



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

**DOCKET NOS. QO19010040, QO19060748 & QO17091004
REVISED 7/8/24**

VIA ELECTRONIC MAIL

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

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

Dear Secretary Golden:

Pursuant to the Board of Public Utilities’ (“Board” or “BPU”) current filing procedures, Rockland Electric Company (“RECO” or the “Company”) submits its Quarterly Progress Report for the third quarter¹ (“Q3”) of Program Year 2024 (“PY24”) with respect to its Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

Energy Efficiency Program Progress - Executive Summary:

RECO is pleased to report that it had continued momentum from PY23 through the third quarter of PY24 and is forecasted to achieve its annual target. The EE program portfolio to date has delivered 9,545 MWh of the 14,512 annual energy savings target. The EE program portfolio has now achieved 66% of its annual energy savings target, or 84% of its cumulative Triennium 1 energy savings target, and has a pipeline that is expected to satisfy 100% of its Triennium I energy savings target.

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

As Table 1 shows, the Company has made progress toward its PY24 targets while maintaining its program expenditures at 52% of the annual budget. Through the quarter, RECO has delivered on cost efficient energy saving programs and therefore remains under budget.

RECO targeted its efforts within the residential sector through Q3 resulting in the residential sector contributing 47% of overall savings achieved for Q3. The Residential subprogram, contributing significantly to RECO's portfolio, has been the Behavioral subprogram which has achieved 93% of all energy savings within the residential sector for Q3.

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

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

RECO has continued specialized training with local trade allies throughout the quarter to educate them on the no interest financing offer and how to utilize it to move customers to invest in more holistic energy efficient solutions. In addition, the Company also continues to recruit and train new lighting and heating, ventilation, and air conditioning ("HVAC") contractors to submit their projects into the rebate programs.

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

Table 1 – Program Year 2024 Q3 Results

For Period Ending PY24Q3	Utility-Administered Programs ex-ante energy savings (MWh)	Comfort Partners ex-ante energy savings (MWh) ³	Other Programs ex-ante energy savings (MWh) ¹	Total ex-ante energy savings (MWh)	Compliance Baseline (MWh) ²	Annual Target (%)	Annual Target (MWh)	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	2,321	10	0	2,331				
YTD	9,521	24	0	9,545	1,496,082	0.97%	14,512	66%

¹ RECO does not have any legacy energy efficiency programs.

² Calculated as average annual electricity usage in the prior three plan years (i.e., July – June) per N.J.S.A. 48:3-87.9(a). Details are provided in Appendix E.

³ NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods.

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

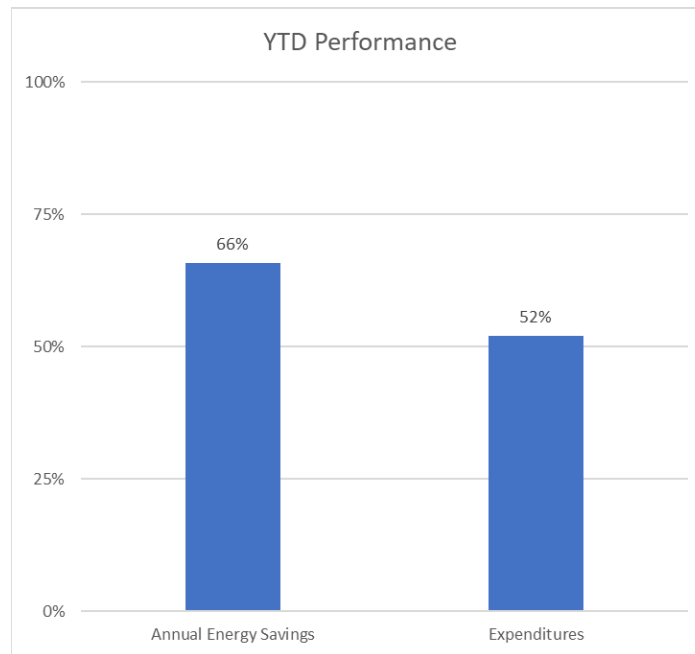


Figure 1: PY24 Performance of Annual Energy Savings and Budget

Statewide Coordination PY24Q3 -

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 Q3 PY24, user acceptance testing has been completed in all market segments – Residential, C&I and Multifamily. RECO has begun the exchange of data with partner utilities for certain Residential programs. RECO is continuing to perform QA/QC on residential HVAC, QHEC, and Marketplace data. For Q3, RECO is still coordinating the exchange of investment and savings with its partner Utilities. RECO is targeting to complete the exchange of investment and energy saving data for PY1 and-PY2 prior to Q4 PY24 quarterly reporting. 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.

