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February 29, 2024

VIA ELECTRONIC MAIL
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**REPORT CORRECTED FOR
RESUBMISSION - June 10, 2024**

Sherri L. Golden, RMC
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: Atlantic City Electric Company Energy Efficiency Program Year Three – Quarter 2 Report

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. QO19010040

Dear Secretary Golden:

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 Progress Report, which includes activity through Quarter Two ("Q2") of

Program Year (“PY”) 2023 (“PY3” or “PY24”)¹ of Atlantic City Electric Company (“ACE” or the “Company”) with respect to its Clean Energy Act of 2018 (“CEA”) Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

Energy Efficiency Program Progress - Executive Summary

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. The Home Energy Report influences the utility customers, including low to moderate-income (“LMI”) customers, and provides a 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 appliances, heating, ventilation, and air conditioning (“HVAC”) equipment, as well as appliance recycling.
- Existing Homes: Home Performance with ENERGY STAR[®] (“HPwES”): This sub-program provides incentives to encourage customers to pursue comprehensive upgrades to their homes.
- Existing Homes: Quick Home Energy Check-Up (“QHEC”): This sub-program 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.

¹For purposes of these quarterly reports, the numbering of the quarters aligns to these dates: **Q1** (7/1/2023 - 9/30/2023); **Q2** (10/1/2023 - 12/31/2023); **Q3** (1/1/2024- 3/31/2024); and **Q4** (4/1/2024 - 6/30/2024).

- Existing Homes: Moderate Income Weatherization (“Home Weatherization”): This sub-program provides an opportunity for low to moderate-income customers to receive EE measures and upgrades at no cost.
- Multi-family 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 EE solution.

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

Program	Sub-program	Date Launched
Behavior ¹	Home Energy Reports	January 1, 2023
Efficient Products	HVAC	July 1, 2021
	Online Marketplace	October 14, 2021
	Appliance Rebates	July 1, 2021
	Appliance Recycling	July 1, 2021
Existing Homes	HPwES	July 1, 2021
	QHEC ²	Existing program from merger commitment
	Moderate-Income Weatherization	September 1, 2021
Multi-family	Multi-family	September 1, 2021

¹ Rate Payer funded January – June 2023

² 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 sub-program 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 sub-program provides prescriptive and custom measures for lighting, HVAC, controls, and other C&I equipment.
- Energy Solutions for Business: Engineered Solutions: This sub-program provides tailored EE savings for medium to large commercial customers, including municipalities, universities, schools, hospitals, and non-profit entities.

- Energy Solutions for Business: Energy Management: This sub-program provides incentives to C&I customers to allow customers to manage their energy consumption more efficiently at their facilities. The sub-program 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.

Program	Sub-program	Date Launched
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

Commercial and Industrial

The ACE SBDI program continues to reflect consistent performance in PY24 Q2. The pipeline remains robust, and the on-line applications (“OLAs”), which is a leading indicator, has grown to 111 from 100 OLAs at the end of PY24 Q1. In the second quarter, the SBDI program added four Trade Allies (“TAs”), bringing the total to 40 TAs for the program. Although SBDI program performance has improved significantly over the past year, it remains unlikely that the projected savings goals will be realized by the end of the Triennium. Supply chain equipment delays associated with HVAC equipment continue to be a challenge for many related projects. Significant delays regarding affected lead times are typically from six months to a year, causing estimated project completion dates to slip and impact forecasts.

The Prescriptive and Custom program incentive commitments more than doubled in PY24 Q2 as compared to the previous quarter. The number of completed and paid projects remained consistent. A prevailing challenge for this program continues to be acquisition costs which are higher than those previously modeled.

The Engineered Solutions program is experiencing increased activity with a targeted number of approved Trade Allies. ACE anticipates substantial commitments prior to the end of PY24 Q3. These projects are anticipated to carry over into the Triennium 1 extension and into Triennium 2.

The Energy Management program will be revisiting the TA payment structures and looking at other opportunities to increase program acceptance in the marketplace. ACE convened a group of Trade Allies to provide feedback on ways the Company can generate greater interest in the program. This is a work in progress and should lead to enhancements to improve future participation.

Residential

There have been fewer challenges encountered by ACE's Residential Program in Q2 of PY3 compared to previous periods. However, the few challenges that did arise were effectively addressed. The program has successfully overcome the difficulties associated with the discontinuation of the Lighting program due to the implementation of the Energy Independence and Security Act of 2007 ("EISA"). In January 2023, the New Jersey Legislature passed A5160, imposing minimum efficiency standards on various products sold in New Jersey, particularly State-regulated general service lamps ("GSL"), including reflectors and specialty lamps. As a result, the EISA backstop stipulated that all GSL must meet a minimum standard of 45 lumens per watt. Consequently, traditional and specialty incandescent and halogen bulbs were phased out from sales by June 30, 2023 or the end of PY2.

In anticipation of the transition to LED bulbs, ACE shifted toward weatherization in community kits and retail markdowns on Spray Foam measures for PY3. This transition has provided much-needed savings to compensate for the loss of the Lighting program. The program successfully implemented these new measures toward the end of Q1 of PY3 and achieved significant progress in Q2.

One issue encountered during the implementation of this program change was that a retail partner did not have proper pricing in place for Spray Foam due to contractual issues with that specific retailer. This issue was resolved after a few weeks once it was discovered through on-site field verifications. The necessary pricing corrections were communicated by the corporate team,

and the ACE field team ensured the accuracy of the pricing to make certain that all ACE customers could access the sponsored savings.

The savings achieved through the introduction of Spray Foam cans do not offset the losses incurred from the discontinuation of the Lighting program, but it is the most cost-effective offering in the portfolio for PY3. The Company's retail partners have done an exceptional job of prominently displaying the incentivized Spray Foam products in their stores with multiple end caps and wing stack displays, which greatly influence customer purchasing habits. Additionally, education and awareness about weatherization have been enhanced through the inclusion of Spray Foam cans in the Company's PY3 Kits, which are distributed in the area along with training on how to use them.

