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (therms)
			(A)	(B)	(C) = (A)-(B)	(D) = Average (C)	(E)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
Elizabethtown Gas	2019	7/1/18 - 6/30/19	514,447,498	40,069	514,407,429							
	2020	7/1/19 - 6/30/20	485,443,069	75,903	485,367,166							
	2021	7/1/20 - 6/30/21	501,043,439	(2,442)	501,045,881							
	Plan Year 2022					500,273,492	0.00%	-	0.00%	-	0.00%	0

Notes:

(A) Includes sales as reported on FERC Form-2, as adjusted for the given sales period (planning year)

(B) Includes adjustments to remove Electric Generation and Cogeneration. Negative values in year 2021 reflect billing adjustments.

(E,G,I) No formal targets established for PY22 in the June 2020 CEA Framework Order