



May 30, 2024

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

Submitted electronically, no paper copies will follow.

DOCKET NOS. QO1901040, QO19060748 & QO17091004

Dear Secretary Golden:

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for the third quarter for Program Year 2024¹ ("PY24") of New Jersey Natural Gas ("NJNG" 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. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Energy Efficiency Program Progress - Executive Summary

Overall Portfolio

SAVEGREEN® ("SAVEGREEN"), the customer branded name for NJNG's energy efficiency programs, has been serving customers since 2009. This report addresses new efforts for the expansion of SAVEGREEN that occurred on July 1, 2021² to meet the requirements of the Clean Energy Act, including the transition of many programs that were previously administered by New Jersey's Clean Energy Program. NJNG worked closely with the other New Jersey Utilities ("Utilities") to develop coordinated programs to offer comprehensive solutions for our customers.

¹ - For the purposes of the quarterly reports for Program Year 2024, the numbering of the quarters aligns to these dates: **Q1** (7/1/23 - 9/30/23); **Q2** (10/1/23 - 12/31/23); **Q3** (1/1/24 - 3/31/24); **Q4** (4/1/24 - 6/30/24).

² - During this quarter, NJNG was also performing activities to close out projects that were authorized under prior program approvals in BPU Docket No. GO18030355. NJNG will continue to comply with the reporting requirements established within that Docket.

Since NJNG had robust energy-efficiency programs in place and good working relationships with many contractors, NJNG was able to leverage many elements of our existing structure for program expansion, including the ability to refresh our online marketplace and microsite, established communication and marketing channels with customers and contractors, infrastructure and procedures for our On-Bill Repayment Program (“OBRP”) and knowledgeable employees, experienced in our energy-efficiency programs, many of whom have been with SAVEGREEN since 2009. NJNG continues to refine our Program Management Software System (“PMSS”) to properly support the tracking of the energy savings and investments of our expanded program portfolio and provide enhanced functionality for customers and contractors, as well as on-going coordination efforts with the Utilities. With limited exceptions noted within this report, NJNG is not using Third Party Implementation Contractors to administer most programs.

The Utilities continue to work on refining 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 PY24-Q3, all utilities have approved all market segments: Residential, Commercial, and Multifamily programs through user acceptance testing and have begun the exchange of data for certain programs. NJNG has distributed invoices to our partner utilities for Residential Conservation Kits, Marketplace, Home Performance with ENERGY STAR (“HPwES”), and Quick Home Energy Checkup (“QHEC”) on prior period activity covering PY1 and PY2. Additionally, NJNG has received invoices for various Residential programs activity from some of our electric partners. As discussed during Utility Working Group discussions, Utilities are supporting 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 presented within this report reflects all investments, financing, and savings attributable to NJNG as the Lead Utility, after accounting for inflows and outflows of investments and energy savings transactions between the Lead Utility and Partner Utility, that have been successfully exchanged.

All of NJNG’s approved programs that were expected to launch in July 2021 were accepting applications from customers and contractors that month. In addition, as noted in our filing and follow-up discussions, NJNG launched certain newer Additional Utility Led Programs, including Moderate Income Weatherization, Energy Management, and Engineered Solutions, later in Program Year 1 (PY22). Due to longer lead times for commercial projects, Energy Management and Engineered Solutions did not have any closed projects as of the end of this reporting quarter, but the Commercial Team has three Engineered Solutions projects enrolled, with other potential projects for both Engineered Solutions and Energy Management in development in PY24. Although, during February and March 2024, NJNG had two legacy project (Engineered Solutions) close. Those savings (annual/lifetime) are reflected in Table 1 (Program Year 2024 Program Results) and Table 2 (Quantitative Performance Indicators).

Collectively, the utility administrated programs delivered over 373,400 Dth in savings (which also include Comfort Partners and legacy projects) through PY24-Q3. Additional information on the composition of the savings is presented both within this report and in Appendices B through E.

Additionally, NJNG is committed to improving our programs. NJNG is working closely with DNV Energy Insights, the primary evaluation contractor, and their subcontractor APPRISE, Inc. For the purpose of this report, they will collectively be referred to as the DNV Team. The DNV Team is working as per the guidance provided by the Statewide Evaluator (“SWE”) Team that is under contract to the BPU. For the PY23 evaluation, final reports for all the programs have been sent to SWE along with the evaluation use memo which has all the recommendations compiled together. For FY24 evaluation, workplans for most of the programs have been discussed with SWE and are in the process of being finalized.

Residential Sector - year-to-date highlights include:

- Energy Efficient Products
 - The HVAC Program completed 5,566 measures.
 - As noted in previous reported quarters, NJNG halted the distribution of community conservation kits as a result of the implementation of State Law A-5160 (enacted in January 2022). NJNG was no longer able to claim savings for the majority of the energy saving measures in conservation kits because of the increased efficiency standard and the inability to identify the current condition in the customers home for these products. This effectively eliminated NJNG's ability to claim savings for community conservation kits based on the mix of products.
 - The NJNG Online Marketplace sold 2,630 efficient products to NJNG customers. Majority (77%) of these sales were driven by smart thermostats, but NJNG also offered discounted energy products for the home. NJNG previously also sold conservation kits on the Marketplace but also had to eliminate these sales as a result of the adoption of State Law A-5160, as noted in the previous bullet.
 - NJNG processed 1,932 appliance rebate incentives for clothes washer/dryer units.