The updated community kits for PY3 include the replacement of four LED A-Line bulbs with a 12 oz bottle of spray foam with a straw, a package of 17' foam window stripping, and 10 gasket liners (five for outlet plates and five for light switch plates). These kits also include an educational trifold showcasing ACE's program offerings. However, due to the increased cost of these kits compared to the previous Energy Efficiency Kits, the distribution has been reduced from 40,000 in PY2 to 10,000 in PY3 to better manage the budget. As a result, the program has become more selective in the events and distributions it participates in. In Q2, it was challenging to identify community events to participate in due to the holiday season, which limited the number of events ACE could be a part of. Despite this, the program has been able to leverage relationships established in past events to connect with existing contacts and establish partnerships for meaningful kit distributions. During these events, the team demonstrates the products included in the kit and provides information on ACE's additional program offerings such as QHEC and Bill Assistance, creating valuable educational opportunities for customers and connecting them to the ACE program. In total, nearly 2,000 Weatherization Kits were distributed across nine different events in Q2, including the Pitman Total Turf Senior Expo, the Church of Incarnation's Fall Fling, the Catholic Community of the Holy Spirit's Holiday Party, the Clementon Family Success Center's Thanksgiving Dinner, the Cardinal Village Assisted Living Community's Holiday Party, as well as Company-sponsored Energy Assistance Days in Turnersville and Glassboro. These events not only helped the program spread its message of energy efficiency, but also initiated people's transition to efficient products through the kits and fostered relationships that can lead to more future kit distributions.

A challenge encountered by the HVAC program has been the discontinuation of ACE's 0% financing provided by the National Energy Improvement Fund ("NEIF") at the conclusion of Q1 of this fiscal year, effective September 11, 2023. With the implementation of NEIF in the HVAC program, participants took advantage of interest-free financing to invest in more efficient equipment, facilitated by HVAC rebates available to both customers and Trade Allies. The program exceeded expectations, resulting in rapid depletion of funding. The elimination of this program was felt during Q2, reflected by a decline in HVAC rebate submissions. Another factor contributing to this decline is the seasonality of the HVAC business, with the holiday season and winter weather reducing the demand for air conditioning and consequently impacting the performance of the HVAC Program. Despite these challenges, TAs remain optimistic that the return of NEIF financing could help them achieve the same levels of sales observed in most of PY2 through Q1 of PY3. While NEIF financing offered valuable customer service by facilitating financing for costly HVAC improvements, it also increased HVAC rebate amounts, thereby affecting the overall expenditure for the least cost-effective component of the portfolio.

The Appliances program previously faced supply chain challenges similar to the HVAC sector. The program has now made progress, however. In Q2, many new appliances were introduced, including washers, dryers, and refrigerators. The new releases coincided with Black Friday and December holiday sales. These ENERGY STAR® rated models replaced older, less efficient ones, offering customers more energy efficient options.

The loss of the Recycling Program in the previous quarter also posed a challenge to the portfolio. The added rebates from Appliance Recycling helped persuade customers to choose more efficient models. Starting in January of Q3, ACE will once again provide recycling services through Key Recycling. It is anticipated that it will take some time to restore recycling to the previous levels under the initial implementer. Nevertheless, efforts have been made to ensure a smooth restart of the program, including training and effective promotion.

Both appliances and HVAC are looking towards the Inflation Reduction Act ("IRA") to drive participation. The IRA aims to control inflation by reducing the Federal budget deficit through measures such as lowering prescription drug prices and investing in domestic energy production while promoting clean energy. Through tax reforms, the IRA will authorize the expenditure of \$783 billion on energy and climate change, as well as subsidies for additional programs related to the Affordable Care Act. The IRA includes tax credits for homeowners who

purchase high-efficiency HVAC systems, including furnaces, air conditioners, heat pumps, fans, and other equipment. These tax credits are intended to incentivize homeowners to invest in these systems and offset the costs of purchasing and installing the units. Customers who purchase qualifying appliances can also benefit from rebates and tax credits. As more retailers and HVAC contractors become familiar with the IRA, they will be better equipped to present energy efficient products to customers, highlighting the savings on their bills and offering more competitive pricing on products that may not have previously been considered due to lack of knowledge on energy efficiency and upfront costs. Some companies in the market already advertise on television and in print. With increasing focus on the IRA and the current rebate incentives, the HVAC and Appliance Programs are expected to continue their upward trends seen in recent quarters.

It is common for residential programs to experience a decrease in production during the year-end holiday season, and this year the HPwES program has been particularly affected. All programs have seen reduced participation. To address this, new marketing strategies and budgets are being implemented to raise awareness and regain momentum in Q3. Additionally, competition from partner utilities that offer more enticing On Bill Repayment (“OBR”) financing remains a challenge. Further, the therm savings for HPwES projects compared to kWh savings also continue to pose a challenge, underscoring the need for more diverse applications that include electric resistance heating.

However, significant progress has been made in integrating the eTrack+ platform, which has improved the efficiency of processing applications and the timely delivery of incentive payments. The NEIF for the HPwES program continues to provide contractors with flexibility, allowing them to offer more attractive payment options. In Q2, there has been a focus on strengthening communication with HPwES contractors through routine "round table" discussions, aimed at openly reviewing challenges and identifying opportunities for improvement.

The QHEC program continues to exhibit the highest level of consistent participation in the Existing Homes Portfolio. Currently, the program is approaching 80% of the goals set for the three-year period. However, the energy savings per participant in kilowatt-hours have proven to be approximately 50% lower than the initial projections, as evidenced by the performance data. Both the QHEC and Multifamily programs continue to face difficulties in instilling confidence in customers and establishing credibility in building operations. Efforts are ongoing to identify and engage new Multifamily property managers, generate referrals from participating property

managers, and collaborate with C&I programs to share potential prospects. The possibility of acquiring new marketing tools specifically designed for the Multifamily sector is being considered, as there is limited support from the standard Apartment Locator Network in New Jersey.

The primary focus remains on serving economically distressed neighborhoods and low- to moderate-income customers through targeted direct mail campaigns and door-to-door outreach initiatives. QHEC auditors and outreach representatives are instructed to take full advantage of every opportunity to educate customers about all the offerings of the energy efficiency programs. Customers are particularly encouraged to thoroughly review the qualifications for the Home Weatherization program. Business cards of field representatives now contain embedded QR codes, providing customers with a convenient link to ACE's Residential EE Program landing page.

Statewide Coordinator

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 Q1 PY24, all utilities have approved Residential programs through user acceptance testing and began the exchange of data for certain Residential programs. ACE has received invoices for certain Residential programs. SWC system user acceptance testing for C&I and Multifamily 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 ACE, including those as the Lead Utility on behalf of a Partner Utility. At the end of Q1 PY24, the Company received its first batch of invoices as a Partner, and the impacts of the transferred savings will be reflected in a future reporting period. The energy savings shown within this report only reflect savings for ACE’s primary fuel.

ACE EE Program Performance

Figure 1 shows that the energy savings Year-to-Date (“YTD”) is currently behind in terms of meeting the PY24 savings goal, but spending is less than budgeted.

