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November 09, 2022

To the Service List:

Re: IN THE MATTER OF THE IMPLEMENTATION OF L. 2018, C. 17 REGARDING THE ESTABLISHMENT OF ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS, DOCKET NO. QO19010040

IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC FOR APPROVAL OF AN ENERGY EFFICIENCY PROGRAM, COST RECOVERY MECHANISM, AND OTHER RELATED RELIEF FOR PLAN YEARS ONE THROUGH THREE, DOCKET NO. EO20090621

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT OF A CONSERVATION INCENTIVE PROGRAM, DOCKET NO. GO20090619

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY FOR APPROVAL OF JCP&L'S ENERGY EFFICIENCY AND CONSERVATION PLAN INCLUDING ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS (JCP&L EEC), DOCKET NO. EO20090620

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ., DOCKET NO. GO20090622

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS CLEAN ENERGY FUTURE ENERGY EFFICIENCY ("CEF-EE") PROGRAM ON A REGULATED BASIS, DOCKET NOS. GO18101112 & EO18101113

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF ITS ENERGY EFFICIENCY PROGRAM AND PEAK DEMAND REDUCTION PROGRAMS, DOCKET NO. EO20090623

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY PURSUANT TO THE CLEAN ENERGY ACT, DOCKET NO. GO20090618

Agenda Date: October 12, 2022 – Agenda Item: 8D

Please be advised that the Board of Public Utilities ("Board") is redistributing the issued Order for the above-referenced agenda item that the Board approved at the October 12, 2022 Board agenda meeting to correct two errors.

At the top of page 8, Staff's recommendation is that the utilities report on energy savings using the 2022 TRM Addendum beginning with their annual report for Program Year 2023 and in subsequent quarterly and annual reports during Triennium 1, when, in fact, the recommendation is for Program Year 2022 and in subsequent annual reports during Triennium 1.

At the top of page 9, the Board's direction on the same topic is correctly stated in reference to Program Year 2022 but incorrectly includes quarterly and annual reports during Triennium 1, when, in fact, it includes annual reports during Triennium 1.

Consequently, the redistributed Order now correctly states that Staff's recommendation and the Board's direction are for the utilities to report on the energy savings resulting from implementation of the utilities' energy efficiency programs using the 2022 TRM Addendum, beginning with their annual reports for Program Year 2022 and in subsequent annual reports during Triennium 1.

These are the only changes to the issued Order, which will be redistributed to the parties of record and the attached service list. The correct values for the above-referenced market titles were used during the analysis cited by the Order.

Sincerely,

Carmen D. Diaz

Carmen D. Diaz
Acting Secretary of the Board

c: Service List

IN THE MATTER OF THE IMPLEMENTATION OF L. 2018, C. 17 REGARDING THE
ESTABLISHMENT OF ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION
PROGRAMS

IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC FOR APPROVAL OF AN
ENERGY EFFICIENCY PROGRAM, COST RECOVERY MECHANISM, AND OTHER RELATED
RELIEF FOR PLAN YEARS ONE THROUGH THREE

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL
OF NEW ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY
MECHANISM PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT OF A
CONSERVATION INCENTIVE PROGRAM

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT
COMPANY FOR APPROVAL OF JCP&L'S ENERGY EFFICIENCY AND CONSERVATION
PLAN INCLUDING ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS
(JCP&L EEC)

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR
APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST
RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET
SEQ. AND 48:3-98.1 ET SEQ.

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF ITS CLEAN ENERGY FUTURE ENERGY EFFICIENCY ("CEF-EE")
PROGRAM ON A REGULATED BASIS

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL
OF ITS ENERGY EFFICIENCY PROGRAM AND PEAK DEMAND REDUCTION PROGRAMS

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF NEW ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY
PURSUANT TO THE CLEAN ENERGY ACT

DOCKET NOS. QO19010040, EO20090621, GO20090619, EO20090620, GO20090622,
GO18101112, EO18101113, EO20090623, & GO20090618

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Agenda Date: 10/12/22
Agenda Item: 8D

