

Danielle Lopez
Associate Counsel - Regulatory

Law Department
80 Park Plaza, T10, Newark, New Jersey 07102-4194
Tel: 973.430.6479
Email: Danielle.Lopez@pseg.com



May 30, 2023

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 AND QO17091004
and

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 AND EO18101113

VIA ELECTRONIC MAIL ONLY

Sherri Golden, Board Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

Re: Docket No. QO19010040, QO19060748, QO17091004 - EE and PDR Program Quarterly
Progress Report PY23Q3 – Public Service Electric and Gas Company

Dear Secretary Golden:

In accordance with the June 10, 2020 Order of the New Jersey Board of Public Utilities ("Board") in the above-referenced EE Framework proceeding, and the Board's September 23, 2020 Order in the above-referenced Public Service Electric & Gas Company Clean Energy Future – Energy Efficiency proceeding, PSE&G is hereby submitting the enclosed EE and PDR Program Quarterly Progress Report PY23Q3.

Copies of this report will be served upon all entities legally required to be noticed. Service will occur via e-mail, only, pursuant to the Board's March 19, 2020 Order in Docket No. EO20020254.¹ The report and attachments will also be e-mailed to the persons identified on the service list associated with this report.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", with a stylized flourish at the end.

Danielle Lopez

Attachments
cc: K. Fryzowski
N. Hoque

¹ *In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic For a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, Docket No. EO20030254, p 3 (March 19, 2020 Order).

May 30, 2023

DOCKET NOS. QO1901040, QO19060748 & QO17091004 (June 20, 2020 Framework Order) and GO18101112 & EO18101113 (PSE&G's Clean Energy Future-Energy Efficiency Settlement Order)

Dear Secretary Golden:

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for Program Year July 2022 through June 2023 ("PY23") of Public Service Electric and Gas Company ("PSE&G" or "Company") with respect to its Clean Energy Future – Energy Efficiency Program, pursuant to Clean Energy Act of 2018 Energy Efficiency ("EE") and Peak Demand Reduction ("PDR") Programs.

Energy Efficiency Program Progress - Executive Summary:

PSE&G is pleased to report that it has continued its strong performance during the first three quarters of PY23, ending March 31, 2023. The EE program portfolio has delivered over 683 thousand MWh and 1.56 million dekatherms of annual savings in the first three quarters. As Figure 1 shows, the Company has made good progress towards its PY23 targets. As of March 31, the Company has spent and enrolled approximately 91% of the approved budget. In addition to these enrollments, we have additional leads of approximately \$103 million¹. Based on expected level of performance through Q3 PY23, the Company continues to forecast that it will fully enroll all program funding by September 2023 as required by its BPU Order.

Tables 1A and 1B shows the Company's overall performance as measured relative to the Utility Program Annual Energy Savings Target established as a percentage of retail sales as specified in the Board Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs. This performance includes savings achieved by the Comfort Partners program, the primary program serving low-income customers and co-managed by the Division of Clean Energy in conjunction with PSE&G and the other investor-owned electric and gas utility companies. Also included are savings from PSE&G's EE 2017 Program, which continued to complete projects in PY23.

¹ Leads are projects in which customers have shown interested prior to enrollment.

Table 1A – Program Year 2023 Results - Electric

Period Covered	Utility-Administered Retail Savings (MWh)	Comfort Partners Retail Savings (MWh)	Other Programs Retail Savings (MWh) ¹	Total Portfolio Retail Savings (MWh)	Compliance Baseline (MWh) ²	Annual Target (%)	Annual Target (MWh) ³	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	187,917	605	235	188,757				
YTD	679,947	1,643	2,176	683,766	40,189,145	0.74%	297,400	230%

Table 1B – Program Year 2023 Results – Natural Gas

Period Covered	Utility-Administered Retail Savings (DTh)	Comfort Partners Retail Savings (DTh)	Other Programs Retail Savings (DTh) ¹	Total Portfolio Retail Savings (DTh)	Compliance Baseline (DTh) ²	Annual Target (%)	Annual Target (DTh) ³	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	434,661	4,055	4,448	443,163				
YTD	1,527,232	9,800	29,180	1,566,212	342,056,585	0.34%	1,162,992	135%