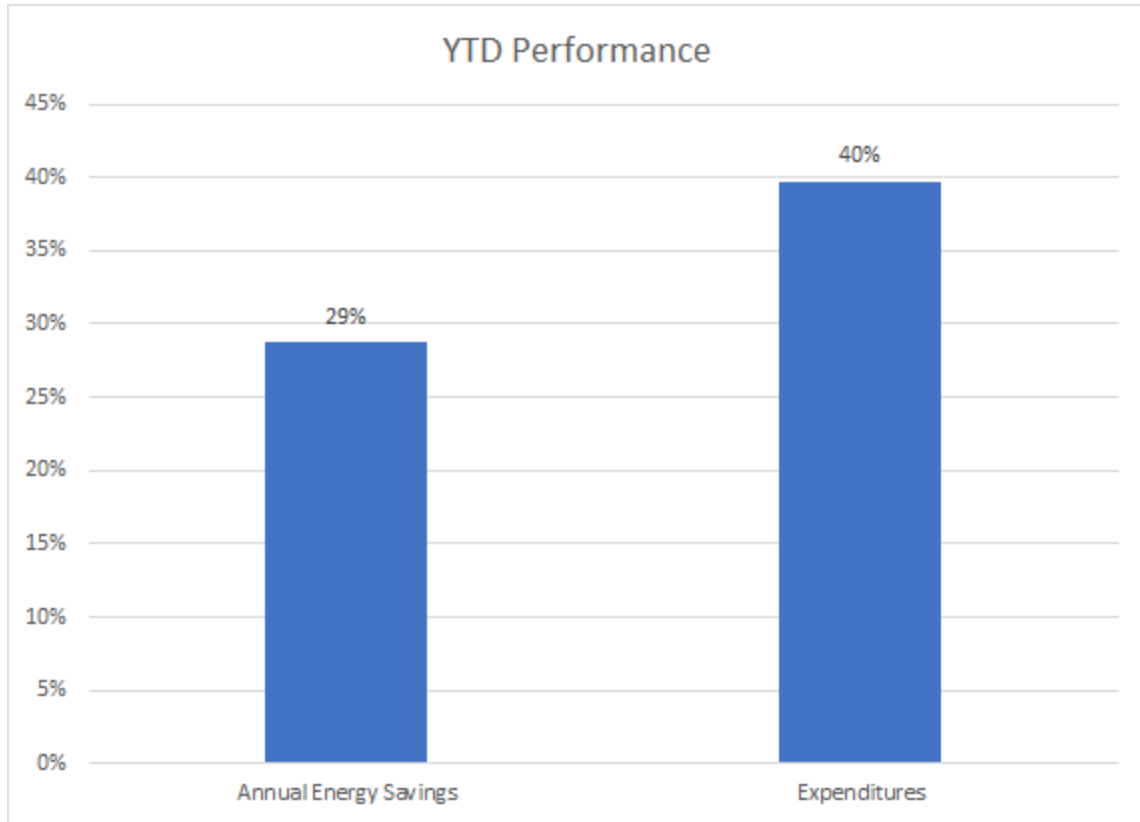


Figure 1: PY24 Performance of Annual Energy Savings and Budget

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. Comfort Partners is 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 through a prior filing or authorization.

Table 1 – Program Year-to-Date 2023 Program Results

	Utility-Administered Programs ex-ante energy savings (MWh)	Comfort Partners ex-ante energy savings (MWh) ¹	Other Programs ex-ante energy savings (MWh) ²	Total ex-ante energy savings (MWh) ³	Compliance Baseline (MWh) ⁴	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	10,378	78	-	10,456				
YTD	17,873	124	1,415	19,413	8,712,503	0.97%	84,511	23%

¹ 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

² Other Programs include merger/legacy-committed EE programs – QHEC and Behavior. Note: Behavioral was only merger funded through Q2 of PY23.

³ 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.

⁴ Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year).

Quantitative Performance Indicators (“QPIs”)

Quantitative Performance Indicators, as shown in Table 2, provides the results of the QPIs for all programs for which utilities are responsible, inclusive of the CEA-funded programs, Comfort Partners program, and any merger/legacy commitment EE programs administered by ACE that were authorized or funded by or through a prior filing or authorization.

Table 2 – Quantitative Performance Indicators

	Quarter				Year to Date				Annual Target ²	Percent of Annual Target Achieved
	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results ¹	Other Programs Plan Year Results	Total Plan Year Results	Utility-Administered Plan Year Results YTD	Comfort Partners Plan Year Results YTD	Other Programs Plan Year Results YTD	Total Plan Year Results		
Annual Energy Savings (MWh)	10,378	78	-	10,456	17,873	124	1,415	19,413	67,554	15%
Lifetime Savings (MWh)	221,945	1,131	1,360	224,436	216,289	1,927	20,910	239,126		
Annual Demand Savings (MW)	2.277	0.020	1.632	3.930	3.670	0.020	1.724	5.41		
Low/Moderate-Income Lifetime Savings (MWh)	118	1,131		1,249	118	1,927		2,045		
Small Commercial Lifetime Savings (MWh)	75,787			75,787	109,630			109,630		

¹ 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

² Annual Targets reflect estimated impacts as filed the Company's 2021-2024 Clean Energy Filing

Sector-Level Participation, Expenditures, and Annual Energy Savings

Efficient Products

The Efficient Products Program experienced a positive upward trend in Q2 of PY3. This was largely due to the holiday season and the introduction of the Spray Foam measure in late Q1. With the implementation of the EISA backstop, the sale of traditional and specialty incandescent and halogen bulbs was phased out. As a result, ACE shifted its focus to the new Spray Foam measure. This measure, available at Lowe's and Home Depot, involves the sale of a 12 oz. can of Spray Foam with a straw, replacing the previous instant rebate for LEDs. This change allows ACE to reach customers in stores and utilizes an instant discount of \$1 to incentivize purchases. The

measure is prominently displayed in multiple locations within these stores, such as endcaps and wing-stacks. It has also been included in ACE's Weatherization Kits, which has expanded its exposure to more consumers. Field Representatives have taken advantage of these events to educate consumers on the usage and benefits of Spray Foam, including short-term insulation improvements and long-term bill savings.

In Q2, ACE's Energy Efficiency Kits, focusing on weatherization products, increased the number of participated events from one to nine. The transition from an LED Bulb based kit to a Weatherization based kit took time to develop, resulting in a disadvantage in Q1. However, the Weatherization Kit now includes spray foam insulation, foam weather stripping, gasket liners, an Advanced Power Strip, and a trifold with a listing of ACE's program offerings. With the arrival of Q2, ACE was able to participate in events that had been attended in PY2, targeting different demographics such as seniors and low-to-moderate income individuals. These events served as opportunities to educate attendees on energy efficiency and the products available to achieve it, as well as the savings that come with being more energy efficient. They also allowed for cross-promotion of additional ACE program offerings. These kits have proven valuable in raising ACE's visibility and helping customers become more educated on available products and potential savings.