The information reflected within this report includes all investments and financing made by RECO as the Lead Utility including those investments made on behalf of its Partner Utilities. Electric savings shown within this report only reflects savings for projects led by RECO.

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

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

Table 2 – Quantitative Performance Indicators

	Quarter				Year to Date				Annual Target ¹	Percent of Annual Target Achieved
	Utility-Administered Quarterly Results	Comfort Partners Plan Quarterly Results ⁵	Other Programs Plan Quarterly Results	Total Plan Quarterly Results	Utility-Administered Plan Year Results	Comfort Partners Plan Year Results	Other Programs Plan Year Results	Total Plan Year Results		
Annual Energy Savings (MWh)	2,321	10	0	2,331	9,521	24	0	9,545	14,512	66%
Lifetime Savings (MWh)	20,943	139	0	21,083	101,435	351	0	101,786	181,323	56%
Annual Demand Savings (MW)	0.19	0.00	0.00	0.19	4.31	0.00	0.00	4.32		
Lifetime Persisting Demand Savings (MW-year) ²	1.67	0.03	0.00	1.70	10.70	0.04	0.00	10.74		
Low/Moderate-Income Lifetime Savings (MWh) ³	1	139	0	140	6,160	351	0	6,511		
Small Commercial Lifetime Savings (MWh) ⁴	2,673		0	2,673	11,137		0	11,137		

¹ Annual Targets reflect estimated impacts as filed in the Company's 2021-2024 Clean Energy EE/PDR Filing, adjusted based on actual electric sales. See Appendix E. Does not include Comfort Partners program.

² Reflects Annual Demand Savings multiplied by the Effective Useful Life of installed equipment.

³ Low/Moderate-Income lifetime savings are the total of any income-qualified Residential or Multi-Family 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 NJ Comfort Partners savings is a preliminary estimate due to recently transitioning the data system of record, and subject to change based on further calculations. Savings true-up anticipated in future reporting periods

Sector-Level Participation, Expenditures, and Energy Savings

- **Residential Programs Sector Summary:**

RECO's Residential programs sector achieved a total of 1,096 MWh of electric energy savings during Q3 or, cumulatively, 86% of the annual forecast at a cost of approximately \$140K or, cumulatively, 47%² of the Residential sector's annual budget. As a result of changes to the Federal and State code standards for lighting products, RECO has discontinued its Residential Midstream Lighting subprogram prior to the start of Q2. However, there has been incremental growth in its other Residential Efficient Products subprograms including Midstream HVAC and Behavioral. In addition, RECO's Existing Homes programs are gaining enrollments and have contributed savings during the quarter.

The Behavioral subprogram continues to be a consistent contributor for RECO's overachievement of its residential customer participation forecast³ for the quarter. Treatment group customers received enhanced communications with the introduction of marketing delivery channels that cross promoted other programs within the residential portfolio.

RECO, in coordination with its partner NEIF, continued to enroll customers in the no interest financing offer for home energy retrofits in Q3. This offers customers 100% project financing (net of rebate) with an instant credit decision and easy paperless process without hidden costs to the customer or contractors. The Company anticipates an uptick in program participation for comprehensive projects in PY24 due to its coordinated efforts with NEIF.

The Moderate-Income Weatherization ("MIWx") has transitioned from kit distribution to marketing and promotion of the program's comprehensive services to income qualified customers in RECO's service territory. A marketing plan has been developed that includes direct community outreach to local organizations to educate them on the benefits of the residential subprograms so that they may promote the offerings to their constituents. RECO's outreach plan targets and prioritizes communities with the largest number of customers receiving energy assistance on their electric account. This effort launched in Q3 and will continue through the calendar year as RECO works to engage hard to reach customers for participation in the income qualified initiatives.