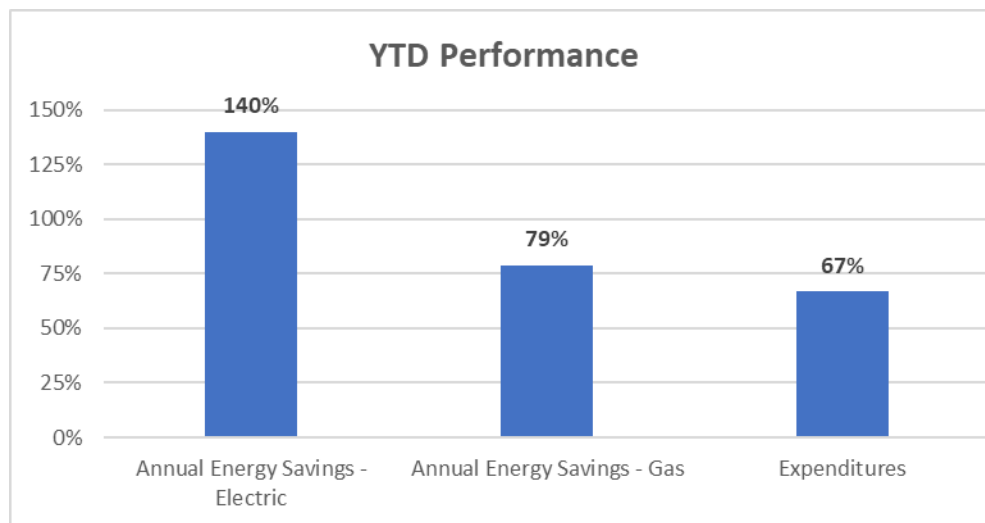
¹ Other Programs include Company-specific programs that are not part of the Clean Energy Act energy efficiency program such as legacy programs and pilots. For PSE&G, these include EE 2017 programs and projects completed during PY23.

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 Calculated by multiplying Compliance Baseline by Utility-Administered Annual Energy Reduction Target Percent.

PY23 YTD Performance of Annual Energy Savings and Expenditures

Figure 1 shows that the Program Year 2023 YTD electricity savings is 140% of the PY23 annual savings target as filed in the Company’s CEF-EE filing, and natural gas savings is 79% of the PY23 annual savings target as filed in the Company’s CEF-EE filing, while PY23 YTD spending is 67% of the PY23 expenditure projection. See Tables 2 and 4 below for supporting details.

Figure 1

In addition to these results, other highlights and issues for the quarter include the following:

Clean Energy Jobs Program - The PSE&G Clean Energy (CE) Jobs Program targets unemployed, underemployed, low/middle-income New Jersey residents and has created economic opportunity for more than 2,200 individuals as of March 31, 2023. The program has trained and upskilled more than 400 employees to foster long-term careers and a pathway to career growth. In addition, the program has also sponsored two cohorts of the On-the-Job Training Program resulting in 24 graduates from the program being placed in full-time positions. The program has also sponsored training for more than 100 organizations on how to obtain their Minority, Women, or Veteran Business Enterprise (MWVBE) certifications. In addition, the program was issued a national award from the Association of Energy Services Professionals for the work PSE&G is doing to meet the growing need for skilled workers in New Jersey's energy efficiency industry.

CEF-EE Extension – As discussed in Utility Working Group meetings, PSE&G's program approval cycle (October 2020-September 2023) is not aligned with those of the other utilities nor with the BPU Framework Order's three-year Program Year cycle (July-June). To remedy this misalignment, PSE&G submitted a request to extend its current filing for an additional nine months to bring its authorized program cycle in line with the BPU Framework Order. This matter has been settled, with a Board Order issued on May 24, 2023 approving the Stipulation of Settlement dated May 15, 2023.

Statewide Coordination - As discussed in the prior reports, the joint utilities identified the issue of constrained budgets between gas and electric utilities that share a service territory, and submitted a petition with a proposed solution for the first program cycle of the utilities' energy efficiency programs. The letter petition was approved at the August 17, 2022 Board meeting, and directed the utilities to work together to implement the processes and controls to support the solution detailed in the Order.

The joint utilities continue to hold regular meetings with its Statewide Coordinator ("SWC") vendor to develop the platform needed to accurately share cost and energy savings information between utilities. However, as of the date of this report, the SWC system is not yet fully tested and operational. Therefore the utilities have not yet transferred information for expenditures and energy savings that a Lead utility has secured for the Partner utility. As discussed during Utility Working Group ("UWG") meetings, Lead utilities are supporting the incentives for comprehensive projects that address both fuels with the intention to transfer all information through the SWC when the system is operational and integrated with each utility's program management software and tracking system. Accordingly, the information reflected within this quarterly report reflects all investments made for approved energy efficiency programs, including investments made by PSE&G as the Lead utility on behalf of a Partner utility. Energy savings shown within this report reflect all electric and natural gas savings from projects led by PSE&G.

Municipal and State Customer Participation in the Utility Led EE Programs – Concerns were raised by some municipal customers late in 2021 regarding their ability to avoid public bidding regulations when participating in PSE&G Small Business Direct Install Program. DCA had indicated that a prior exemption will no longer be allowed. However, after further discussions and collaboration with PSE&G, DCA and BPU staff a solution is being worked on. The municipal sector is a key customer segment within the small business community, and a part of the small business Quantitative Performance Indicator ("QPI"), so resolving this issue is a priority.