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ENERGY AND
CLEAN ENERGY

IN THE MATTER OF THE IMPLEMENTATION OF L. 2018,) ORDER UPDATING AND
C. 17 REGARDING THE ESTABLISHMENT OF ENERGY) REVISING THE FIRST THREE-
EFFICIENCY AND PEAK DEMAND REDUCTION) YEAR FRAMEWORK FOR
PROGRAMS) ENERGY EFFICIENCY
PROGRAMS)

IN THE MATTER OF THE PETITION OF ATLANTIC CITY)
ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY) DOCKET NO. QO19010040
EFFICIENCY PROGRAM, COST RECOVERY)
MECHANISM AND OTHER RELATED RELIEF FOR PLAN) DOCKET NO. EO20090621
YEARS ONE THROUGH THREE)

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN)
GAS COMPANY FOR APPROVAL OF NEW ENERGY)
EFFICIENCY PROGRAMS AND THE ASSOCIATED COST)
RECOVERY MECHANISM PURSUANT TO THE CLEAN) DOCKET NO. GO20090619
ENERGY ACT AND THE ESTABLISHMENT OF A)
CONSERVATION INCENTIVE PROGRAM)

IN THE MATTER OF THE VERIFIED PETITION OF)
JERSEY CENTRAL POWER & LIGHT COMPANY FOR)
APPROVAL OF JCP&L'S ENERGY EFFICIENCY AND)
CONSERVATION PLAN INCLUDING ENERGY) DOCKET NO. EO20090620
EFFICIENCY AND PEAK DEMAND REDUCTION)
PROGRAMS (JCP&L EEC))

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF ENERGY)
EFFICIENCY PROGRAMS AND THE ASSOCIATED COST)
RECOVERY MECHANISM PURSUANT TO THE CLEAN) DOCKET NO. GO20090622
ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1)
ET SEQ.)

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE)
ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS) DOCKET NOS. GO18101112 &
CLEAN ENERGY FUTURE - ENERGY EFFICIENCY ("CEF-)
EE") PROGRAM ON A REGULATED BASIS) EO18101113

BACKGROUND

On January 13, 2008, L. 2007, c. 340 ("RGGI Act") was signed into law based upon the New Jersey ("State") Legislature's findings that EE and conservation measures must be essential elements of the State's energy future and that greater reliance on EE and conservation will provide significant benefits to the citizens of New Jersey.² The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies.

On May 23, 2018, Governor Murphy signed into law the Clean Energy Act of 2018 ("CEA").³ The CEA plays a key role in achieving the State's goal of 100% clean energy by 2050, as set forth in the 2019 New Jersey Energy Master Plan ("EMP"), by establishing aggressive energy reduction requirements, among other clean energy strategies.⁴ The CEA emphasizes the importance of EE and peak demand reduction ("PDR") and requires the New Jersey Board of Public Utilities ("Board" or "BPU") to adopt an efficiency program "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities"⁵ The CEA also calls upon New Jersey's electric and gas public utility companies to play an increased role in delivering EE and PDR programs to customers by requiring the utilities to reduce the use of electricity and natural gas in their respective service territories.⁶

On October 11, 2018, Public Service Electric and Gas Company ("PSE&G") filed a petition with the Board requesting approval of its CEF-EE Program.

By Order dated June 10, 2020, the Board approved a transition framework for EE programs implemented pursuant to the CEA, including requirements for the utilities to establish programs that reduce the use of electricity and natural gas within their territories.⁷ In the June 2020 Order, the Board directed New Jersey's remaining electric and gas companies to submit their first

² N.J.S.A. 26:2C-45 et al.

³ L. 2018, c. 17 (N.J.S.A. 48:3-87.8 et al.).

⁴ See 2019 New Jersey Energy Master Plan: Pathway to 2050. The EMP defines "100% clean energy by 2050" to mean the achievement of 100% carbon-neutral electricity generation (a net zero carbon footprint, achieved through the elimination of carbon emissions, or balancing carbon emissions with carbon removal) and maximum electrification of the building and transportation sectors to meet or exceed the Global Warming Response Act of 2007's target of achieving greenhouse gas emissions reductions of 80% below 2006 levels by 2050 (often referred to as the "80x50" goal). Id. at 11, 21.