In regards to the Quick Home Energy Check-up (QHEC) and Home Performance with ENERGY STAR (HPwES) subprograms, contractor engagement has led to increased program promotion and community engagement. RECO anticipates continued growth of

² This cost does not include expenses related to the Behavioral subprogram which are expected to be invoiced at the end of the program year.

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

these Existing Homes subprograms through PY24 as a result of its trade ally outreach efforts conducted during the quarter and coordination with Partner Utilities. RECO will refine its marketing plans in PY24Q4-Q6 to increase customer participation using the QHEC program to engage customers to enroll in moderate- and low-income qualified programs and HPwES. During the quarter, RECO has launched a community outreach campaign working with local Senior Centers, Environmental and Green Teams, and engagement with Sustainable New Jersey. Incremental savings is anticipated through the direct coordination with Partner Utilities through outreach and the result of the SWC process.

Clean Heat Beneficial Electrification pilot program engagement increased in Q3 with trade ally outreach differentiating the program from the Midstream HVAC and HPwES subprograms. The Clean Heat Program contributed 34 MWh of the electric savings during Q3 or cumulatively 9% of the annual forecast. RECO has expanded the no interest financing option through NEIF to include Clean Heat projects in an effort to reduce the financial barriers to beneficial electrification. RECO will continue to promote the Clean Heat program to the established network of experienced NY Clean Heat and NJ HPwES contractors through targeted trade ally outreach and sales education sessions.

- **Multifamily Program Summary:**

RECO's Multifamily program treated 22 units, which contributed 15 MWh of reportable energy savings during Q3 or cumulatively 3% of the annual target. The program has engaged with property owners and Home Owner Associations ("HOA") to increase awareness. RECO has expanded the use of demographic analytics and energy assistance historical data to identify the few multifamily properties in our community. RECO's residential customer demographic overwhelmingly consists of suburban single-family homes which limited opportunities in the Multifamily segment.

- **Commercial & Industrial Sector Summary:**

RECO's C&I sector programs achieved a total of 1,176 MWh of electric energy savings during Q3 or, cumulatively, 46% of forecast at a cost of approximately \$613K or, cumulatively, 64% of the sector's annual budget. Energy savings achievement continues to be driven by the C&I Prescriptive/Custom subprogram which provides rebates to customers who utilize a qualified contractor to perform ECMs related to the lighting, controls, or HVAC systems within their existing facility along with the Midstream Lighting or Instant Lighting Incentive program ("ILIP").

The Commercial Direct Install program completed ten projects during this quarter. This program services small business customers with an average peak demand < 200 kW and provides turnkey efficiency upgrades for lighting, refrigeration, and HVAC along with incentives that cover a significant percentage of the project cost. The pipeline of projects continues to be strong for both RECO-led, and Partner Gas Utility-led small business projects. The Company anticipates depleting the program's triennial incentive budget prior to the end of PY24 and, therefore, has filed a second budget reallocation notice to shift funds from the other C&I programs within the sector. Incremental savings is anticipated through the direct coordination with Partner Utilities via the results of the SWC process.

- **NJ Comfort Partners Summary:**

RECO continues to partner with the BPU and its utility partners in the implementation of Comfort Partners and supporting its low-income customers. Comfort Partners program participation slowed during the quarter and, therefore, the Company has been encouraging the NJCEP working group to enhance marketing and outreach plans for the remainder of PY24 to generate new leads and enrollments. The program is also being temporarily impacted by a transition of the tracking database system of record which has also led to difficulties in exporting data on projects that are completed or in progress. Through Q3 and Q4, RECO will be combining its outreach efforts for QHEC, MIWx, and Comfort Partners to engage income-qualified customers with high electric energy burdens. One area of focus is targeted community outreach to senior groups, non-government organizations, and directly to customers who have previously received energy bill assistance,