The ACE Field Team has also placed renewed focus on the Appliance Rebate program. While introducing Weatherization measures has made significant progress in retail partner locations, it is not as impactful as the discontinued Lighting Program. As a result, Field Representatives have had more time to focus on appliances and improving how retail partners present the program and its benefits to consumers. This includes answering rebate and program-related questions, as well as cross-promoting other programs like HVAC. This increased engagement has been valuable due to an influx of new energy-efficient appliances in stores. Despite the seasonal decline in room air conditioning during Q2, dehumidifiers continued to perform well. Sales events like Black Friday and December specials have provided customers with opportunities to afford energy-efficient appliances that were once considered too expensive. These sales events have been beneficial to customers in terms of both cost and electric bill savings. ACE continues to seek ways to improve the rebate experience for customers, ensuring a seamless process while maintaining data integrity.

In the second quarter, the HVAC Program encountered challenges in terms of overall numbers compared to previous quarters. The discontinuation of the 0% financing option provided by ACE through the NEIF had an impact on Trade Allies' ability to offer significant savings to customers on energy-efficient HVAC products. Previously, the combination of NEIF financing, ACE and gas utility rebates made these products more affordable for customers in the income levels within the ACE service territory. This was particularly important for the HVAC industry, which was recovering from the effects of the pandemic, supply chain issues, and inflation. The NEIF and ACE EE programs stimulated sales and motivated customers to invest in more energy-efficient home HVAC systems. Despite the dip in overall numbers, the HVAC program remained consistent with pre-NEIF figures. Contractors have developed a better understanding of the new requirements by the United States Department of Energy and SEER2 specifications, which has resulted in improved consumer confidence and increased sales.

ACE's TA partners anticipate further changes to come, both within the program and the industry as a whole, because of the Inflation Reduction Act (“IRA”). As contractors explore the IRA and its offerings, sales are expected to further benefit from tax rebates and existing incentives, encouraging customers to choose more energy-efficient units and save money in the short and long term. ACE is also actively seeking ways to simplify the rebate process for contractors and customers, aiming to eliminate any filing issues that may arise. Overall, the outlook for the HVAC program remains positive, with ongoing efforts to build relationships with Trade Allies and the availability of more energy-efficient models in the market, providing customers with a wider range of options and contributing to the program's growth in the near future.

Marketplace

The Marketplace has maintained strong sales activity during Q2 with smart thermostat sales continuing to be the driving force behind the program's performance. Changes to the Marketplace website were made to improve the overall shopping experience for customers. The program continues to experience consistent energy savings with an outlook to greater sales performances moving forward.

Existing Homes

Participation in the Existing Homes programs continues to be lower than anticipated; however, there has been a gradual increase as contractors gain confidence in the relatively new programs. There have been improvements in application processing efficiency, quick incentives payouts, and more direct engagement. The Marketing plan for PY3 has been revised to effectively utilize additional funds and includes a focus on overburdened communities (“OBCs”) through canvassing and direct mail campaigns.

The introduction of NEIF financing in PY3 remains an attractive feature of the HPwES program. However, customers are more likely to participate if there is a shared gas partner utility offering OBR. Unfortunately, the program has not experienced the sustained increase in participation that was expected with the introduction of financing. Contractors are encouraged to highlight the availability of financing to prospective customers. The processing of applications and disbursement of payments has significantly improved, though there are still integration issues with the eTrack+ platform that are being addressed. Contractor update meetings are being conducted to foster open communication and address shared challenges.

As the year-end holiday season approached, the QHEC program experienced a slowdown in participation due to the loss of experienced canvassing staff and colder weather. Several measures are being implemented to enhance production in Q3, including restructuring the EE Auditor team to optimize scheduling, introducing a redesigned auditor incentive program, and conducting an ongoing evaluation of an increased Marketing Fee that better incentivizes canvassers. Increasing awareness of the program remains a priority and QR codes have been added to business cards and outreach events to make it easier for individuals to learn about all of ACE's EE Programs and specifically request a QHEC audit.

Participation in Home Weatherization continued to be limited, although there has been a notable rise in the number of returning participants for Phase II deeper retrofit projects during Q2. It was anticipated that the primary beneficiaries of the overall EE savings would be the gas partners. There were indications that numerous eligible customers may have been engaging in the program through the Comfort Partners initiative. QHEC auditors persistently try to inform customers about the Home Weatherization opportunity and motivate them to delve into the program's qualifications further.

Multifamily

Participation in the Multifamily program experienced an initial increase in the first quarter and continued to perform well in the second quarter with the effective recruitment of new outreach staff, who swiftly enlisted several additional properties. However, towards the end of the year, there was a slight slowdown due to the turnover of Property Managers and a strain on property maintenance teams, who faced challenges such as addressing urgent tenant matters and rectifying issues like inadequate heating. Nonetheless, numerous newly interested properties have expressed their desire for further engagement in the upcoming spring. To bolster promotional efforts, marketing strategies, including initiating Property Management email outreach, were implemented in the second quarter. Additionally, ongoing collaboration with the C&I team to develop a comprehensive package that caters to the needs of individual units as well as common areas, thus ensuring an all-inclusive approach for potential participants.

Furthermore, significant enhancements have been made in the processing of Multifamily Home Performance applications, enabling the integration of all completed projects into the eTrack+ System of Record. Similar to the Single Family HPwES program, the duration for disbursing incentive payments has been considerably shortened, consequently strengthening contractor confidence, and fostering increased program participation.

It is important to mention that certain technical obstacles hindered the complete processing of Multifamily Direct Install applications during the first and second quarters. Consequently, the data for these projects will be included in the reporting for the third quarter.

The Existing Homes programs participated in community events in collaboration with other ACE EE program implementors to promote all program offerings and support underserved communities. Two events were attended in the second quarter, where the Company engaged with approximately 150 potential participants. The planned engagements were affected by a labor dispute, which impacted participation. Targeted direct mail campaigns continued in the second quarter, specifically tailored for customers in low and moderate-income communities. ACE is also coordinating canvassing efforts to align with Marketing in the same zip codes.

Behavioral

In Q2 PY3, the Behavioral program had 230,261 active treatment customers and achieved 2,457 MWh of the annual forecasted goal of 7,998 MWh, which is 30.9% of the annual goal. Progress continues to be made with Behavior's program re-randomization of its largest wave as it continues to ramp up in savings.

Advanced Metering Infrastructure (“AMI”) Behavioral Integration:

In July 2023, the ACE Behavioral program released product updates leveraging ACE's new integration of interval data. With AMI data, the Behavioral program can send eligible customers Weekly AMI Reports (“WAMIs”) and High Usage Alerts (“HUAs”), and ACE's My Account has been updated to provide data insights and Bill Forecasts. WAMIs use interval data to show customers how much energy they are using and identify any usage trends during their bill period.