- Existing Homes
 - The HPwES Program completed 405 projects. This does not include the HPwES activity within the Multifamily market which is addressed further in this report.
 - The QHEC Program completed 762 customer visits which included the direct installation of energy saving measures. NJNG also offers an enhanced QHEC+ version that includes additional diagnostic tests and the installation of smart thermostats purchased through the Online Marketplace.
 - All QHEC visits and QHEC+ audits are conducted by NJNG employees with full BPI certification.
 - The original fee for the QHEC+ is \$49 but our approval allowed us to offer discounted rates for promotional periods and qualifying circumstances to encourage participation. The QHEC+ was offered for free to residents who moved to a new NJNG service address within their first 12 months at the residence.
 - NJNG is continuing with social media campaigns thorough Facebook, Instagram, and Google targeting customers within the NJNG service territory.
 - A QHEC+ promotional video (<https://www.youtube.com/watch?v=rI0JmdPLd6E&t=2s>) was developed and launched in PY24-Q1 and was promoted on social media (Facebook and Instagram) and streaming platforms (YouTube and Hulu). This video is also hosted on the NJNG YouTube page and SAVEGREEN website to help promote organic search and access. Impressions (number of times users were exposed to videos) across all channels totaled over 1.4M.
 - The Moderate-Income Weatherization Program completed 125 projects.
 - NJNG's residential marketing campaign (which ran until February 29, 2024) successfully brought awareness to customers regarding SAVEGREEN's Moderate-Income Weatherization program. The campaign specifically saw high customer interest and engagement regarding Moderate-Income Weatherization on the dedicated campaign microsite page and garnered 469 customer interactions. In addition to the microsite, campaign strategy consisted of digital carousel ads being launched on social channels (Facebook and Instagram) and search engine platforms (Google and Bing), as well as a promotional video touted on Facebook, YouTube, and Hulu.
 - During the period, 386 leads were received, 174 applications were submitted, and 106 customers were approved and moved to the implementer for audits.
 - Information continues to be provided to Monmouth, Ocean, and Morris counties agencies, including Affordable Housing Alliance (<https://housingall.org/>) and Ocean Inc. These agencies provide information on the Moderate-Income Weatherization Program to customers over income limits for Comfort Partners.

- To support the growth of the Clean Energy Jobs Workforce Development Program, Building Performance Institute, Inc. (BPI) Certification classes are being offered to eligible participants which include unemployed candidates, veterans, etc. in NJNG's service territory. Candidates receive the training and certification testing at no charge. Classes are a mix of online and hybrid to learn the fundamentals of the industry such as home inspections, energy modeling, enhanced in-field management, etc.
- Home Energy Education and Management
 - The Behavioral Program had more than 273,300 active treatment customers and achieved 251,939 Dth of the annual forecasted goal of 103,518 Dth.

Commercial Sector - year-to-date highlights include:

- The Direct Install Program completed 27 projects.
 - NJNG has seen greater participation in this program as a result of modifications to the screening tool for Direct Install Projects.
 - As of March 31, 2024, the Direct Install project pipeline had 39 applications submitted for future projects with a steady inflow of new applications.
- The Prescriptive/Custom Program completed 4 projects.
 - As noted in prior reports and discussions with BPU staff, NJNG has been successful in converting some Prescriptive Program requests into comprehensive Direct Install projects resulting in greater savings opportunities for customers. NJNG's Commercial Team encourages all interested customers to consider pivoting to more comprehensive upgrades whenever possible.
- As of March 31, 2024, the Engineered Solutions project pipeline had three applications submitted for future projects. These projects tend to have long development cycles.
 - During February and March 2024, NJNG had two legacy projects (Engineered Solutions) close. Those savings (annual/lifetime) are reflected in Table 1 (Program Year 2024 Program Results) and Table 2 (Quantitative Performance Indicators).
- NJNG has two committed Energy Management projects in the pipeline (audit stage). In addition, NJNG is engaged with other interested customers that have not yet committed to moving forward with the project.
- Although NJNG noticed steady growth in its project pipelines, supply chain challenges (equipment delays) are ongoing along with public bidding requirements for municipality and school customers. NJNG is actively working with its vendors to mitigate these challenges and deliver projects on schedule wherever possible to meet the needs of both customers and the program.
- NJNG incurred program costs in Engineered Solutions and Energy Management projects in progress, but had no projects close during this reporting period.
- NJNG launched our first commercial marketing campaign. Strategies included social media, e-mail, and direct mail.

Multifamily Sector - year-to-date highlights include:

- The Multifamily HPwES Program completed 530 units. There were no additional Multifamily projects that closed during this reporting period.
- Our outreach team is engaged in one-on-one discussions with customers who are interested in learning more about the available programs.
- NJNG was available to accept interested customers into the program for the initial screening and to process incentives for Prescriptive measures pathway. However, no customer applications were submitted during this reporting period.
- NJNG also had the infrastructure in place to engage Multifamily property owners in Engineered Solutions. Applications for three interested customers are currently under review.