⁵ N.J.S.A. 48:3-87(g).

⁶ N.J.S.A. 48:3-87.9(a). The CEA requires, in part, that "[e]ach electric public utility . . . achieve annual reductions in the use of electricity of two percent of the average annual usage in the prior three years within five years of implementation of its electric energy efficiency program" and that "[e]ach natural gas public utility . . . achieve annual reductions in the use of natural gas of 0.75 percent of the average annual usage in the prior three years within five years of implementation of its gas energy efficiency program." Id.

⁷ 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, Order dated June 10, 2020 ("June 2020 Order").

respective three-year filings for EE and PDR programs by September 25, 2020 for Board approval by May 1, 2021 and implementation beginning July 1, 2021.⁸

On September 23, 2020, the Board issued an order approving a stipulation of settlement for PSE&G's CEF-EE Program.⁹

On September 25, 2020, Atlantic City Electric Company ("ACE"), Elizabethtown Gas Company ("ETG"), Jersey Central Power & Light Company ("JCP&L"), New Jersey Natural Gas Company ("NJNG"), Rockland Electric Company ("RECO"), and South Jersey Gas Company ("SJG") filed petitions with the Board requesting approval of their respective EE programs. On March 3, 2021, the Board issued an order approving a stipulation of settlement for NJNG's SAVEGREEN 2020 Program.¹⁰ On April 7, 2021, the Board issued orders approving stipulations of settlement for the ETG and SJG programs.¹¹ On April 27, 2021, the Board issued orders approving stipulations of settlement for ACE and JCP&L, and on June 9, 2021, the Board issued an order approving a stipulation of settlement for RECO.¹²

On November 8, 2021, ACE, ETG, JCP&L, NJNG, PSE&G, RECO, and SJG ("utilities") filed a joint letter petition with the Board requesting approval to implement a proposed joint utility solution to the budget constraints experienced during Triennium 1. On August 17, 2022, the Board approved a stipulation of settlement executed by the utilities, New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") which resolved the utilities' requests related to the petition.¹³

⁸ Id. at 38.

⁹ In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order dated September 23, 2020.

¹⁰ In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021.

¹¹ In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket No. GO20090619, Order dated April 7, 2021; In re the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. GO20090618, Order dated April 7, 2021.

¹² In re 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, Order dated April 27, 2021; In re the Verified Petition of Jersey Central Power & Light Company for Approval of JCP&L's Energy Efficiency and Conservation Plan Including Energy and Peak Demand Reduction Programs (JCP&L EE&C), BPU Docket No. EO20090620, Order dated April 27, 2021; In re the Petition of Rockland Electric Company for Approval of Its Energy Efficiency Program and Peak Demand Reduction Programs, BPU Docket No. EO20090623, Order dated June 9, 2021.

¹³ In re the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re 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; In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act and the Establishment of

Following resolution of these budget constraints, Staff also provides the following recommended updates and revisions to the Triennium 1 EE framework based on experiences gained by Staff; the Statewide Evaluator; Evaluation, Measurement, and Verification (“EM&V”) Working Group (“EM&V WG”); the utilities; and Rate Counsel in Program Years 2022 and 2023, with reference below to the applicable sections in the June 2020 Order.

APPLICATION OF UTILITY TARGETS

Metrics and Weighting Structure

In the June 2020 Order, the Board approved seven metrics by which utility performance would be evaluated and directed the utilities to track and report on all seven metrics starting in Program Year 2022.¹⁴ Among these metrics was “Low-income Lifetime Savings (MWh or Th).” Staff recommends that this metric be revised to be “Low- and Moderate-Income Lifetime Savings (MWh or Th).” The utilities’ programs include enhanced incentives for low-income customers to access prescriptive EE incentives and EE products, but the State’s primary low-income EE program is the Comfort Partners program, which is co-managed by the State and the utilities. The utilities’ residential programs also include specific opportunities for moderate-income customers (e.g., Moderate-Income Weatherization Programs). The utilities do not separately track low-income and moderate-income incentives, so the recommended Low- and Moderate-Income Lifetime Savings metric will align better with how the utilities are implementing their programs based on income eligibility.