HUAs are triggered when a customer is on track to have a significantly higher bill and provide customers an opportunity to modify behavior before their billing period ends. These reports are available to all customers who opt-in. On ACE's My Account, web widgets have been updated to include a customer's daily interval data. A new widget called the Bill Forecast was also released, which uses customer's interval data and usage patterns to predict what their bill will total to if the customer's usage pattern continues through the end of the current billing cycle and compared to the same period last year.

ANRS_RS Rate Modeling:

ACE and Oracle/Opower have improved their integration by modeling ACE's flat residential rate in Oracle behavioral products. All customers on the Company's flat residential rate (ANRS_RS) are now able to translate their energy usage into cost on My Account and outbound emails, SMS texts, IVR voice recordings, and PUSH notifications on the ACE mobile app. In Q2 PY3, 1,408 customers viewed their Bill Forecast. Examples of marketing materials sent to ACE customers are included in Exhibit A.

The following is the Behavioral Program customer engagement activity year to date for Q2 PY3.

ACE EE Program		
Opower Reports	Enrollments	
Report Totals		
<i>Email Home Energy Reports</i>	133,935	
<i>High Usage Alerts</i>	955	
<i>Weekly AMI Reports</i>	824	
<i>Behavioral Load Shaping Reports</i>	N/A	
<i>Solar Update Notifications</i>	5,593	
Opower Web Metrics	Unique Visitors	Average Duration (in seconds)
Widget Totals		
<i>Bill Forecast</i>	1,408	26
<i>Bill Comparison</i>	5,451	45
<i>What uses most / Home Energy Audit Disagg (Completed)</i>	3,739	50
<i>Home Energy Audit Survey</i>	3,745	28
<i>Data Browser</i>	33,260	16
<i>My Plan</i>	N/A	N/A
<i>My Rates</i>	N/A	N/A
<i>Neighbor Comparison</i>	2,951	46
<i>Peak Time Rebates Widget</i>	N/A	N/A
<i>Ways to Save</i>	1,922	45
<i>Green Button Download</i>	1,898	68

Commercial and Industrial

The Small Business Direct Install Program demonstrated continued progress and performance in Q2 of PY3 with its largest performing quarter to date. SBDI added 29 projects and achieved 1,111.91 MWh in savings. TA growth and participation remains strong. Customer market segment participation has been across 12 market segments and primarily in the retail, medical, restaurant and religious worship facilities.

The Prescriptive and Custom program completed 73 projects resulting in 6,577 MWh in energy savings with \$1,595,681 in Incentive spend. Customer participation was primarily in the retail, warehouse, education, and grocery market segments.

Energy Management recorded two participants with the Building Operator Certificate pathway that yielded 241 MWh and \$1,000 in incentives. HVAC Tune-Up pathway registered the other participant for \$11,175 in incentives and 37.66 MWh in savings.

Engineered Solutions had no participation to formally report for PY24 Q2. However, significant commitments with additional customer participation agreements are anticipated later in the program year. Comprehensive energy assessments are ongoing for two sizable projects.

Please note that the Q1 report workbook (Appendix D) reflected two projects categorized as small (<200 kw) but should have been large (>200 kw) for the Prescriptive and Custom program, and this error was corrected in the Q2 report. Also, the Q1 report (Appendix B) incorrectly reflected one participant for Energy Management. The Q2 report reflects the correct participation of two participants in the table for the program.

Table 3 –Sector-Level Participation

Sector ¹	Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	235,344	249,959	243,435	103%
Multifamily	127	127	2,088	6%
C&I ²	104	186	126,748	0%
Reported Totals for Utility Administered Programs	235,575	250,272	372,271	67%
Comfort Partners ³	184	280	671	42%
Utility Total	235,759	250,552	372,942	67%

¹ 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.

² 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.

³ 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

ACE’s Residential and C&I programs spent approximately \$2.3 million (“M”) and \$4.4 M, respectively, across all cost categories during Q2 of PY24. ACE’s Multi-family and Comfort Partners programs spent \$210,000 and \$981,000 in Q2, respectively.

Table 4 –Sector-Level Expenditures

Expenditures ¹	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 2,382	\$ 6,784	\$ 16,353	41%
Multifamily	\$ 210	\$ 186	\$ 1,365	14%
C&I	\$ 4,365	\$ 7,156	\$ 17,858	40%
Reported Totals for Utility Administered Programs	\$ 6,956	\$ 14,127	\$ 35,576	40%
Comfort Partners	\$ 981	\$ 1,432	\$ 2,565	56%
Utility Total	\$ 7,937	\$ 15,559	\$ 38,141	41%

¹ 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 Q2 of PY24, the utility administered programs generated 19,288 ~~25,865~~ MWh of energy savings YTD. Comfort Partners also reached 124 MWh YTD. With respect to Residential and C&I’s YTD performance, the Company recorded 6,903 MWh and 12,135 MWh of energy savings, respectively.

Table 5 –Sector-Level Energy Savings

Annual Energy Savings ¹	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	2,160	6,903	27,880	25%
Multifamily	250	250	2,298	11%
C&I	7,968	12,135	37,376	32%
Reported Totals for Utility Administered Programs	10,378	19,288	67,554	29%
Comfort Partners	78	124	N/A	N/A
Utility Total	10,456	19,413	67,554	29%

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

² NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods

Portfolio Expenditures Breakdown

During Q2 of PY24, 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, Evaluation, Measurement and Verification, and Inspections and Quality Control.

Table 6 –Annual Costs and Budget Variances by Category

Total Utility EE/PDR ¹	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent ²
Capital Costs	\$ 177	\$ 303	\$ 450	67%
Utility Administration	\$ 442	\$ 909	\$ 1,757	52%
Marketing	\$ 341	\$ 702	\$ 1,794	39%
Outside Services	\$ 1,010	\$ 2,153	\$ 7,410	29%
Rebates	\$ 4,248	\$ 7,196	\$ 29,485	24%
No- or Low-Interest Loans	\$ 340	\$ 1,983	\$ 2,522	79%
Evaluation, Measurement & Verification ("EM&V")	\$ 364	\$ 788	\$ 1,069	74%
Inspections & Quality Control	\$ 38	\$ 108	\$ 281	38%
Utility Total	\$ 6,960	\$ 14,142	\$ 44,769	32%

¹ Categories herein align to ACE's EE plan as approved by the Board.

² 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.