Additionally, all utilities have been working collaboratively with BPU staff and other relevant state agencies to resolve similar concerns related to State-owned building's participation in the Small Business Direct Install program and the Engineered Solutions programs.

Finally, all utilities have been working collaboratively with BPU staff and other relevant state agencies to determine the most effective methods by which government customers and facilities can participate in utility EE programs concurrent with the State's Energy Savings Improvement Program ("ESIP").

Quantitative Performance Indicators

Table 2 provides the results of the QPIs for all programs for which utilities are responsible, inclusive of the Clean Energy Act-funded programs, Comfort Partners program and the EE 2017 Program.

As Table 2 shows, PSE&G had strong performance on the metrics that are included in the QPIs.

Table 2 – Quantitative Performance Indicators Table

Electric

Electric	Quarter				Year to Date				For Period Ending PY23Q3	
	Utility-Administered Quarter Retail Savings	Comfort Partners Quarter Retail Savings	Other Programs Quarter Retail Savings	Total Portfolio Quarter Retail Savings	Utility-Administered YTD Retail Savings	Comfort Partners YTD Retail Savings	Other Programs YTD Retail Savings	Total Portfolio YTD Retail Savings	Annual Target ¹	Percent of Annual Target Achieved
Annual Energy Savings (MWh)	187,917	605	235	188,757	679,947	1,643	2,176	683,766	487,190	140%
Lifetime Savings (MWh)	2,102,142	9,061	10,089	2,121,292	8,688,771	24,396	38,980	8,752,148	4,705,958	186%
Annual Demand Savings (MW)	6.474	0	0	6.589	90.877	0	0.201	91.343		
Low/Moderate-Income Lifetime Savings (MWh) ²	31,656	9,061	-	40,717	559,911	24,396	-	584,307		
Small Commercial Lifetime Savings (MWh) ³	940,028		-	940,028	3,423,858		8,220	3,432,079		

Natural Gas

Natural Gas	Quarter				Year to Date				For Period Ending PY23Q3	
	Utility-Administered Quarter Retail Savings	Comfort Partners Quarter Retail Savings	Other Programs Quarter Retail Savings	Total Portfolio Quarter Retail Savings	Utility-Administered YTD Retail Savings	Comfort Partners YTD Retail Savings	Other Programs YTD Retail Savings	Total Portfolio YTD Retail Savings	Annual Target ¹	Percent of Annual Target Achieved
Annual Energy Savings (Dth)	434,661	4,055	4,448	443,163	1,527,232	9,800	29,180	1,566,212	1,973,667	79%
Lifetime Savings (Dth)	2,901,618	68,958	59,749	3,030,325	12,394,381	173,425	478,994	13,046,801	15,163,130	86%
Annual Demand Savings (Dth Peak Day)										
Low/Moderate-Income Lifetime Savings (Dth) ²	253,961	68,958	-	322,920	1,171,137	173,425	-	1,344,562		
Small Commercial Lifetime Savings (Dth) ³	695,798		-	695,798	1,702,275		12,681	1,714,955		

¹ Annual targets reflect estimated impacts as filed in the Company's CEF-EE filing

² Low/Moderate-Income lifetime savings are provided separately for Comfort Partners and any income-qualified Residential or Multi-Family program.

³ Small Commercial lifetime savings are Direct Install program savings and those from C&I small business customers (<200 kW peak demand) in other programs.

Sector-Level Participation, Expenditures, and Annual Energy Savings

Residential Sector Summary

PSE&G's CEF-EE Residential programs have delivered 336,083 MWh of electric savings and 1,332,301 dekatherms of natural gas savings through Q3 PY23, approximately 191% of the residential electric and 98% of the residential natural gas Program Year 2 targets. The electric savings continue to be driven by LED lighting, however, the other residential programs are now also contributing significant savings. Availability of On-Bill Repayment (OBR) for the Home Performance with Energy Star program and HVAC equipment has also helped to drive participation. Based upon feedback from participating contractors, PSE&G increased the OBR cap on March 8th from \$15,000 to \$25,000 for customers who have both gas and electric service through PSE&G or are an all-electric customer.

PSE&G has continued to conduct marketing campaigns to educate and inform customers about the residential and commercial and industrial program offerings, deploying a wide range of digital, print, and conventional tactics. PSE&G continued its sponsorship campaign with the NY Giants NFL team to promote portfolio-wide residential energy efficiency program offerings during televised games, postgame coverage and online videos, the team's podcast, and on display and signage throughout the stadium during home games.