Outreach

In order to support the lead generation efforts of SAVEGREEN's entire portfolio of programs (spanning across Residential, Commercial, and LMI), additional outreach initiatives which involved sponsoring events and exhibiting for the purpose of sharing SAVEGREEN information, for the reporting period included:

- Monmouth and Ocean Development Council, held on February 15, 2024;
- Sustainability in Motion Conference with NJ Clean Communities, held on March 6 - 8, 2024;
- ReNew Business Summit with the NJ Chamber of Commerce, held on March 26, 2024;
- Senior Citizens Alliance Network (SCAN) presentations during their routine Facebook Live and Lunch and Learn events;
- Resource Fair at Bradley Beach Recreation Center presentation;
- Monmouth Vocational presentation;
- Young Women's Leadership Summit Expo;
- Male Minority Initiative Board presentation;
- Energy Efficiency Forum presentation to non-profit organizations;
- Monmouth Regional Spelling Bee Expo.

Contractor Summary

- NJNG engages nearly 1,900 contractors through our monthly contractor newsletter.
- Any licensed contractor can offer rebates for qualifying residential HVAC equipment and commercial Prescriptive equipment.
- 297 Contractors have been onboarded to participate in our OBRP program, this includes 29 contractors for the HPwES Program.
- There were 36 commercial contractors onboarded for our Direct Install Program.
- There were 39 contractors for our Prescriptive Program who signed a participation agreement to allow them to offer our OBRP program.
- There were 13 engineering firms for our Engineered Solutions Program.

Table 1 - Program Year 2024 Program Results shows the Company’s overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the New Jersey Comfort Partners Program, which is the primary program serving low-income customers and is co-managed with the Division of Clean Energy in conjunction with NJNG and the other investor-owned electric and gas utility companies.

Table 1 - Program Year 2024 Program Results ³

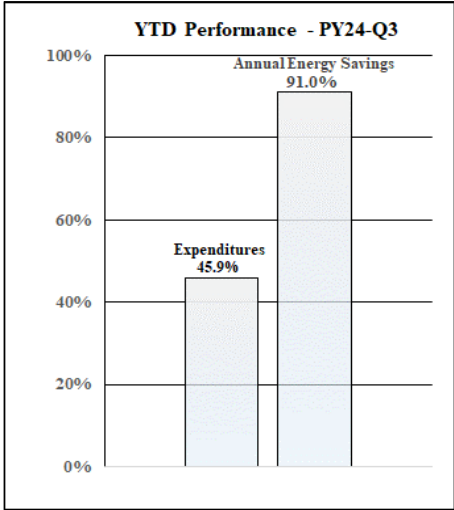
Utility-Administered Programs Ex-ante Energy Savings (Dth)	Comfort Partners Ex-ante Energy Savings (Dth) ²	Other Programs Ex-ante Energy Savings (Dth) ¹	Total Ex-ante Energy Savings (Dth)	Compliance Baseline (Dth)	Annual Target (%)	Annual Target (Dth)	Percent of Annual Target (%)
(A)	(B)	(C)	(D) = (A) + (B) + (C)	(E)	(F)	(G) = (E) * (F)	(H) = (D) / (G)
350,365	5,448	17,652	373,465	67,337,153	0.51%	343,419	108.7%

¹ - Other Programs include Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs, such as legacy programs and pilots. NJNG legacy programs that close within PY24 (Q1/Q3) only reflect savings from legacy programs that did not have an overlap with NJCEP, primarily Engineered Solutions. The most recent closed jobs included dual fuel projects which contained significant electrical measures (which would address electrical reliability issues) and contributed to reduced emissions. Although, when the annual/lifetime gas savings are netted, there is an annual Dth reduction totaling (12,049) and (201,314) on lifetime Dth to the Plan Year in savings results.

² - New Jersey 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.

³ - Values displayed in the accompanying table are rounded to the nearest Dth.

Figure 1 - PY24-Q3 Performance of Expenditures and Annual Energy Savings



The chart above is reflective of expenditures and savings (which also include Comfort Partners and legacy projects) from NJNG’s approved plan (not reflective of the retail energy targets which is captured in Table 1 - Program Year 2024 Program Results).

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

Table 2 - Quantitative Performance Indicators ¹¹

	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results ⁹	Other Programs Plan Year Results ⁸	Total Plan Year Results	Annual Target ⁵	Percent of Annual Target Achieved
Annual Energy Savings (Dth) ¹	350,365	5,448	17,652	373,465	410,483	91.0%
Lifetime Savings (Dth)	2,227,595	91,784	323,364	2,642,743	4,400,219	60.1%
Annual Demand Savings (Dth Peak Day) ²						
Lifetime Persisting Demand Savings (Dth-year) ⁵						
Low/Moderate-Income Lifetime Savings (Dth) ³	6,707	91,784	-	98,491		
Small Commercial Lifetime Savings (Dth) ⁴	11,489		-	11,489		
Net Present Value of Utility Cost Test Net Benefits (\$) ^{6/7}	\$ -			\$ -		

¹ - Calculated savings at the retail (customer meter) level. Savings are ex-ante.

² - Calculation methodology for Annual Demand Savings and Lifetime of Persisting Demand Savings for natural gas are in development.

³ - Low/Moderate-Income lifetime savings are the total of any income-qualified Residential or Multifamily program, including Comfort Partners.

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

⁵ - Annual Targets reflect estimated impacts as filed the Company's 2021-2024 Clean Energy Filing.