Equity Metrics

Residential

The Efficient Products Programs are dedicated to promoting the new Spray Foam measure, as well as existing measures, within ACE's overburdened communities. The Company's field representative provides education to the employees and customers of ACE's retail partners, with a focus on EE efficiency and product offerings. This education helps customers achieve immediate savings on their purchases and long-term savings on their ACE bills. The program also extends to ACE's customers in OBCs through the Community EE Kits Program. ACE has developed partnerships with local church organizations, senior groups, and community outreach organizations, such as Family Success Centers, to reach low-to-moderate income and senior

communities. These partnerships have been instrumental in expanding the Company's program to demographics that may not have as much knowledge or financial resources for energy efficiency or its products. Among the events ACE has participated and distributed at in Q2 are the Total Turf Senior Expo in Pitman, the Church of Incarnation's Fall Fling, the Family Success Center of Clementon's Thanksgiving Dinner, the Catholic Community of the Holy Spirit's Holiday Lunch, the Cardinal Village Senior Community's Holiday Party, and ACE Energy Assistance Days held in Turnersville and Glassboro. These events helped service all sorts of different and hard to reach demographics. In all, we distributed over 1,800 kits to attendees and educated countless others on energy efficiency and subsequent savings. We will continue to prioritize reaching these audiences moving forward.

The HVAC Program for Q2 saw our TA partners continue their focus on OBC type customers with the \$200 incentive for LMI customers. With the loss of 0% financing, it became even more imperative for contractors to provide any incentive they could find in order to put OBC/LMI type customers into a more energy efficient HVAC system.

The Existing Homes programs participated in community events in partnership with other ACE EE program implementors to cross promote all program offerings and assistance available to underserved communities. Two events were attended in Q2, interacting with over 150 potential participants. The programs also implemented targeted outreach strategies; notably, a direct mail campaign specifically tailored for customers in LMI communities. In addition, dedicated canvassing efforts were coordinated in the same zip codes, enabling direct engagement with residents.

Commercial and Industrial

During PY24 Q2, outreach to OBCs focused on increasing awareness of the Company's Energy Solutions for Business Programs among customers and contractors. In-person canvassing within targeted OBCs, in-person events, virtual and in-person meetings, along with phone and email campaigns, were all part of an equitable focus on customers and contractors located in OBCs.

The Prescriptive and Custom program added three new TAs in PY24 Q2, of which two (or 67%) are in a New Jersey OBC municipality. One (or 33%) of the new TAs are in an OBC. SBDI added 11 new Trade Allies in PY24 Q2; three (or 27%) are located within a New Jersey OBC municipality with two (or 18%) of these being located within an OBC in the ACE territory.

Engineered Solutions added three new TAs in PY24 Q2; two (or 67%) are in a New Jersey OBC municipality. Energy Management added one new TA located out of state; 37% or 40 of 107 completed projects in Q2 PY24 were in an OBC with a good pipeline of projects carrying forward into Q3.

Outreach to customer sectors in October targeted hospitals and healthcare facilities, along with outreach to SBDI eligible small- and medium-sized customers for the seasonal HVAC campaign. The outreach team held multiple meetings with the Company's LCS representatives, with Inspira Health and Jefferson Health representatives. Both healthcare systems have hospitals and other healthcare facilities located in many OBCs, including Somerdale, Stratford, Glassboro, and Bridgeton. In addition, the outreach team conducted in-person canvassing campaigns for small to medium-sized customers in Stratford Borough and Voorhees Township, both of which are OBCs. The outreach team engaged 41 customers during the two canvassing campaigns.

In October, an SBDI program Breakfast & Learn event was held for small businesses, nonprofits and government entities located in the OBCs of Wildwood, North Wildwood, and West Wildwood. Outreach engaged fourteen individuals who attended the breakfast event. Outreach continued efforts to engage customers in these communities through emails and phone calls using a marketing list provided by ACE that contained some contact information for 914 customers.

During November, outreach campaigns targeted the market sectors of schools, universities, municipalities, and counties through email and calling campaigns that included two webinars. All school districts and municipalities within the Company's territory, including those in an OBC, were contacted via an eblast distributed by ACE's marketing vendor and outreach's follow-up emails and phone calls to the marketing vendor's eblast open list. Outreach also sponsored the Millville Chamber of Commerce monthly meeting and gave a program presentation to 34 chamber members. The Millville Chamber of Commerce represents member businesses located in Millville, an OBC community. The outreach team conducted an in-person canvassing campaign of small businesses located in the OBC of Lindenwold, engaging 12 customers. Additional planned canvassing and attendance at events in OBCs were canceled due to labor negotiations.

In December, outreach campaigns targeting OBC customers and contractors continued to be impacted by the ACE labor dispute. The outreach team did not attend events or canvass communities during this time. Outreach focused on the agricultural market sector through phone calls and emails and continued follow-up on the previous campaigns that targeted schools,

universities, municipalities, and counties, SBDI-eligible small businesses in Wildwood, West Wildwood, and North Wildwood, and the SBDI Winter Seasonal HVAC. The outreach team conducted an in-person canvassing campaign for small businesses in Stratford, an OBC, once the labor dispute was settled. Outreach engaged 15 small business customers while canvassing in Stratford.

Table 7 – Equity Performance

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	%OBC ²
Population			
# of Household Accounts	115,731	378,633	23.4%
# of Business Accounts	17,707	44,356	28.5%
Total Annual Energy (MWh)	2,655,546	6,418,945	29.3%