Specific Residential program results include the following:

- The Efficient Products program delivered 248,187 MWh and 849,435 dekatherms of savings through Q3 PY23, driven by 171,595 MWh of electric savings from the mid-stream lighting channel, which equates to approximately 69% of the annual electric savings for this subprogram. Please see Tables 3, 4 and 5 for additional details on participation, expenditures and savings compared to expectations.
- Retail mark downs – Approximately one million LED bulbs were discounted over the quarter. PSE&G continued running digital banner and paid search ads. Marketing efforts from January through March included streaming video ads and connected TV video advertising. During this timeframe, PSE&G also deployed emails and direct mail postcards to customers.
- Retail appliance rebates have several pathways for participation: instant rebates at participating retail locations, in-store coupons at participating locations, and post purchase online/mail in rebates. Participation pathways vary by products, and customers utilized all pathways in the past quarter. During the quarter, PSE&G added ventilation fans to the Appliance Rebate program. In total, over 5,000 appliances and water heaters were incentivized over the quarter. Fourteen retail store events were completed during the quarter with staff located in prominent locations within the stores to provide program information to customers. Marketing efforts included high impact display ads, digital banners, streaming audio, and paid search ads. PSE&G further promoted appliance rebates paired with the opportunity for Presidents' Day savings at participating retailers via email campaigns and a direct mail postcard. Direct outreach included a consistent deployment of emails and a direct mail postcard in January.

- The Appliance Recycling segment of the program saw steady performance. Approximately 1,900 units were picked up during this period. Marketing efforts in this timeframe included digital banner and paid search ads, as well as paid social advertising. Billboards and Google discovery ads were also utilized to promote the Recycling Program along with regular email campaigns and the program also promoted to customers through an e-newsletter article in February.
- The HVAC segment of this program continues to gain new trade allies, with participating contractors going from 173 to 202 over the quarter, a 16% increase, and adding two new distributors for a total of 33. Rebates totaled over \$.89 million this quarter, and On-Bill Repayments totaling \$.85 million. Marketing efforts during the third quarter included digital banner ads, Google discovery ads, and paid search ads. Additional marketing included email campaigns with focused incentive messaging based on customer fuel service type.
- The on-line Marketplace segment of the program has continued to see strong sales throughout the quarter, driven by sales of smart thermostats, with lighting also contributing strong results. For this quarter, PSE&G has rebated 12,291 smart thermostats (includes smart thermostats rebated under Offer Center), 40,682 lighting products and 7,657 energy savings kits (comprised of 3 different types of kits – electric savings kits, gas savings kits and dual fuel savings kits). The PSE&G Offer Center which was launched in November 2022 provides Low Income, single family residential customers² with smart thermostats at no cost. This offer is marketed to eligible customers thru multiple email marketing campaigns and mailed postcard campaigns. The Offer Center rebated 1,487 smart thermostats in Q3. Marketing efforts during this quarter included digital banners, Google search ads, as well as paid social ads. Additional marketing included regular email campaigns over the time period and also leveraging the MyEnergy program Home Energy report messaging, energy challenges and buck-slips.
- The Welcome Kits segment of this program provides free welcome kits to new residential customers. Kits continued to be distributed at a high volume throughout the quarter, with more than 33,000 electric kits and 36,000 gas kits distributed.
- The Existing Homes Program delivered 15,211 MWh and 122,119 dekatherms of savings for the first three quarters, driven by strong results under the Quick Home Energy Checkup (QHEC) portion of the Program and continued growth in the Home Performance with Energy Star segment.
- The QHEC program completed 9,526 QHEC appointments during the quarter. The QHEC online appointment scheduler has been updated to include an enhancement for better end-user experiences. The utilization of the recently added address/last name lookup function has simplified the end-users' experience for those that do not have their account number on hand. Digital advertising included digital banners, Google discovery, paid social, paid search, and streaming audio ads. Deployed regular email and direct mail postcard campaigns, as well as the distribution of door hangers direct to customer residences. The Company also leveraged utility-owned channels during the quarter with Home Energy Report messaging and a banner on the PSE&G homepage.
- The single-family portion of the Home Performance with Energy Star Program continues to perform steadily with 605 completed single family projects during this quarter, of which 514 customers utilized OBR. The multi-family HPwES program pipeline remained steady compared to the previous quarter. The current quarter saw 679 units (45 buildings) completed, including 340

² Eligible customers must take both PSE&G gas and electric service.

of those units utilizing OBR. Digital advertising efforts included digital banner, Google discovery, high impact display, native display, and paid search ads. HPwES was also cross promoted via general home energy assessment advertising on television commercials, streaming video ads, and smart TV ads. Other marketing efforts included monthly email campaigns.