Table 3 – Sector-Level Participation

Sector ¹	Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential ²	34,132	45,162	3,534	1278%
Multifamily	22	22	37	59%
C&I	24	68	415	16%
Peak Demand Reduction ³	28	3,683	1,260	292%
Clean Heat Beneficial Electrification	4	10	179	6%
Reported Totals for Utility Administered Programs	34,210	48,945	5,425	902%
Comfort Partners	5	14	37	38%
Utility Total	34,215	48,959	5,462	896%

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

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

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

RECO did not experience any adjustments to budgets or incentives that required Board Staff or Board approvals, however, RECO did shift funding within the C&I sector to address Commercial Direct Install budget constraints.⁴

Table 4 – Sector-Level Expenditures

Expenditures ¹	Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget (\$000)	Percent of Annual Budget
Residential	\$140	\$1,098	\$2,318	47%
Multifamily	\$13	\$115	\$504	23%
C&I	\$613	\$2,080	\$3,235	64%
Peak Demand Reduction	\$38	\$286	\$417	69%
Clean Heat Beneficial Electrification	\$22	\$181	\$747	24%
Reported Totals for Utility Administered Programs	\$826	\$3,759	\$7,221	52%
Comfort Partners	\$80	\$206	\$311	66%
Utility Total	\$906	\$3,966	\$7,532	53%

1 - Excludes Statewide Coordinator

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

⁴ RECO notified BPU Staff via letter on February 29, 2024.

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	1,096	5,572	6,470	86%
Multifamily	15	15	453	3%
C&I	1,176	3,816	8,307	46%
Peak Demand Reduction	-	-	-	0%
Clean Heat Beneficial Electrification	34	118	1,279	9%
Reported Totals for Utility Administered Programs	2,321	9,521	16,509	58%
Comfort Partners	10	24	NA	NA
Utility Total	2,331	9,545	16,509	58%

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

² Peak Demand Reduction Pilot has target savings in MW and are not included in the portfolio’s MWh total.

³ 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.

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

Portfolio Expenditures Breakdown

RECO spent a total of \$3,767K through Q3 or 52% of the annual budget. This expenditure includes program incentives and implementation fees and the costs for various overhead and support functions including marketing, program administration, Evaluation, Measurement & Verification (“EM&V”), and quality control inspections.

Table 6 – Annual Costs and Budget Variances by Category

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs				
Utility Administration	\$58	\$301	\$341	88%
Marketing	\$9	\$84	\$181	46%
Outside Services	\$161	\$1,068	\$1,428	75%
Rebates	\$594	\$1,750	\$4,323	40%
No- or Low-Interest Loans	\$3	\$52	\$612	9%
Evaluation, Measurement & Verification ("EM&V")	\$0	\$504	\$292	172%
Inspections & Quality Control	\$1	\$1	\$45	2%
<i>State-Wide Coordinator</i>	\$6	\$8	NA	NA
Utility Total	\$831	\$3,767	\$7,221	52%

1 - Excludes Comfort Partners

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

Equity Metrics

These equity metrics draw from the considerable work of the New Jersey Office of Environmental Justice's Overburdened Community ("OBC") designations. Pursuant to New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157, census block groups are identified as being an "Overburdened Community" when certain census criteria are met,⁵ and metrics reported herein reflect further direction from Board Staff.⁶ For PY24, RECO updated its project mapping tool to incorporate the most recent 2022 OBC mapping data⁷.

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

⁵ N.J.S.A. 13:1D-157 provides that (1) at least 35 percent of the households qualify as low-income households; (2) at least 40 percent of the residents identify as a minority or as members of a State recognized tribal community; or (3) at least 40 percent of the households have limited English proficiency.

⁶ Per guidance from Board Staff, Overburdened Communities as used in Table 7 reflect those communities where at least 35 percent of the households qualify as low-income households but exclude those communities that are solely designated as Minority, Limited English, or Minority and Limited English.

⁷ The 2022 OBC mapping data shows that 1,664 RECO customers meet the classification requirements. This is an increase from the 644 customers that met the classification requirements based on 2021 OBC mapping data.