⁶ - Cost effectiveness impacts are not calculated for Comfort Partners or Other Programs.

⁷ - Net Present Value of Utility Cost Test Net Benefits was reported at \$665,739 during PY1 and \$3,131,483 during PY2.

⁸ - Other Programs include Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs, such as legacy programs and pilots. NJNG legacy programs that close within PY24 (Q1/Q3) only reflect savings from legacy programs that did not have an overlap with NJCEP, primarily Engineered Solutions. The most recent closed jobs included dual fuel projects which contained significant electrical measures (which would address electrical reliability issues) and contributed to reduced emissions. Although, when the annual/lifetime gas savings are netted, there is an annual Dth reduction totaling (12,049) and (201,314) on lifetime Dth to the Plan Year in savings results.

⁹ - New Jersey 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.

¹⁰ - Values displayed in the accompanying table are rounded to the nearest Dth.

Sector-Level Participation, Expenditures, and Energy Savings

Participation

NJNG has seen a strong start to the residential programs because we have been offering a range of residential energy-efficiency programs since 2009. NJNG has a robust network of participating contractors, active communication channels, and marketing efforts.

Project complexity, commissioning requirements, and supply chain delays contributed to no Engineered Solutions project completions. Based on experience supporting the commercial energy efficiency programs run by NJCEP, NJNG recognizes longer lead times for those programs. Due to this, NJNG expected to have a limited number of closed commercial projects during this timeframe. NJNG had similar expectations for the Multifamily program, especially since it launched mid-year during PY22. NJNG's annual forecasted participation was based on commitments rather than closed projects. Additionally, as a result of the implementation of A-5160, NJNG was no longer claiming participants for Conservation Kits.

Table 3 - Sector-Level Participation

Sector ¹	Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	277,474	284,788	270,530	105.3%
Multifamily	-	530	1,341	39.5%
C&I ²	16	31	1,457	2.1%
Reported Totals for Utility Administered Programs	277,490	285,349	273,328	104.4%
Comfort Partners	142	479	824	58.1%
Utility Total	277,632	285,828	274,152	104.3%

¹ - Please note that these numbers are totals across all programs within a sector. Appendix B shows the participation results for individual programs or offerings.

² - During the initial planning, Annual Forecasted Participants in the Commercial Sector (C&I) were overestimated.

Expenditures

NJNG requested adjustments to the annual budget during PY24. As reflected in Table 4 below, NJNG has spent 74% of the Residential sector budget, 18% of the Multifamily sector budget, and 25% of the Commercial sector budget. The smaller relative spend for the Multifamily and Commercial Programs reflects that limited incentives were processed during the reporting period; however, there is significant activity occurring on projects in process and regarding outreach to engage further customers. NJNG's annual forecasted expenditures were based on commitments rather than closed projects. Accordingly, some programs within the commercial sector spending are expected to remain at lower levels since many comprehensive projects with longer lead times will likely close after the conclusion of Triennial 1.

Table 4 - Sector-Level Expenditures ²

Expenditures ¹	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 10,809	\$ 28,833	\$ 38,929	74.1%
Multifamily	\$ 146	\$ 1,700	\$ 9,164	18.5%
C&I	\$ 3,082	\$ 10,158	\$ 40,622	25.0%
Reported Totals for Utility Administered Programs	\$ 14,037	\$ 40,691	\$ 88,715	45.9%
Comfort Partners	\$ 1,261	\$ 4,327	\$ 5,749	75.3%
Utility Total	\$ 15,298	\$ 45,018	\$ 94,464	47.7%

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

² - Values displayed in the accompanying table are rounded to the nearest thousand.

Energy Savings

NJNG is working to refine procedures to improve the customer experience, engage more contractors, and reach more customers through marketing and outreach.

Table 5 - Sector-Level Energy Savings ³

Annual Energy Savings ¹	Quarter Retail (Dth)	YTD Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	165,852	333,614	268,551	124.2%
Multifamily	-	5,262	18,710	28.1%
C&I ⁴	5,401	11,489	123,222	9.3%
Reported Totals for Utility Administered Programs	171,253	350,365	410,483	85.4%
Comfort Partners ²	1,998	5,448	5,680	95.9%
Utility Total	173,250	355,813	416,163	85.5%

¹ - Annual energy savings represent the total expected annual savings from all EE measures within each sector. Appendix B shows the annual energy savings results for individual programs or offerings.

² - New Jersey 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.

³ - Values displayed in the accompanying table are rounded to the nearest Dth.

⁴ - During the initial planning, Annual Target Retail Savings in the Commercial Sector (C&I) were overestimated.

Portfolio Expenditures Breakdown

Table 6 provides quarterly, and year-to-date costs compared to the full program year budget. As other Commercial and Multifamily Programs begin to close NJNG anticipants that spending will increase in the cost categories that represent program delivery. Those cost categories include Marketing, Rebates, Low-Interest Loans, EM&V, and Inspections/Quality Control.