- The *MyEnergy* Behavioral Program delivered 40,555 MWh and 330,197 dekatherms of savings over the first three quarters. About 2.8 million paper reports and 2.5 million digital reports were delivered to customers over the quarter. As referenced in other sections of this report, the *MyEnergy* program was leveraged over the quarter to promote other residential programs to its treatment group participants using biweekly email challenges, mailed postcard challenges and buck-slip inserts with the home energy reports. The program also continued sending out emailed energy challenges to non *My Energy* participants in this quarter and have noticed continued high engagement and open rates from recipients in this group. In February 2023, the program modified the messaging for a subset of dual fuel customers who were previously being optimized for gas savings utilizing gas only reports during the winter months. This subset of customers was reverted back to dual fuel reports to also include messaging during the summer months to increase electric savings. The program also upgraded the online version of the Home Energy Analyzer Tool to a newer version called the Home Energy Assessment (HEA) Tool in November 2022. Since its launch in November 2022, the new HEA tool has enabled 3,407 (both authenticated and unauthenticated) participants to take their assessment. The program also added 197,222 treatment group customers in January 2023.
- The Income Eligible Program (Home Weatherization) delivered 32,130 MWh and 30,551 dekatherms of savings over the first three quarters. During the quarter, 1,190 assessments and deeper energy efficiency work worth \$1.9 million were performed. The Home Energy Assessment Tool was activated in late 2022. The tool is designed to assist and direct customers to the program that can offer them the most appropriate and effective Energy Efficiency energy assessment options for their residence, including Comfort Partners. The Company continued direct outreach efforts including email campaigns, as well as direct mail postcards and door hanger distribution to customer residences. Digital marketing efforts included the continuation of high impact display, digital banner, discovery, paid social, paid search and streaming audio ads. The Company also leveraged utility-owned channels during the quarter including a banner ad on the PSE&G homepage, an e-newsletter article, a *MyEnergy* email challenge, mailed Energy Challenge postcards and Home Energy Report messaging. Finally, the Company hosted a webinar with local community organizations to educate them on the benefits of the Home Weatherization Program so that they may promote the offering to their constituents. Attendees were provided with a digital toolkit which includes flyers and social media posts to enable the organizations to conduct their own outreach.

Commercial and Industrial (C&I) Sector Summary

PSE&G's CEF-EE C&I Programs delivered 339,709 MWh of electric savings and 154,069 dekatherms of natural gas savings in the first three quarters of PY23, approximately 116% of PSE&G's C&I electric target and 26% of PSE&G's C&I natural gas savings target. See Tables 3, 4 and 5 for additional details on participation, expenditures and savings compared to expectations. The Company's C&I programs saw a significant increase in project throughput in Q3. The Company continued to see consistent performance for transactional programs.

Similar to the previous quarters, the C&I sector continued to see COVID related delays stemming from lingering supply chain and customer hesitancy.

Specific C&I program results include the following:

- The Prescriptive program delivered the greatest amount of C&I Program electric savings during the quarter, with 314,921 MWh of electric savings in the first three quarters of PY23 which included 227,652 MWh being delivered through its mid-stream lighting channel, and 87,270 MWh through its other channels. This program also delivered 66,451 dekatherms of natural gas savings over the first three quarters. The Company ended the current quarter with 292 Trade Allies and 52 distributors. The Prescriptive program has approximately \$23 million in the project pipeline³.
- The C&I Small Business Direct Install Urban Enterprise Zone (UEZ)/Municipal program delivered 8,646 MWh and 53,520 dekatherms for the first three quarters. Ramp up still remains uncertain due to COVID concerns, customer hesitancy, supply-chain issues and in part due to the issue with DCA discussed earlier. PSE&G has a robust pipeline of interested customers, valued at about \$103 million.
- The C&I Small Business Direct Install Non-UEZ Program delivered 2,675 MWh and 2,610 dekatherms of savings during over the first three quarters. The Small Business Direct Install – Non-UEZ program has over \$23 million in the project pipeline as of March 31, 2023. The current quarter results and pipeline growth both exceed the sum of the first two quarters of PY23.
- The Engineered Solutions Program currently has delivered 2,022 MWh of electric savings for the first three quarters. To date, the program has completed 5 projects with 4 projects in construction, 10 in design, and over 60 in the audit phase. The pipeline for this program has grown considerably with about \$388 million in pipeline value. The Company expects to see results from additional projects later in PY23.
- The C&I Custom Program delivered 11,445 MWh of electric savings and 31,511 dekatherms of natural gas savings over the first three quarters. The C&I Custom program has approximately \$3 million in the project pipeline as of March 31, 2023.
- As a result of the transition between Implementation Contractors, the C&I Energy Management Program has simplified the process by eliminating Memorandums of Understanding (MOU's) and absorbing them into Customer Participation Agreements (PA) and developed a program guide and tools to provide incentive structure and detailed list of requirements to the applicants. As of March 31, 2023, 14 customers are reviewing PAs. The C&I Energy Management program has approximately \$.7 million in the project pipeline as of March 31, 2023.
- In total, the Company's C&I sector has a project pipeline of approximately \$541 million.