Table 7 – Equity Performance

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	%OBC2				
Population	1,705	73,476	2.3%				
# of Household Accounts	1,417	64,135	2.2%				
# of Business Accounts	314	9,312	3.3%				
Total Annual Energy (MWh)	27,592	1,479,689	1.8%				
	Type of Program/Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC2	Annual Overburdened ¹	Annual Non-Overburdened	%OBC2
Participation							
Residential - Behavioral ⁷	Core	604	33,117	1.8%	604	33,117	1.8%
Residential - Other Efficient Products	Core	5	385	1.3%	165	7,739	2.1%
Residential - HPwES and Quick Home Energy Checkups	Core	0	21	0.0%	0	33	0.0%
Residential - Income-Eligible Weatherization	Core	0	0	0.0%	76	3,428	2.2%
C&I - Direct Install	Core	0	10	0.0%	0	28	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	0	14	0.0%	0	40	0.0%
Multi-Family	Core	0	22	0.0%	0	22	0.0%
Total Core Participation		609	33,569	1.8%	845	44,407	1.9%
Peak DR - Behavioral DR	Additional	0	0	0.0%	0	0	0.0%
Peak DR - BYOT, CSR	Additional	1	27	3.6%	42	1,916	2.1%
Clean Heat Beneficial Electrification	Additional	0	4	0.0%	0	10	0.0%
Comfort Partners	Joint	2	3	40.0%	4	10	28.6%
Total Non-Core Participation		3	34	8.1%	46	1,936	2.3%
Total Participation		612	33,603	1.8%	891	46,343	1.9%
Expenditures (\$000)							
Residential - Behavioral	Core	\$0.00	\$0.00	0.0%	\$0.69	\$31.31	1.9%
Residential - Other Efficient Products	Core	\$0.29	\$88.71	0.3%	\$12.78	\$765.22	1.6%
Residential - HPwES and Quick Home Energy Checkups	Core	\$0.00	\$44.00	0.0%	\$0.00	\$231.00	0.0%
Residential - Income-Eligible Weatherization	Core	\$0.00	\$7.00	0.0%	\$1.24	\$56.00	2.2%
C&I - Direct Install	Core	\$0.00	\$482.00	0.0%	\$0.00	\$1,392.00	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	\$0.00	\$131.00	0.0%	\$0.00	\$687.00	0.0%
Multi-Family	Core	\$0.00	\$13.00	0.0%	\$0.00	\$115.00	0.0%
Total Core Expenditures		\$0	\$766	0.0%	\$15	\$3,278	0.4%
Peak DR - Behavioral DR	Additional	\$0.00	\$0.00	0.0%	\$0.00	\$11.00	0.0%
Peak DR - BYOT, CSR	Additional	\$0.82	\$37.18	2.2%	\$5.95	\$269.06	2.2%
Clean Heat Beneficial Electrification	Additional	\$0.00	\$22.00	0.0%	\$0.00	\$181.00	0.0%
Comfort Partners	Joint	\$9.66	\$70.34	12.1%	\$64.63	\$141.37	31.4%
Total Non-Core Expenditures		\$10	\$130	7.5%	\$71	\$602	10.5%
Total Expenditures		\$11	\$895	1.2%	\$85	\$3,880	2.2%