Programs	Sub Program or Offering	Type of Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	Annual Overburdened ¹	Annual Non-Overburdened	%OBC ²
Participants								
Residential - Efficient Products	HVAC	Core	69	686	9.1%	163	1,545	9.5%
	Appliance Rebates	Core	86	620	12.2%	114	1,742	6.1%
	Appliance Recycling	Core	3	17	15.0%	39	336	10.4%
	Online Marketplace	Core	130	944	12.1%	179	1,382	11.5%
	Food Banks	Core	-	2,500	0.0%	-	3,300	0.0%
	Others - Lighting	Core	-	-	-	257	8,162	3.1%
Residential - Existing Homes	Home Performance with Energy Star	Core	4	19	17.4%	9	54	14.3%
	Quick Home Energy Check-Up	Additional	-	-	-	612	1,798	25.4%
	Moderate Income Weatherization	Additional	2	3	40.0%	2	3	40.0%
Res - Home Energy Education & Management	Behavioral	Additional	71,611	158,650	31.1%	71,611	158,650	31.1%
C&I Direct Install	Direct Install	Core	9	20	31.0%	21	23	47.7%
Energy Solutions for Business	Prescriptive/Custom Energy Management	Core	28	45	38.4%	53	87	37.9%
	Engineered Solutions	Additional	1	1	50.0%	1	1	50.0%
Multi-Family	Home Performance with Energy Star	Core	-	-	-	-	-	-
	Direct Install	Core	122	5	96.1%	122	5	96.1%
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Core Participation			451	4,856	8.5%	957	16,636	5.4%
Total Additional Participation			71,614	158,654	31.1%	72,226	160,452	31.0%
Total Participation			72,065	163,510	30.6%	73,183	177,088	29.2%
Annual Energy Savings (MWh)								
Efficient Products	HVAC	Core	19	217	8.1%	43	463	8.4%
	Appliance Rebates	Core	10	81	11.1%	19	173	9.7%
	Appliance Recycling	Core	3	19	14.6%	34	305	9.9%
	Online Marketplace	Core	21	151	12.3%	28	221	11.4%
	Food Banks	Core	-	235	0.0%	-	349	0.0%
	Others - Lighting	Core	-	-	-	49	1,259	3.7%
Existing Homes	Home Performance with Energy Star	Core	2	30	6.3%	6	54	9.5%
	Quick Home Energy Check-Up	Additional	-	-	-	322	1,093	22.8%
	Moderate Income Weatherization	Additional	5	6	48.2%	5	6	48.2%
Home Energy Education & Management	Behavioral	Additional	423	937	31.1%	770	1,705	31.1%
C&I Direct Install	Direct Install	Core	285	827	25.6%	813	973	45.5%
Energy Solutions for Business	Prescriptive/Custom Energy Management	Core	3,744	2,833	56.9%	5,228	4,842	51.9%
	Engineered Solutions	Additional	38	241	13.6%	38	241	13.6%
Multi-Family	Home Performance with Energy Star	Core	-	-	-	-	-	-
	Direct Install	Core	250	1	99.8%	250	1	99.8%
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Core Annual Energy Savings			4,334	4,394	49.7%	6,469	8,640	42.8%
Total Additional Annual Energy Savings			466	1,184	28.3%	1,136	3,045	27.2%
Total Annual Energy Savings			4,800	5,578	46.3%	7,604	11,685	39.4%
Lifetime Energy Savings (MWh)								
Efficient Products	HVAC	Core	299	3,389	8.1%	668	7,206	8.5%
	Appliance Rebates	Core	118	932	11.2%	220	2,040	9.7%
	Appliance Recycling	Core	16	93	15.1%	162	1,452	10.0%
	Online Marketplace	Core	159	1,133	12.3%	213	1,658	11.4%
	Food Banks	Core	-	2,546	0.0%	-	3,947	0.0%
	Others - Lighting	Core	-	-	-	736	18,889	3.7%
Existing Homes	Home Performance with Energy Star	Core	41	494	7.6%	132	914	12.6%
	Quick Home Energy Check-Up	Additional	-	-	-	4,204	14,122	22.9%
	Moderate Income Weatherization	Additional	51	67	43.4%	51	67	43.4%
Home Energy Education & Management	Behavioral	Additional	423	937	31.1%	770	1,705	31.1%
C&I Direct Install	Direct Install	Core	3,977	12,333	24.4%	11,801	14,500	44.9%
Energy Solutions for Business	Prescriptive/Custom Energy Management	Core	55,560	40,222	58.0%	77,046	69,731	52.5%
	Engineered Solutions	Additional	113	2,217	4.8%	113	2,217	4.8%
Multi-Family	Home Performance with Energy Star	Core	-	-	-	-	-	-
	Direct Install	Core	2,418	7	99.7%	2,418	7	99.7%
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Core Lifetime Energy Savings			62,588	61,149	50.6%	93,396	120,345	43.7%
Total Additional Lifetime Energy Savings			587	3,221	15.4%	5,138	18,111	22.1%
Total Lifetime Energy Savings			63,175	64,370	49.5%	98,534	138,456	41.6%

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

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

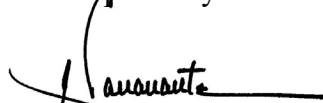
Conclusion

ACE is pleased to provide the above information regarding the performance of the Company's portfolio of EE programs. The Company looks forward to continued collaboration with Board Staff, the New Jersey Division of Rate Counsel, and other parties to continue to address the challenges noted above and enhance the performance of these programs.

Pursuant to the Order issued by the Board in connection with *In 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 quarterly update is 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,



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

For Period Ending PY24 Q2		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	P
		Quarter	Annual Forecasted Participation Number	YTD Reported Participation Number	YTD % of Annual Participants	Quarter (\$000)	Annual Forecasted Program Costs (\$000) 2	YTD Reported Program Costs (\$000)	YTD % of Annual Budget	Quarter Annual Retail Energy Savings (MWh)	Annual Forecasted Retail Energy Savings (MWh)	YTD Reported Annual Retail Energy Savings (MWh)	YTD % of Annual Energy Savings	Quarter Annual Wholesale Energy Savings (MWh)	YTD Retail Peak Demand Savings (MW)	Quarter Lifetime Retail Energy Savings (MWh)	YTD Lifetime Retail Energy Savings (MWh)
Residential Programs	Sub Program or Category¹																
Efficient Products*	HVAC	755	N/A	1,708	N/A	\$ 643	N/A	\$ 2,911	N/A	237	N/A	506	N/A	264	0.312	3,688	7,874
	Appliance Rebates	706	N/A	1,856	N/A	\$ 310	N/A	\$ 700	N/A	91	N/A	191	N/A	101	0.023	1,049	2,258
	Appliance Recycling	20	N/A	376	N/A	\$ 123	N/A	\$ 331	N/A	23	N/A	339	N/A	25	0.068	109	1,614
	Online Marketplace	1,074	N/A	1,561	N/A	\$ 174	N/A	\$ 288	N/A	172	N/A	249	N/A	192	0.000	1,291	1,871
	Food Banks	2,500	N/A	3,300	N/A		N/A		N/A	235	N/A	349	N/A	262	0.043	2,546	3,947
	Others - Lighting	-	N/A	8,419	N/A	\$ 37	N/A	\$ 94	N/A	-	N/A	1,308	N/A	-	0.098	-	19,625
	Subtotal Efficient Products	5,055	81,204	17,220	21.2%	\$ 1,287	\$ 5,013	\$ 4,325	86.3%	757	11,595	2,942	25.4%	844	0.545	8,683	37,189
Existing Homes	Home Performance with Energy Star*	23	281	63	22.4%	\$ 374	\$ 2,224	\$ 687	30.9%	32	627	59	9.5%	35	0.029	535	1,046
	Quick Home Energy Check-Up ³	-	6,500	2,410	37.1%	\$ 104	\$ 3,681	\$ 711	19.3%	-	6,835	1,415	20.7%	-	0.092	-	18,435
	Moderate Income Weatherization	5	450	5	1.1%	\$ 444	\$ 4,215	\$ 712	16.9%	11	824	11	1.4%	13	0.000	118	118
Home Energy Education & Management	Behavioral ²	230,261	155,000	230,261	148.6%	\$ 173	\$ 1,221	\$ 349	28.5%	1,360	7,998.32	2,475	30.9%	1,178	1.632	1,360	2,475
Total Residential		235,344	243,435	249,959	102.7%	\$ 2,382	\$ 16,353	\$ 6,784	41.5%	2,160	27,880	6,903	24.8%	2,070	2.299	10,695	59,263
Business Programs	Sub-Program																
C&I Direct Install	Direct Install*	29	180	44	24.4%	\$ 1,962	\$ 8,648	\$ 3,300	38.2%	1,112	8,363	1,786	21.4%	1,222	0.322	16,442	26,446
	Prescriptive/Custom* ⁴	73	126,542	140	0.1%	\$ 1,985	\$ 7,783	\$ 2,986	38.4%	6,577	27,604	10,070	36.5%	7,176	1.373	95,706	146,734
	Energy Management	2	25	2	8.0%	\$ 167	\$ 280	\$ 360	128.8%	279	801	279	34.9%	300	0.020	2,330	2,330
	Engineered Solutions	-	1	-	N/A	\$ 251	\$ 1,146	\$ 510	44.5%	-	608	-	0.0%	-	-	-	-
Total Business		104	126,748	186	0.1%	\$ 4,365	\$ 17,858	\$ 7,156	40.1%	7,968	37,376	12,135	32.5%	8,698	1.715	114,478	175,510
Multi-Family*	HPwES	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-	-
	Direct Install	127	N/A	127	N/A	\$ -	N/A	\$ -	N/A	250	N/A	250	N/A	279	0.008	2,426	2,426
	Prescriptive/Custom*	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	1.373	95,706	-
	Engineered Solutions	-	N/A	-	N/A	\$ -	N/A	\$ -	N/A	-	N/A	-	N/A	-	-	-	-
	Subtotal Multi-Family	127	2,088	127	6.1%	\$ 210	\$ 1,365	\$ 186	13.7%	250	2,298	250	10.9%	279	1.381	98,132	2,426
Supportive Costs Outside Portfolio						\$ 4	\$ 200	\$ 15	7.5%								
Portfolio Total		235,575	372,271	250,272	67.2%	\$ 6,960	\$ 35,776	\$ 14,142	39.5%	10,378	67,554	19,288	28.6%	11,047	5.395	223,306	237,199