Multifamily Sector Summary

The Company's Multifamily Direct Install (MFDI) program installs low cost high efficiency measures at no cost to the resident. The Multifamily DI program delivered 4,155 MWh and 40,861 Dekatherms of

³ Pipeline represents enrollments and customer leads prior to enrollment.

savings in the first three quarters of PY23, approximately 23% of PSE&G's Multifamily electric target and 147% of PSE&G's Multifamily natural gas savings target.

The outreach pipeline has grown to over 134,600 units as of the end of the quarter with 3,812 units completed during the quarter. Marketing efforts included digital banner and paid search ads throughout the quarter, as well as an email and direct mail campaign to property managers and building owners.

Program Participation

Participation levels can vary substantially due to changes in market channel approach, and ramp up time. The quantity of C&I participants is far greater than planned due to the inclusion of a small business kit approach that was developed during the year but had not been planned. Multifamily participation lagged due to ramp up challenges.

Table 3 – Annual Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	1,620,099	3,101,219	3,787,000	82%
Multifamily	3,812	10,430	19,200	54%
C&I	1,905	4,951	6,968	71%
Reported Totals for Utility Administered Programs	1,625,816	3,116,600	3,813,168	82%
Comfort Partners	677	1,843	2,800	66%
Utility Total	1,626,493	3,118,443	3,815,968	82%

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

Program Expenditures

Program expenditures over the quarter continued to reflect the ramp up delivery of all programs over time, building program awareness, adding new contractors and trade allies to its qualified list, and completing project designs for C&I customers. Only the Comfort Partners program spending reflects a steady state of quarterly expenditures relative to the Program Year budget.

Table 4 – Annual Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 42,364	\$ 146,083	\$ 117,366	125%
Multifamily	\$ 953	\$ 3,016	\$ 4,970	61%
C&I	\$ 42,896	\$ 119,523	\$ 280,009	43%
Reported Totals for Utility Administered Programs	\$ 86,213	\$ 268,622	\$ 402,346	67%
Comfort Partners	\$ 5,458	\$ 14,214		N / A
Utility Total	\$ 91,672	\$ 282,836	\$ 402,346	70%

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

Program Savings

The Residential sector continues to produce the strongest performance relative to its targets for the Program Year, primarily due to the transactional nature of the programs, and the swift growth in several programs driven by customer interest. Additionally, the Comfort Partners program has been on-going for over a decade, so the results represent a steady state, mature program.

Table 5 – Annual Sector-Level Annual Energy Savings

Electric

Annual Energy Savings ¹	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	68,650	336,083	175,806	191%
Multifamily	1,984	4,155	17,675	24%
C&I	117,283	339,709	293,708	116%
Reported Totals for Utility Administered Programs	187,917	679,947	487,190	140%
Comfort Partners	605	1,643	3,485	47%
Utility Total	188,522	681,590	490,675	139%

Natural Gas

Annual Energy Savings ¹	Quarter Retail (Dth)	YTD Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	332,095	1,332,301	1,358,502	98%
Multifamily	15,252	40,861	27,716	147%
C&I	87,313	154,069	587,449	26%
Reported Totals for Utility Administered Programs	434,661	1,527,232	1,973,667	77%
Comfort Partners	4,055	9,800	18,665	53%
Utility Total	438,715	1,537,032	1,992,332	77%

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

Portfolio Expenditures Breakdown

For PY23 Q3, PSE&G's energy efficiency programs had approximately \$89 million in total expenditures. Overall spending reflects the initial ramp up of customers into the various programs. Capital cost spending is driven by the Company's IT projects, bringing additional elements of its new tracking system on line, as well as other IT projects that will enhance the customer experience when interacting with PSE&G via its customer service center, digitally, or through social media.

Table 6 – Quarterly costs and budget variances by category¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs	\$ 427	\$ 4,479	\$ -	N / A
Utility Administration	\$ 4,753	\$ 12,284	\$ 58,604	21%
Marketing	\$ 1,892	\$ 6,041	\$ 3,587	168%
Outside Services	\$ 4,537	\$ 43,104	\$ -	N / A
Rebates	\$ 60,779	\$ 167,887	\$ 183,756	91%
No- or Low-Interest Loans	\$ 14,697	\$ 39,478	\$ 158,988	25%
Evaluation, Measurement & Verification ("EM&V")	\$ 909	\$ 3,029	\$ 7,018	43%
Inspections & Quality Control	\$ 829	\$ 2,614	\$ 7,790	34%
Utility EE/PDR Total	\$ 88,823	\$ 278,916	\$ 419,743	66%

¹ Totals do not include expenditures at the portfolio level. PSE&G's full year budget reporting categories, established with the approved settlement of PSE&G's CEF-EE Program, did not align with the current reporting categories. The Company has worked to align Full Year Budget values with current reporting. All reported actuals are aligned with current reporting categories.