Annual Energy Savings (MWh)							
Residential - Behavioral	Core	18.2	1,004.8	1.9%	48.1	2,667.9	1.9%
Residential - Other Efficient Products	Core	0.0	47.0	0.0%	45.6	2,146.4	2.1%
Residential - HPwES and Quick Home Energy Checkups	Core	0.0	26.0	0.0%	0.0	88.0	0.0%
Residential - Income-Eligible Weatherization	Core	0.0	0.0	0.0%	12.4	563.2	2.2%
C&I - Direct Install	Core	0.0	182.0	0.0%	0.0	1,045.0	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	0.0	994.0	0.0%	0.0	2,771.0	0.0%
Multi-Family	Core	0.0	15.0	0.0%	0.0	15.0	0.0%
Total Core Annual Energy Savings		18	2,269	0.8%	106	9,297	1.1%
Peak DR -Behavioral DR	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Peak DR - BYOT, CSR	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Clean Heat Beneficial Electrification	Additional	0.0	34.0	0.0%	0.0	118.0	0.0%
Comfort Partners	Joint	3.0	7.0	30.0%	7.0	17.0	29.2%
Total Non-Core Annual Energy Savings		3	41	6.8%	7	135	4.9%
Total Annual Energy Savings		21	2,310	0.9%	113	9,432	1.2%
Lifetime Energy Savings (MWh)							
Residential - Behavioral	Core	22.1	1,000.9	1.9%	58.7	2,657.3	1.9%
Residential - Other Efficient Products	Core	0.0	525.0	0.0%	666.7	31,103.3	2.1%
Residential - HPwES and Quick Home Energy Checkups	Core	0.0	398.0	0.0%	0.0	1,126.0	0.0%
Residential - Income-Eligible Weatherization	Core	0.0	0.0	0.0%	186.7	8,448.7	2.2%
C&I - Direct Install	Core	0.0	2,673.0	0.0%	0.0	15,508.0	0.0%
C&I - Prescriptive/Custom, Midstream, Energy Solutions	Core	0.0	15,626.0	0.0%	0.0	39,686.0	0.0%
Multi-Family	Core	0.0	199.0	0.0%	0.0	199.0	0.0%
Total Core Annual Energy Savings		22	20,422	0.1%	912	98,728	0.9%
Peak DR -Behavioral DR	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Peak DR - BYOT, CSR	Additional	0.0	0.0	0.0%	0.0	0.0	0.0%
Clean Heat Beneficial Electrification	Additional	0.0	499.0	0.0%	0.0	1,794.0	0.0%
Comfort Partners	Joint	42.2	96.8	30.4%	98.8	252.2	28.1%
Total Non-Core Annual Energy Savings		42	596	6.6%	99	2,046	4.6%
Total Annual Energy Savings		64	21,018	0.3%	1,011	100,775	1.0%

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

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) with the program %OBC (lower table) shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program %OBC is greater than the benchmark %OBC, then the overburdened population is better represented in the program relative to the percentage of overburdened households or business in the utility territory.

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

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

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

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

Conclusion

The Company has achieved 66% of its annual energy savings target and is on target to achieve 100% of its cumulative Triennium 1 compliance target including energy savings achieved by its Partner Utilities. The implementation plan that the Company initially established in its 2021 – 2024 Clean Energy Filing has demonstrated success and, therefore, the Company proposes no changes at this time. The Company looks forward to continued collaboration with Board Staff and other stakeholders in achieving the State’s energy savings goals.

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

Respectfully submitted,

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List of Appendices

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

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

Appendix A – Participant Definitions

NJ Program		Participants (as lead utility)
Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Lighting - Midstream	Quantity of packages sold (based on SKU) - net of returns (negative in current period)
	Rebated Products	Quantity of units rebated (based on SKU)
	Mid-Stream Products	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	Appliance Recycling	Count of visits to premise not units
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
	EE Kits - Giveaway	Per kit delivered
	Consumer Electronics	For rebated programs, count of rebate applications For Midstream, every measure is considered a participant - net of returns (negative in current period)
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
	HPwES	Count of completed HPwES projects

Multifamily	Direct Install	Count based on number of projects completed (see approach)
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number
Demand Response	BYOT	Quarterly - Incremental change in total quantity of enrolled customers from the start to the end of reporting period. YTD – total count of all enrolled customers as of the end of reporting period.
	Behavioral DR	Count of treatment customers at end of reporting period