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 proposals and may incorporate budget adjustments as provided for in the June 10, 2020 Board Order.

³ Quick Home Energy Check-Up Program costs in PY3 are supported by merger funding. For consistency with the Company's approved plan, the costs and participation counts 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

⁴ 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. 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.

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
		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	HVAC	29	1,679	\$ 12	\$ 609	12	494
	Food Banks	0	800	\$ -	\$ 109	0	216
	Others	67	10,584	\$ 27	\$ 1,811	7	205
Existing Homes	Home Performance with Energy Star ^{1,2}	14	49	\$ 66	\$ 209	11	49
	Quick Home Energy Check-Up ²	1,387	1,023	\$ 389	\$ 290	745	670
	Moderate Income Weatherization	5	N/A	2,904	N/A	11	N/A
Home Energy Education & Management	Behavioral ³	N/A	71,611	N/A	\$ 54	N/A	770
Total Residential		1,502	85,746	\$ 3,398	\$ 3,082	786	2,404
Multi-Family	HPwES	-	-	\$ -	\$ -	-	-
	Direct Installation/MF QHEC ²	125	2	\$ 27	\$ 0	250	0
Total Multi-Family		125	2	\$ 27	\$ 0	250	0
Other Programs							
NONE		N/A	N/A	N/A	N/A	N/A	N/A
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		1,627	85,748	\$ 3,425	\$ 3,082	1,036	2,404
Supportive Costs Outside Portfolio				\$ -	\$ -		
¹ Income-qualified customers are directed to participate through the Comfort Partners or Moderate Income Weatherization programs.							
² In previous quarters, only low-income customers included in LMI values. LMI values include low and moderate-income customers for PY2 Q3 filing.							
³ LMI assumption factor of 31.1% was used to calculate incentive costs.							

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

		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings							
		A	B	C	D	E	F	G	H	I	J	K	L
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$000)		YTD Reported Annual Retail Energy Savings (MWh)		Reported Lifetime Retail Energy Savings Current Quarter (MWh)		Reported Lifetime Retail Energy Savings YTD (MWh)		Reported Lifetime Wholesale Energy Savings Current Quarter (MWh)	
Business Programs	Sub-Program	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	Direct Install	44	N/A	\$ 2,301	N/A	1,786	N/A	16,310	N/A	26,302	N/A	17,925	N/A
Energy Solutions for Business	Prescriptive/Custom	96	44	\$ 1,680	\$ 497	5,801	4,269	59,477	36,305	83,328	63,448	64,889	39,609
	Energy Management	0	2	\$ 0	\$ 12	-	279	-	2,330	-	2,330	-	2,509
	Engineered Solutions	-	-	\$ -	\$ -	-	-	-	-	-	-	-	-
Total Business		56	46	\$ 3,981	\$ 509	7,587	4,548	75,787	38,635	109,630	65,778	82,814	
Multi-Family	Prescriptive/Custom	-	-	\$ -	\$ -	-	-	-	-	-	-	-	-
	Engineered Solutions	-	-	\$ -	\$ -	-	-	-	-	-	-	-	-
Other Programs		-	-	\$ -	\$ -	-	-	-	-	-	-	-	-
Home Optimization & Peak Demand Reduction		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Other		N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	-
Supportive Costs Outside Portfolio				\$ -	\$ -			75,787	38,635	109,630	65,778	82,814	-
Portfolio Total		56	46	\$ 3,981	\$ 509	7,587	4,548						

Appendix E - Annual Baseline Calculation

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)
ACE	2021	7/1/20 - 6/30/21	9,725,505	954,628	8,770,877							
	2022	7/1/21 - 6/30/22	10,200,284	1,407,029	8,793,255							
	2023	7/1/22 - 6/30/23	8,607,976	34,600	8,573,376							
	Plan Year 2024	7/1/23 - 6/30/24		-	-	8,712,503	1.45%	126,331	0.48%	41,820	0.97%	84,511

Notes:

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

(B) ACE totals for resale

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

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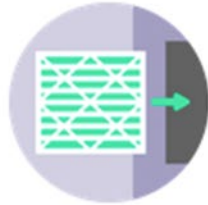
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In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program,
Cost Recovery Mechanism and Other Related Relief for Plan Years One Through Three
BPU Docket No. EO20090621

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