Table 6 - Annual Costs and Budget Variances by Category ³

Total Utility EE/PDR ¹	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs ^{2/3}	\$ (331)	\$ (260)	\$ 23	-1132%
Utility Administration	\$ 1,885	\$ 5,360	\$ 6,076	88.2%
Marketing	\$ 193	\$ 734	\$ 1,496	49.1%
Outside Services	\$ 71	\$ 221	\$ 1,935	11.4%
Rebates	\$ 4,969	\$ 15,446	\$ 40,269	38.4%
No or Low-Interest Loans	\$ 7,030	\$ 18,639	\$ 37,019	50.3%
Evaluation, Measurement & Verification (EM&V)	\$ 436	\$ 1,206	\$ 2,774	43.5%
Inspections & Quality Control	\$ 45	\$ 122	\$ 166	73.5%
Utility Total	\$ 14,297	\$ 41,467	\$ 89,757	46.2%

¹ - Categories herein align to NJNG's EE plan as approved by the BPU.

² - PY1 budget for Capital Cost was established at \$1.3M. At PY1-Q4 \$823K (61%) was spent. \$527K remained, which carried over and became PY2 full year budget. During PY2-Q4 \$504K was spent. \$23K remained and became PY3 budget.

³ - Due to an administrative oversight, two invoices were charged to capitalized cost that should have originally been recorded as rebates. Negative values are a result of a re-class journal entry (\$339K) to correct capital expenses which were recorded in prior Program Years, which were re-classed primarily to Rebates.

⁴ - Values displayed in the accompanying table are rounded to the nearest thousand.

Equity Metrics

These equity metrics draw from the considerable work of the New Jersey Office of Environmental Justice's Overburdened Community (OBC) designations. Per New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157, census block groups are identified as being an Overburdened Community when specific census criteria are met¹, and metrics reported herein reflect further direction from BPU Staff².

NJNG devoted significant internal resources to developing the proper reports to extract the information used to populate this table from our Customer Information System to calculate the system wide reference points and our PMSS to develop related participation metrics. NJNG intends to improve our understanding of the implications of these metrics and pursue additional focused strategies to improve the participation levels for customers in OBC as needed.

NJNG has pursued distinct outreach strategies to benefit our low-to moderate income customers living in (and outside, e.g., senior populations) OBCs. These strategies provide our customers with information about special programs and enhanced incentives the energy efficiency programs have to help lower their energy bills and potentially improve the comfort and safety of their homes. Activities include outreach events, customer bill inserts, newsletters, e-mail campaigns, social media advertising, and direct mail. NJNG works with community partners to reach customers in OBC communities. We continue to develop new approaches and strategies to increase participation.

Table 7 - Equity Performance ⁶

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	Total	Ratio ²
# of Household Accounts ³	64,552	466,514	531,066	0.12
# of Large Commercial Accounts ³	1,097	4,925	6,022	0.18
# of Small Commercial Accounts ³	4,618	28,736	33,354	0.14
Totals	70,267	500,175	570,442	0.12

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	Total	Ratio ²
Household Accounts - Annual Energy	54,951,872	477,761,510	532,713,382	0.10
Large Commercial Accounts - Annual Energy	24,519,742	100,048,084	124,567,826	0.20
Small Commercial Accounts - Annual Energy	47,618,975	276,913,011	324,531,986	0.15
Totals (Therms) ⁴	127,090,589	854,722,605	981,813,194	0.13
Totals (Dth) ⁴	12,709,059	85,472,261	98,181,319	0.13

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	Quarter Ratio ²	YTD Overburdened ¹	YTD Non-Overburdened	YTD Ratio ²
Participation								
Residential - Efficient Products	HVAC	Core	104	2,220	0.04	216	5,350	0.04
	Community Kits	Core	-	-	-	-	-	-
	Others (Online Marketplace & Washers/Dryers ⁸)	Core	97	1,153	0.08	425	4,137	0.09
Total Efficient Products Participation			201	3,373	0.06	641	9,487	0.06
Residential - Existing Homes	Home Performance with Energy Star	Core	24	131	0.15	78	327	0.19
	Quick Home Energy Check-Up	Additional	21	317	0.06	44	718	0.06
	Moderate-Income Weatherization	Additional	15	24	0.38	42	83	0.34
Home Energy Education & Management	Behavioral	Additional	26,996	246,372	0.10	26,996	246,372	0.10
Total Residential Participation			27,257	250,217	0.10	27,801	256,987	0.10
C&I Direct Install	Direct Install	Core	4	10	0.29	4	23	0.15
Energy Solutions for Business	Prescriptive/Custom	Core	1	1	0.50	2	2	0.50
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Participation			5	11	0.31	6	25	0.19
Multifamily	HPwES	Core	-	-	-	120	410	0.23
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multifamily Participation			-	-	-	120	410	0.23
Total Core Participation ⁵			230	3,515	0.06	845	10,249	0.08
Total Additional Participation ⁵			27,032	246,713	0.10	27,082	247,173	0.10
TOTAL PARTICIPATION ⁵			27,262	250,228	0.10	27,927	257,422	0.10