Appendix B – Energy Efficiency and PDR Savings Summary

For Period Ending PY24Q3		Participation				Actual Expenditures			
		A	B	C	D=C/B	E	F	G	H=G/F
		Quarter	Annual Forecasted Participation Number	YTD Reported Participation Number	YTD % of Annual Participants	Quarter (\$000)	Annual Forecasted Program Costs (\$000) ¹	YTD Reported Program Costs (\$000)	YTD % of Annual Budget
Residential Programs	Sub Program								
Efficient Products*	Appliance Recycling/Rebate, Retail Lighting, Marketplace, Midstream HVAC	390	2,505	7,904	316%	\$89		\$778	
	Behavioral	33,721	NA	33,721	NA	\$0	\$1,293	\$32	63%
Existing Homes*	Home Performance with Energy Star, Quick Home Energy Check	21	954	33	3%	\$44	\$688	\$231	34%
	Moderate Income Weatherization	0	75	3,504	4672%	\$7	\$337	\$57	17%
Total Residential		34,132	3,534	45,162	1278%	\$140	\$2,318	\$1,098	47%
Business Programs	Sub-Program								
C&I Direct Install*	N/A	10	135	28	21%	\$482	\$1,687	\$1,392	83%
C&I Rebate Program*	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream Lighting/HVAC	14	280	40	14%	\$131	\$1,548	\$687	44%
Total Business		24	415	68	16%	\$613	\$3,235	\$2,080	64%
Multi-Family*	N/A	22	37	22	59%	\$13	\$504	\$115	23%
Pilot Programs	Sub Program								
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program	28	1,260	1,958	155%	\$38		\$275	
	Behavioral DR	0	NA	1,725	NA	\$0	\$417	\$11	69%
Clean Heat Beneficial Electrification**	N/A	4	179	10	6%	\$22	\$747	\$181	24%
Total Pilot		32	1,439	3,693	257%	\$60	\$1,164	\$467	40%
NICEP Comfort Partners***	N/A	5	37	14	38%	\$80	\$311	\$206	66%
Supportive Costs Outside Portfolio****						\$6		\$8	
Portfolio Total		34,215	5,462	48,959	896%	\$911	\$7,532.443	\$3,973.660	53%

¹ 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.

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

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

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

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

****Supportive Costs include the Statewide Coordinator

For Period Ending PY24Q3		Ex Ante Energy Savings							
		I	J	K	L=K/J	M	N	O	P
		Quarter Annual Retail Energy Savings (MWh)	Annual Forecasted Retail Energy Savings (MWh)	YTD Reported Retail Energy Savings (MWh)	YTD % of Annual Energy Savings	Reported Wholesale Energy Savings ² (MWh)	YTD Peak Demand Savings (MW)	Quarter Lifetime Savings (MWh)	YTD Lifetime Savings (MWh)
Residential Programs	Sub Program								
Efficient Products*	Appliance Recycling/Rebate, Retail Lighting, Marketplace, Midstream HVAC	47		2,192		2,268	0.179	525	31,770
	Behavioral	1,023	5,392	2,716	91%	2,810	0.000	1,023	2,716
Existing Homes*	Home Performance with Energy Star, Quick Home Energy Check	26	951	88	9%	91	0.004	398	1,126
	Moderate Income Weatherization	0	127	576	453%	596	0.043	0	8,635
Total Residential		1,096	6,470	5,572	86%	5,764	0.226	1,946	44,248
Business Programs	Sub-Program								
C&I Direct Install*	N/A	182	3,021	1,045	35%	1,081	0.204	2,673	15,508
C&I Rebate Program*	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream Lighting/HVAC	994	5,286	2,771	52%	2,867	0.572	15,626	39,686
Total Business		1,176	8,307	3,816	46%	3,948	0.776	18,299	55,194
Multi-Family*	N/A	15	453	15	3%	15	0.001	199	199
Pilot Programs	Sub Program								
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program						3.310		
	Behavioral DR						0.000		
Clean Heat Beneficial Electrification**	N/A	34	1,279	118	9%	122	0.001	499	1,794
Total Pilot		34	1,279	118	9%	122	3.311	499	1,794
NJCEP Comfort Partners***	N/A	10	NA	24	NA	25	0.003	139	351
Supportive Costs Outside Portfolio****									
Portfolio Total		2,331	16,509	9,545	58%	9,875	4.317	21,083	101,786

¹ 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.

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

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

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

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

****Supportive Costs include the Statewide Coordinator

Note: The Behavioral DR (“Demand Response”) program did not enroll any new customers during Q3 but continues to maintain a treatment group of 1,725 customers that were in enrolled during PY2. The program did not achieve any measurable peak demand reductions (MW) during Q1-Q3.