Equity Metrics

The equity metrics provided in Table 7 reflect designations of overburdened communities (OBC), established by the New Jersey office of Environmental Justice⁴. Per guidance from the BPU, identified overburdened communities contained in Table 7 reflect customers who are identified as low income, low income & limited English, low income & minority, and low income, minority, & limited English. Census tracks identified as overburdened were overlaid with geocode information on PSE&G accounts to determine the OBC state of each customer and each EE program participant.

Table 7 Annual Equity Performance

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	%OBC ²
Population	1,073,097	3,511,914	23%
# of Household Accounts ³	928,983	3,193,786	23%
# of Business Accounts ³	144,114	318,128	31%
Total Annual Energy (MWh) ⁴	9,082,990	34,254,821	21%
Total Annual Energy (Dth) ⁴	58,638,186	227,414,873	20%

⁴ See <https://www.nj.gov/dep/ej/communities.html>

	Type of Program / Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	Annual Overburdened ¹	Annual Non-Overburdened	%OBC ²
Participation							
Residential - Online Marketplace ⁵	Core	638	19,643	3%	3,252	63,468	5%
Residential - Other Efficient Products ⁵	Core	8,759	48,907	15%	32,217	145,333	18%
Residential - HPwES	Core	15	629	2%	49	1,701	3%
Residential - Quick Home Energy Checkups	Non-core	1,505	4,400	25%	5,468	14,473	27%
Residential - Income-Eligible Weatherization	Non-core	557	1,527	27%	1,529	3,784	29%
Residential - Behavioral	Non-core	287,615	1,154,397	20%	304,386	1,215,211	20%
C&I - Prescriptive	Core	314	906	26%	761	2,339	25%
C&I - Custom	Core	6	43	12%	21	75	22%
C&I - Direct Install	Core	24	54	31%	39	103	27%
Total Core Participation		9,756	70,182	12%	36,339	213,019	15%
Total Non-Core Participation		289,677	1,160,324	20%	311,383	1,233,468	20%
Total Participation		299,433	1,230,506	20%	347,722	1,446,487	19%
Annual Energy Savings - Electric (MWh)							
Residential - Online Marketplace ⁵	Core	54	6,779	1%	591	19,026	3%
Residential - Other Efficient Products ⁵	Core	1,181	41,943	3%	7,165	221,405	3%
Residential - HPwES	Core	4	405	1%	18	1,100	2%
Residential - Quick Home Energy Checkups	Non-core	609	4,750	11%	2,413	11,680	17%
Residential - Income-Eligible Weatherization	Non-core	177	805	18%	707	31,423	2%
C&I - Prescriptive	Core	33,989	75,346	31%	72,587	242,334	23%
C&I - Custom	Core	512	2,273	18%	1,040	10,405	9%
C&I - Direct Install	Core	591	3,459	15%	1,832	9,489	16%
Total Core Annual Energy Savings		36,330	130,205	22%	83,233	503,759	14%
Total Non-Core Annual Energy Savings		787	5,555	12%	3,120	43,103	7%
Total Annual Energy Savings (MWh)		37,116	135,760	21%	86,353	546,862	14%
Lifetime Energy Savings - Electric (MWh)							
Residential - Online Marketplace ⁵	Core	478	78,972	1%	5,938	200,369	3%
Residential - Other Efficient Products ⁵	Core	13,523	560,274	2%	85,777	3,073,124	3%
Residential - HPwES	Core	80	6,730	1%	347	19,307	2%
Residential - Quick Home Energy Checkups	Non-core	8,501	65,536	11%	33,306	161,839	17%
Residential - Income-Eligible Weatherization	Non-core	2,415	16,048	13%	9,726	470,504	2%
C&I - Prescriptive	Core	508,988	689,433	42%	1,082,411	3,094,388	26%
C&I - Custom	Core	6,681	28,580	19%	6,681	149,763	4%
C&I - Direct Install	Core	8,586	51,450	14%	13,338	155,061	8%
Total Core Lifetime Energy Savings		538,336	1,415,439	28%	1,194,492	6,692,013	15%
Total Non-Core Lifetime Energy Savings		10,916	81,584	12%	43,032	632,343	6%
Total Lifetime Energy Savings (MWh)		549,252	1,497,022	27%	1,237,524	7,324,356	14%