COST RECOVERY

Energy Efficiency as a Resource

In the June 2020 Order, the Board adopted Staff’s recommendations related to requiring the utilities to propose MW Bid Target Reduction values for use in registration and bidding into the PJM Interconnection, LLC (“PJM”) Base Residual Auction (“BRA”) and subsequent incremental auctions (“IAs”) beginning with Program Year 2023 and the 2024/2025 BRA.¹⁵

The intention behind Staff’s recommendations was to have the utilities offer eligible PDR

a Conservation Incentive Program; In re the Verified Petition of Jersey Central Power & Light Company for Approval of JCP&L’s Energy Efficiency and Conservation Plan Including Energy Efficiency and Peak Demand Reduction Programs (JCP&L EEC); In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.; In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future - Energy Efficiency (“CEF-EE”) Program on a Regulated Basis; In re the Petition of Rockland Electric Company for Approval of Its Energy Efficiency Program and Peak Demand Reduction Programs; In re the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and the Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket Nos. QO19010040, EO20090621, GO20090619, EO20090620, GO20090622, GO18101112, EO18101113, EO20090623, & GO20090618, Order dated August 17, 2022.

¹⁴ June 2020 Order at 22–23, 39.

¹⁵ Id. at 28–30, 40–41.

resources into the PJM forward capacity market ("FCM"), with net revenues from cleared resources used to offset revenue requirements of the utilities' EE programs.

Toward that end and after further stakeholder engagement, Staff is now making the following updated recommendations regarding the requirement for the utilities to make EE offers into the PJM BRAs and IAs. Staff recommends that the recommendations set forth herein supersede, in their entirety, the prior recommendations adopted by the Board with respect to EE as a resource.

Staff recognizes that PDR targets in a utility's EE portfolio do not align with EE resource values offered into the FCM, as portfolio targets reflect a simple summer peak demand definition while the FCM utilizes a more complex peak demand definition that includes the average demands during specific days in both summer and winter periods, as well as other adjustments. Therefore, not all EE program measures will be suited or eligible to be offered into the FCM. Staff also acknowledges that EE programs operated by New Jersey's Clean Energy Program, Comfort Partners, and EE projects led by gas utilities may have eligible PDR measures to offer into the FCM but does not recommend requiring these measures to be offered into the FCM for this EE program cycle due to technical and contractual challenges that require further discussion to resolve.

Therefore, Staff recommends that the electric utilities offer into the FCM only PJM-eligible EE measures and reasonable peak reduction values from project measures that they have led.¹⁶ Staff recommends that the timing and execution of FCM offers by the electric utilities shall be as follows:

Staff recommends that the Board permit the electric utilities to offer Program Year 2022 PJM-eligible EE resources and require Program Year 2023 and Program Year 2024 PJM-eligible EE resources to be offered into the FCM BRAs and subsequent IAs starting with the 2024/2025 Delivery Year.¹⁷ The EE peak reduction values should be calculated consistent with PJM's governing Manuals 18 and 18B. Staff recommends that the electric utilities determine Program Year 2022 PJM-eligible EE resource values but that Program Year 2022 EE resource offers not be a requirement for the electric utilities. Staff recommends that the electric utilities offer reasonable estimates of the peak reduction values that can be obtained from their respective EE/PDR plans in the PJM BRA and any incremental EE resources into the applicable IAs.

Staff recommends that the electric utilities similarly establish their EE offer amounts for Program Year 2023 and Program Year 2024 PJM-eligible EE resources for the 2025/2026 Delivery Year and subsequent BRAs where applicable. Sell offers and/or buy bids into the IAs or into secondary markets to true up market positions originally offered in the BRA shall be allowed as permitted under PJM market rules.

Staff acknowledges that Program Year 2025 and Program Year 2026 EE resources may be eligible to be offered into the 2025/2026 Delivery Year FCM and beyond; however, the electric utilities do not currently have approved EE/PDR programs in place in time from which they can offer resources. Staff recommends that Staff work with the electric utilities and Rate Counsel to

¹⁶ PSE&G will offer measures from projects it has led in its gas-only service territory as well.