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	Quarter Ratio ²	YTD Overburdened ¹	YTD Non-Overburdened	YTD Ratio ²
Annual Energy Savings (Dth)								
Residential - Efficient Products	HVAC	Core	862	23,599	0.04	2,242	59,406	0.04
	Community Kits	Core	-	-	-	-	-	-
	Others (Online Marketplace & Washers/Dryers)	Core	109	1,817	0.06	716	8,249	0.08
Total Efficient Products Annual Energy Savings (Dth)			971	25,416	0.04	2,958	67,655	0.04
Residential - Existing Homes	Home Performance with Energy Star	Core	350	3,105	0.10	1,105	7,204	0.13
	Quick Home Energy Check-Up	Additional	9	230	0.04	15	544	0.03
	Moderate-Income Weatherization	Additional	116	293	0.28	388	1,806	0.18
Home Energy Education & Management	Behavioral	Additional	12,679	122,683	0.09	23,640	228,299	0.09
Total Residential Annual Energy Savings (Dth)			14,125	151,727	0.09	28,106	305,508	0.08
C&I Direct Install	Direct Install	Core	1,540	3,812	0.29	1,540	9,868	0.13
Energy Solutions for Business	Prescriptive/Custom	Core	11	38	0.22	14	67	0.17
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Annual Energy Savings (Dth)			1,551	3,850	0.29	1,554	9,935	0.14
Multifamily	HPwES	Core	-	-	-	997	4,265	0.19
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multifamily Annual Energy Savings (Dth)			-	-	-	997	4,265	0.19
Total Core Annual Energy Savings ³			2,872	32,371	0.08	6,614	89,059	0.07
Total Additional Annual Energy Savings ³			12,804	123,206	0.09	24,043	230,649	0.09
TOTAL ANNUAL ENERGY SAVINGS ³			15,676	155,577	0.09	30,657	319,708	0.09

Program	Sub-Program or Offering	Type of Sub-Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	Quarter Ratio ²	YTD Overburdened ¹	YTD Non-Overburdened	YTD Ratio ²
Lifetime Energy Savings (Dth)								
Residential - Efficient Products	HVAC	Core	16,044	444,463	0.03	42,363	1,125,262	0.04
	Community Kits	Core	-	-	-	-	-	-
	Others (Online Marketplace & Washers/Dryers)	Core	920	14,729	0.06	5,771	65,036	0.08
Total Efficient Products Lifetime Energy Savings (Dth)			16,964	459,192	0.04	48,134	1,190,298	0.04
Residential - Existing Homes	Home Performance with Energy Star	Core	5,225	48,888	0.10	16,547	110,245	0.13
	Quick Home Energy Check-Up	Additional	97	1,981	0.05	153	4,913	0.03
	Moderate-Income Weatherization	Additional	3,033	6,585	0.32	9,591	44,699	0.18
Home Energy Education & Management	Behavioral	Additional	26,625	257,635	0.09	49,644	479,427	0.09
Total Residential Lifetime Energy Savings (Dth)			51,944	774,281	0.06	124,069	1,829,582	0.06
C&I Direct Install	Direct Install	Core	23,512	54,083	0.30	23,512	159,569	0.13
Energy Solutions for Business	Prescriptive/Custom	Core	210	566	0.27	265	1,147	0.19
	Energy Management	Additional	-	-	-	-	-	-
	Engineered Solutions	Additional	-	-	-	-	-	-
Total Business Lifetime Energy Savings (Dth)			23,722	54,649	0.30	23,777	160,716	0.13
Multifamily	HPwES	Core	-	-	-	16,941	72,510	0.19
	Direct Install	Core	-	-	-	-	-	-
	Prescriptive/Custom	Core	-	-	-	-	-	-
	Engineered Solutions	Core	-	-	-	-	-	-
Total Multifamily Lifetime Energy Savings (Dth)			-	-	-	16,941	72,510	0.19
Total Core Lifetime Energy Savings ³			45,911	562,729	0.08	105,399	1,533,769	0.06
Total Additional Lifetime Energy Savings ³			29,755	266,201	0.10	59,388	529,039	0.10
TOTAL LIFETIME ENERGY SAVINGS ³			75,666	828,930	0.08	164,787	2,062,808	0.07

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

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

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

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

⁵ - Individual line items or totals as listed in the OBC table may differ slightly from those results in Appendix B table due to rounding.

⁶ - The 2020 census data was used for PY3-Q1/Q2/Q3 and PY2-Q3/Q4. Previous quarterly reports (PY1-Q1/Q2/Q3/Q4 and PY2-Q1/Q2) reflected 2019 census data.

NJNG is pleased to provide the above information regarding the performance of the Company's portfolio of EE Programs. Please contact the undersigned (via e-mail at APeracchio@NJNG.com) should you have any questions or concerns regarding this report.

Respectfully submitted,

Anne-Marie Peracchio

A handwritten signature in blue ink that reads "Anne-Marie Peracchio".

Managing Director Marketing and Energy Efficiency

Cc:
Philip Chao
Brian Lipman
Maura Caroselli
Mamie Purnell
Stacy Richardson

List of Appendices

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

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

Appendix A - Participant Definitions

NJ Program/Pathways		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Rebated Products	Quantity of units rebated (based on SKU)
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
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	MF 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