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

For Period Ending PY24Q3		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$000)		YTD Reported Retail Energy Savings (MWh)	
Residential Programs	Sub Program	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified	LMI	Non-LMI or Unverified
Efficient Products	Appliance Recycling/Rebate, Retail Lighting, Marketplace, Midstream HVAC	9	7,895	\$0.3	\$232.90	2	2,190
	Behavioral	N/A	33,721	N/A	\$0.0	N/A	2,716
Existing Homes	Home Performance with Energy Star, Quick Home Energy Check	0	33	\$0.0	\$23.8	0	88
	Moderate Income Weatherization	3,504	N/A	\$18.5	N/A	576	N/A
Total Residential		3,513	41,649	\$18.7	\$256.7	578	4,994
Multi-Family	N/A	0	22	\$0.0	\$4.0	0	15
Pilot Programs	Sub Program						
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program	0	1,958	\$0.0	\$87.0	N/A	N/A
	Behavioral DR	N/A	1,725	N/A	\$0.0	N/A	N/A
Clean Heat Beneficial Electrification	N/A	0	10	\$0.0	\$75.6	0	118
Total Pilot		0	3,693	\$0.0	\$162.6	0	118
NJCEP Comfort Partners	N/A	14	N/A	\$107.7	N/A	24	N/A
Supportive Costs Outside Portfolio				\$0.0	\$0.0		
Portfolio Total		3,527	45,364	\$126.5	\$423.3	602	5,127

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

For Period Ending PY24Q3		Participation		Incentive Expenditures (Customer Rebates and Low/no-cost financing)		Ex Ante Energy Savings	
		A	B	C	D	E	F
		YTD Reported Participation Number		YTD Reported Incentive Costs (\$000)		YTD Reported Retail Energy Savings (MWh)	
Business Programs	Sub-Program	Small Commercial	Large Commercial	Small Commercial	Large Commercial	Small Commercial	Large Commercial
C&I Direct Install	N/A	28	N/A	\$1,008	N/A	1,045	N/A
C&I Rebate Program	Prescriptive/Custom, Energy Management, Engineered Solutions, Midstream	0	40	\$0	\$352	0	2,771
Total Business		28	40	\$1,008	\$352	1,045	2,771
Pilot Programs	Sub Program						
Peak Demand Reduction	Bring Your Own Thermostat, Commercial System Relief Program	0	0	\$0	\$0	0	0
	Behavioral DR	0	0	\$0	\$0	0	0
Clean Heat Beneficial Electrification**	N/A	0	0	\$0	\$0	0	0
Total Pilot		0	0	\$0	\$0	0	0
Supportive Costs Outside Portfolio				\$0	\$0		
Portfolio Total		28	40	\$1,008	\$352	1,045	2,771

Appendix E - Annual Baseline Calculation

For Period Ending PY24Q3												
Energy Efficiency Compliance Baselines and Benchmarks (MWh)												
Electric Utility	Plan Year	Sales Period	Sales (MWh)	Adjustments (MWh)	Adjusted Retail Sales (MWh)	Compliance Baseline (MWh)	Overall Annual Energy Reduction Target (%)	Overall Annual Energy Reduction Target (MWh)	State-Administered Annual Energy Reduction Target (%)	State-Administered Annual Energy Reduction Target (MWh)	Utility-Administered Annual Energy Reduction Target (%)	Utility-Administered Annual Energy Reduction Target (MWh)
			(A)	(B)	(C) = (A)-(B)	(D) = Average (C)	(E)	(F) = (E) * (D)	(G)	(H) = (G) * (D)	(I)	(J) = (I) * (D)
RECO	2020	1/1/20 - 12/31/20	1,493,921	0	1,493,921							
	2021	1/1/21 - 12/31/21	1,495,589	0	1,495,589							
	2022	1/1/22 - 12/31/22	1,532,334	0	1,532,334							
	2023	1/1/23 - 12/31/23	1,460,324	0	1,460,324							
	Program Year 2024					1,496,082	1.45%	21,693	0.48%	7,181	0.97%	14,512

Notes:
 (A) Includes sales as reported on FERC Form-1, as adjusted for the given sales period (planning year)
 (B) No included adjustments