¹⁷ The 2024/2025 Delivery Year runs from June 2024 through May 2025.

determine a course of action that may allow the electric utilities to offer EE resources beyond their approved program cycle in order to increase the FCM revenues received for the benefit of customers.

Staff recommends that the electric utilities submit confidential reports to Staff and Rate Counsel after every auction providing the offered and cleared EE resource MW values and clearing prices.

EVALUATION, MEASUREMENT, AND VERIFICATION

EM&V Administrative Structure and Working Group

As called for in the June 2020 Order, the EM&V WG, as facilitated by the Statewide Evaluator, has been providing guidance and input on the planning and monitoring of EM&V plans, policies, procedures, guidelines, requirements for program administrators, methods to account for strategic electrification, and schedules.¹⁸

The EM&V WG has since also established a Technical Reference Manual (“TRM”) Committee and a New Jersey Cost Test (“NJCT”) Committee to focus on those respective areas of work.

Technical Reference Manual (formerly known as Technical Resource Manual) / Protocols to Measure Resource Savings

Since Fiscal Year 2016, the Board has approved “Protocols to Measure Resource Savings” (“Protocols”) that provide methodologies used to estimate energy savings and renewable or other clean energy generation. Most recently, by Order dated July 10, 2019, the Board approved the Fiscal Year 2020 (“FY20”) Protocols.¹⁹ By Order dated December 2, 2020, the Board approved a Fiscal Year 2021 (“FY21”) Protocols Addendum that included optional alternatives to the methodologies prescribed in the FY20 Protocols.²⁰ The Board directed that adherence to the methods prescribed by the FY20 Protocols or the FY21 Protocols Addendum would represent compliance with Board-approved methods.²¹

Calculations used by the utilities to determine program savings counted toward compliance are cataloged in the Joint Utility Coordinated Measures List, which references the FY20 Protocols, the FY21 Protocols Addendum, and TRMs from other states when no applicable New Jersey-specific measure calculation was available. Staff recommends that the Board permit the utilities to report on energy savings resulting from implementation of the utilities’ EE programs using the Joint Utility Coordinated Measures List during Triennium 1.

¹⁸ June 2020 Order at 30, 41–42.

¹⁹ In re New Jersey’s Clean Energy Program - Fiscal Year 2020 Protocols to Measure Resource Savings, BPU Docket No. QO19040471, Order dated July 10, 2019.

²⁰ In re New Jersey’s Clean Energy Program - Fiscal Year 2021 Protocols to Measure Resource Savings, BPU Docket No. QO20090584, Order dated December 2, 2020.

²¹ Id. at 6.

In addition to discussing the utilities' use of the Joint Utility Coordinated Measures List, the Statewide Evaluator worked through the TRM Committee to develop a 2022 TRM Addendum that includes updates to energy savings estimation methodologies for key EE measures, with particular focus on energy savings attributable to lighting measures. Staff recommends that the Board direct the utilities to also report on the energy savings resulting from implementation of the utilities' EE programs using the 2022 TRM Addendum, beginning with their annual report for Program Year 2022 and in subsequent annual reports during Triennium 1.²²

Staff recommends that the Protocols henceforth be renamed the Technical Reference Manual.

For Triennium 2, Staff recommends that the Statewide Evaluator, EM&V WG, and TRM Committee support the development of a comprehensive update of the TRM, including input and feedback through a public stakeholder process, for the Board's consideration ahead of the commencement of Triennium 2 EE programs.

DISCUSSION AND FINDINGS

The Board anticipated that modifications to the Triennium 1 EE framework might be necessary following the transition in administration of EE programs. The Board has reviewed Staff's recommendations and **FINDS** that Staff's recommendations have resulted from collaboration with and input from the Statewide Evaluator, EM&V Working Group, the utilities, and Rate Counsel and are consistent with the goals of the Clean Energy Act and the Energy Master Plan. Therefore, the Board **HEREBY APPROVES** Staff's recommendations, with specific directives included below.

Performance Targets

The Board **ACCEPTS** Staff's recommendation to adopt a "Low- and Moderate-Income Lifetime Savings" metric in place of a "Low-income Lifetime Savings" metric.