Appendix B - Energy Efficiency and PDR Savings Summary ⁴

For Period Ending PY24-Q3																
NJNG		Participation				Actual Expenditures ⁵				Ex Ante Energy Savings ⁵						
		A	B	C	D = C / B	E	F	G	H = G / F	I	J	K	L = K / J	M	O	P
		Current Quarter	Annual Forecasted Participation Number	Reported Participation Number YTD	YTD % of Annual Participants	Current Quarter (\$000)	Forecasted Annual Program Costs 1 (\$000)	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 Savings	Current Quarter Reported Wholesale Energy Savings (Dth)	Current Quarter Lifetime Retail Savings (Dth)	YTD Lifetime Retail Savings (Dth)
Residential Programs	Sub-Program															
Efficient Products *	HVAC	2,324	7,375	5,566	75.5%	\$ 7,670	N/A	\$ 19,466	N/A	24,461	66,440	61,648	92.8%	24,706	460,507	1,167,625
	Community Kits ³	-	10,000	-	0.0%	\$ (2)	N/A	\$ (50)	N/A	-	11,188	-	0.0%	-	-	-
	Others (Online Marketplace & Washers/Dryers)	1,250	21,532	4,562	21.2%	\$ 264	N/A	\$ 536	N/A	1,926	57,277	8,965	15.7%	1,945	15,649	70,807
	Total Efficient Products	3,574	38,907	10,128	26.0%	\$ 7,932	\$ 26,661	\$ 19,952	74.8%	26,387	134,906	70,613	52.3%	26,651	476,156	1,238,432
Existing Homes	Home Performance with Energy Star *	155	774	405	52.3%	\$ 1,814	\$ 7,913	\$ 5,587	70.6%	3,455	23,901	8,309	34.8%	3,490	54,113	126,792
	Quick Home Energy Check-Up	338	1,733	762	44.0%	\$ 324	\$ 1,317	\$ 1,123	85.3%	239	2,268	559	24.6%	241	2,078	5,066
	Moderate-Income Weatherization	39	116	125	107.8%	\$ 331	\$ 1,783	\$ 940	52.7%	409	3,958	2,194	55.43%	412.69	9,618	54,290
Home Energy Education & Management	Behavioral ²	273,368	229,000	273,368	119.4%	\$ 409	\$ 1,255	\$ 1,232	98.2%	135,362	103,518	251,939	243.4%	136,716	284,260	529,071
Total Residential		277,474	270,530	284,788	105.3%	\$ 10,809	\$ 38,929	\$ 28,833	74.1%	165,852	268,551	333,614	124.2%	167,510	826,225	1,953,651
Business Programs	Sub-Program															
C&I Direct Install ⁷	Direct Install *	14	260	27	10.4%	\$ 1,660	\$ 16,408	\$ 4,446	27.1%	5,352	35,730	11,408	31.9%	5,406	77,595	183,081
Energy Solutions for Business ⁷	Prescriptive/Custom *	2	1,135	4	0.4%	\$ 161	\$ 8,461	\$ 505	6.0%	49	48,955	81	0.2%	49	776	1,412
	Energy Management	-	13	-	0.0%	\$ 61	\$ 1,138	\$ 144	12.7%	-	3,184	-	0.0%	-	-	-
	Engineered Solutions	-	49	-	0.0%	\$ 1,201	\$ 14,615	\$ 5,064	34.6%	-	35,354	-	0.0%	-	-	-
Total Business		16	1,457	31	2.1%	\$ 3,082	\$ 40,622	\$ 10,158	25.0%	5,401	123,222	11,489	9.3%	5,455	78,371	184,493
Multifamily *	HPwES	-	N/A	530	N/A	\$ 146	N/A	\$ 1,674	0.0%	-	N/A	5,262	0.0%	-	-	89,451
	Direct Install	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
	Prescriptive/Custom	-	N/A	-	N/A	\$ -	N/A	\$ -	0.0%	-	N/A	-	0.0%	-	-	-
	Engineered Solutions ⁶	-	N/A	-	N/A	\$ -	N/A	\$ 26	0.0%	-	N/A	-	0.0%	-	-	-
Total Multifamily		-	1,341	530	39.5%	\$ 146	\$ 9,164	\$ 1,700	18.5%	-	18,710	5,262	28.1%	-	-	89,451
Other Programs																
Home Optimization & Peak Demand Reduction		-	-	-	0.0%	\$ -	\$ -	\$ -	0.0%	-	-	-	0.0%	-	-	-
Total Other		-	-	-	0.0%	\$ -	\$ -	\$ -	0.0%	-	-	-	0.0%	-	-	-
Portfolio Total		277,490	273,328	285,349	104.4%	\$ 14,037	\$ 88,715	\$ 40,691	45.9%	171,253	410,483	350,365	85.4%	172,965	904,596	2,227,595
Supportive Costs Outside Portfolio						\$ 261	\$ 1,019	\$ 776	76.1%							

* - 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.

¹ - Annual Forecasted Program Costs reflect values anticipated in Board-approved Utility EE/PDR filings as provided for in the June 10, 2020 Board Order and for PY24-Q1 incorporates sub-program budget adjustments (BPU Docket: GO20090622, electronically filed October 19, 2023).

² - Behavioral lifetime retail savings (Dth) were calculated utilizing useful life of 2.1 years.

³ - Prior program years NJNG reported on the distribution of community conservation kits. NJNG has currently halted distribution of community conservation kits as a result of the implementation of A-5160. NJNG was no longer able to claim savings for the majority of the energy saving measures in conservation kits because of the increased efficiency standard and the inability to identify the current condition in the customers home for these products. This effectively eliminated NJNG's ability to claim savings for community conservation kits based on the mix of products.

Note - 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 that 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.

⁴ - Values displayed in the accompanying table are rounded to the nearest thousand (expenditures) and Dth (energy savings).