	Type of Program / Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	Annual Overburdened ¹	Annual Non-Overburdened	%OBC ²
Annual Energy Savings - Natural Gas (Dth)							
Residential - Online Marketplace ⁵	Core	2,487	47,591	5%	13,475	238,460	5%
Residential - Other Efficient Products ⁵	Core	16,580	32,143	34%	57,979	539,522	10%
Residential - HPwES	Core	761	23,218	3%	2,797	57,615	5%
Residential - Quick Home Energy Checkups	Non-core	3,447	19,998	15%	15,246	46,460	25%
Residential - Income-Eligible Weatherization	Non-core	2,257	8,650	21%	7,747	22,804	25%
C&I - Prescriptive	Core	2,297	55,896	4%	6,141	60,310	9%
C&I - Custom	Core	842	15,798	5%	3,872	27,638	12%
C&I - Direct Install	Core	1,063	11,441	8%	9,128	47,002	16%
Total Core Annual Energy Savings		24,029	186,089	11%	93,393	970,547	9%
Total Non-Core Annual Energy Savings		5,705	28,648	17%	22,993	69,264	25%
Total Annual Energy Savings (Dth)		29,733	214,737	12%	116,386	1,039,811	10%
Lifetime Energy Savings - Natural Gas (Dth)							
Residential - Online Marketplace ⁵	Core	18,635	376,059	5%	100,209	1,819,806	5%
Residential - Other Efficient Products ⁵	Core	165,293	471,103	26%	574,850	5,101,532	10%
Residential - HPwES	Core	15,909	461,371	3%	57,999	1,182,876	5%
Residential - Quick Home Energy Checkups	Non-core	22,198	198,070	10%	138,835	458,616	23%
Residential - Income-Eligible Weatherization	Non-core	31,138	111,330	22%	104,205	336,231	24%
C&I - Prescriptive	Core	45,452	281,819	14%	122,022	360,871	25%
C&I - Custom	Core	10,942	178,123	6%	56,403	269,872	17%
C&I - Direct Install	Core	20,634	179,330	10%	62,898	921,623	6%
Total Core Lifetime Energy Savings		276,865	1,947,805	12%	974,380	9,656,580	9%
Total Non-Core Lifetime Energy Savings		53,337	309,401	15%	243,041	794,847	23%
Total Lifetime Energy Savings (Dth)		330,202	2,257,206	13%	1,217,421	10,451,427	10%

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 Program Year.

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

5 Efficient Products Program, Lighting participants represent sales of products originating from stores located within an Overburdened Community. This metric is not intended to identify individual participants who reside in Overburdened Community, but rather the proportion of retail lighting sales stemming from locations serving Overburdened Communities aligned to BPU Staff's modifications.

6 Individual line items or totals as listed in the OBC table may differ from those results in Appendix B table due to elements of some programs not having a customer addresses, rounding, or other issues matching customer addresses with OBC data.

Conclusion

PSE&G is pleased to provide the results contained in this report and the detailed spreadsheet that accompanies this report. The Company looks forward to continued collaboration with Board Staff, Rate Counsel, 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", is positioned above the printed name.

Danielle Lopez

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

Sector	Program	Sub-Program	Participant Definition as Lead Utility
Residential	Efficient Products	On-line Marketplace	Quantity of units sold (based on SKU), net of returns
		Residential Lighting - Midstream	Quantity of units sold (based on SKU), net of returns
		HVAC	Quantity of HVAC units sold
		Appliance Recycling	Count of visits to a premise to pick up equipment
		Appliance Rebates	Quantity of units rebated (based on SKU)
		Energy Efficiency Kits	Count of kits delivered to customers
	Existing Homes	Home Performance with Energy Star	Count of completed projects
		Quick Home Energy Checkup	Count of completed visits
	Behavioral	Behavioral	Count of treatment group customers at the end of the reporting period quarter
	Income Eligible	Income Eligible – Home Weatherization	Count of completed projects Count of kits distributed
Commercial and Industrial	C&I Direct Install	Direct Install	Count of applications/projects completed
	Prescriptive	Prescriptive	Count of applications/projects completed
	Engineered Solutions	Engineered Solutions	Count of applications/projects completed
	Custom	Custom	Count of applications/projects completed
	Energy Management	Energy Management	Count of applications/projects completed
Multifamily	Multifamily	Multifamily (Direct Install)	Count of units with completed visits
		Home Performance with Energy Star	Count of projects completed, which are based on buildings
		C&I Prescriptive	Count of applications/projects completed with property owner
		C&I Custom	Count of applications/projects completed with property owner
		Engineered Solutions	Count of applications/projects completed with property owner