Cost Recovery – Energy Efficiency as a Resource

The Board **ADOPTS** Staff's recommendations related to the utilities offering eligible PDR resources into the PJM FCM, such that net revenues from cleared resources are used to offset revenue requirements of the utilities' EE programs. The Board **DIRECTS** that Staff's recommendations set forth herein supersede, in their entirety, the prior recommendations adopted by the Board with respect to EE as a resource.

EM&V

The Board **ADOPTS** Staff's recommendation to rename the Protocols as the Technical Reference Manual. The Board also **ADOPTS** Staff's recommendation to permit the utilities to report on

²² The Joint Utility Coordinated Measures List and 2022 TRM Addendum are available at <https://www.njcleanenergy.com/main/public-reports-and-library/market-analysis-protocols/market-analysis-baseline-studies/market-an>

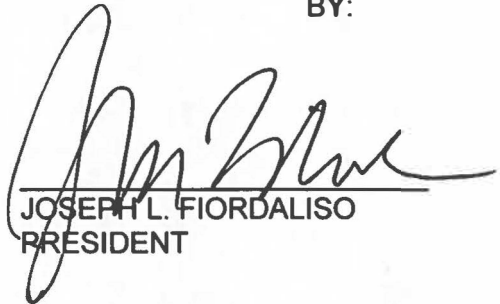
energy savings resulting from implementation of the utilities' EE programs using the Joint Utility Coordinated Measures List during Triennium 1. The Board further **DIRECTS** the utilities to also report on the energy savings resulting from implementation of the utilities' EE programs using the 2022 TRM Addendum, beginning with their annual reports for Program Year 2022 and in subsequent annual reports during Triennium 1.

Finally, the Board **APPROVES** Staff's recommendation for the Statewide Evaluator, EM&V WG, and TRM Committee to support the development of a comprehensive update of the TRM, including input and feedback through a public stakeholder process, for the Board's consideration ahead of the commencement of Triennium 2 EE programs.

The effective date of this Order is October 19, 2022.

DATED: November 9, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



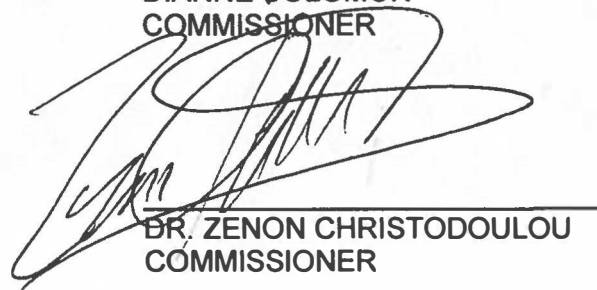
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CARMEN D. DIAZ
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE IMPLEMENTATION OF L. 2018, C. 17 REGARDING THE
ESTABLISHMENT OF ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION
PROGRAMS

IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC FOR APPROVAL OF AN
ENERGY EFFICIENCY PROGRAM, COST RECOVERY MECHANISM, AND OTHER RELATED
RELIEF FOR PLAN YEARS ONE THROUGH THREE

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL
OF NEW ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY
MECHANISM PURSUANT TO THE CLEAN ENERGY ACT AND THE ESTABLISHMENT OF A
CONSERVATION INCENTIVE PROGRAM

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT
COMPANY FOR APPROVAL OF JCP&L'S ENERGY EFFICIENCY AND CONSERVATION
PLAN INCLUDING ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAMS
(JCP&L EEC)

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR
APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST
RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET
SEQ. AND 48:3-98.1 ET SEQ.

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF ITS CLEAN ENERGY FUTURE ENERGY EFFICIENCY ("CEF-EE")
PROGRAM ON A REGULATED BASIS

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL
OF ITS ENERGY EFFICIENCY PROGRAM AND PEAK DEMAND REDUCTION PROGRAMS

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF NEW ENERGY EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY
PURSUANT TO THE CLEAN ENERGY ACT

DOCKET NOS. QO19010040, EO20090621, GO20090619, EO20090620, GO20090622,
GO18101112, EO18101113, EO20090623, & GO20090618

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