⁵ - Values (expenditures and savings) displayed within this table reflects all investments, financing, and savings attributable to NJNG as the Lead Utility, after accounting for inflows and outflows of investments and energy savings transactions between the Lead Utility and Partner Utility, that have been successfully exchanged.

⁶ - Expenditures for Engineered Solutions are reflective of audit fees on associated projects. During this reporting period, Engineered Solutions did not have completed projects or energy savings claimed.

⁷ - During the initial planning, Annual Forecasted Participation (B) and Retail Energy Savings (J) in the Commercial Sector (C&I) were overestimated.

Appendix C - Energy Efficiency and PDR Savings Summary, LMI Customers ³

For Period Ending PY24-Q3							
NJNG		Participation		Incentive Expenditures ⁴ (Customer Rebates & Low/No-Cost Financing)		Ex Ante Energy Savings ⁴	
		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	248	5,318	\$ 1,120	\$ 16,629	3,334	58,314
	Community Kits	-	-	\$ (50)	\$ -	-	-
	Others (Online Marketplace - Washers/Dryers)	-	4,562	\$ -	\$ 535	-	8,965
Existing Homes	Home Performance with Energy Star ¹	-	405	\$ -	\$ 4,648	-	8,309
	Quick Home Energy Check-Up	-	762	\$ -	\$ 14	-	559
	Moderate Income Weatherization	125	-	\$ 501	\$ -	2,194	-
Home Energy Education & Management	Behavioral ²	5,207	268,161	\$ 21	\$ 1,025	1,179	250,760
Total Residential		5,580	279,208	\$ 1,591	\$ 22,850	6,707	326,907
Multifamily Program	Sub-Program						
Multifamily	HPwES	-	530	\$ -	\$ 1,253	-	5,262
	Direct Install	-	-	\$ -	\$ -	-	-
	Prescriptive/Custom	-	-	\$ -	\$ -	-	-
	Engineered Solutions	-	-	\$ -	\$ -	-	-
Total Multifamily		-	530	\$ -	\$ 1,253	-	5,262
Other Programs							
Home Optimization & Peak Demand Reduction		-	-	\$ -	\$ -	-	-
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		5,580	279,738	\$ 1,591	\$ 24,103	6,707	332,169
Supportive Costs Outside Portfolio				\$ -	\$ -		

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

² - Wave of LMI treatment group participants.

³ - Values displayed in the accompanying table are rounded to the nearest thousand (expenditures) and Dth (energy savings).

⁴ - Values (expenditures and savings) displayed within this table reflects all investments, financing, and savings attributable to NJNG as the Lead Utility, after accounting for inflows and outflows of investments and energy savings transactions between the Lead Utility and Partner Utility, that have been successfully exchanged.

Appendix D - Energy Efficiency and PDR Savings Summary, Business Customers ³

For Period Ending PY24-Q3							
NJNG		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 ¹	Large Commercial	Small Commercial ¹	Large Commercial	Small Commercial ¹	Large Commercial
C&I Direct Install	Direct Install	27	-	\$ 3,663	\$ -	11,408	-
Energy Solutions for Business	Prescriptive/Custom	4	-	\$ 14	\$ -	81	-
	Energy Management ²	-	-	\$ -	\$ (2)	-	-
	Engineered Solutions ²	-	-	\$ -	\$ -	-	-
Total Business		31	-	\$ 3,677	\$ (2)	11,489	-
Other Programs							
Home Optimization & Peak Demand Reduction		-	-	\$ -	\$ -	-	-
Total Other		-	-	\$ -	\$ -	-	-
Portfolio Total		31	-	\$ 3,677	\$ (2)	11,489	-
Supportive Costs Outside Portfolio				\$ -	\$ -		

¹ - Customers with average annual peak demand less than 200 kW.

² - Expenditures for Energy Management and Engineered Solutions will not be reflected in this table until the completion of the project(s), which is when energy savings are claimed.

³ - Values displayed in the accompanying table are rounded to the nearest thousand (expenditures) and Dth (energy savings).

Appendix E - Annual Baseline Calculation

Energy Efficiency Compliance Baselines and Benchmarks (therms)												
Gas Utility	Plan Year	Sales Period	Sales (therms)	Adjustments	Adjusted Retail Sales	Compliance Baseline ²	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) ¹	(F) = (E) * (D)	(G) ¹	(H) = (G) * (D)	(I) ¹	(J) = (I) * (D)
NJNG	2021 ³	7/1/20 - 6/30/21	699,330,177	6,556,593	692,773,584							
	2022	7/1/21 - 6/30/22	687,821,314	5,642,322	682,178,992							
	2023	7/1/22 - 6/30/23	651,808,937	6,646,911	645,162,026							
						673,371,534	0.75%	5,050,287	0.24%	1,616,092	0.51%	3,434,195
						67,337,153 (Dth)						
(A) Includes calendar sales for firm and interruptible service classifications.												
(B) Includes adjustments to remove Distributed Generation volumes.												
¹ - (E,G,I) Per the PY3 targets established in the June 2020 CEA Framework Order.												
² - Calculated as average annual gas usage in the prior three plan years (July - June) per N.J.S.A. 48:3-87.9(a).												
³ - Adjusted retail sales for 2021 to match actuals, previous quarterly reports (PY1 Q1-Q2-Q3) reflected estimates.												
⁴ - Values displayed in the accompanying table are rounded to the nearest therm.												