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March 29, 2024

VIA E-MAIL

Sherri Golden, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0359

Re: In the Matter of Petition of Public Service Electric and Gas Company for Approval of its Energy Efficiency Clean Energy Future – Energy Efficiency Program and Recovery of Associated Costs (“CEF-EE”), BPU Dockets GO18101112 and EO18101113

Notice of Transfer of Funds

Dear Secretary Golden:

Please allow this letter to serve as a request for Board of Public Utilities (“BPU”) Staff approval of a budget reallocation among Clean Energy Future – Energy Efficiency (“CEF-EE”) program sectors and subprograms, as specified below. Public Service Electric & Gas (“PSE&G” or the “Company”) is providing this notice in accordance with the requirement for Staff approval for shifting sub-program budgets between sectors, as detailed on page seven of the Board’s September 23, 2020 Order Adopting Stipulation (“CEF-EE Order”)¹ and further clarified in paragraph 25 on page seven of the Stipulation approved by the Board on May 24, 2023 (“CEF-EE Extension Order”).² This transfer request is made to adjust program budgets to align with customer and market demands.

¹ 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, Order Approving Stipulation, BPU Docket Nos. GO18101112 and EO1012113, dated September 23, 2020.

² 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, Order Approving Stipulation, BPU Docket Nos. GO18101112 and EO18101113, dated May 24, 2023.

On June 10, 2020, the New Jersey Board of Public Utilities (the “Board”) issued an Order that directed each electric and gas public utility in the State of New Jersey to establish energy efficiency and peak demand reduction programs pursuant to the Clean Energy Act of 2018. In accordance with the June 10, 2020 Order and Stipulation, the CEF-EE Stipulation provides flexibility in the administration of the EE subprograms by allowing PSE&G to shift its sub-program budgets out of an individual sub-program within the residential sector or within the C&I sector, up to 25% of the individual sub-program’s total budget with Staff notification (which should be provided within 30 days following the change), 25-50% with Staff approval, and over 50% with Board approval. The CEF-EE Stipulation identifies the subprogram budgets for the program’s first triennial. Additionally, up to 5% of individual sector budgets may be shifted between or among sectors with Staff notification, 5-10% with Staff approval and over 10% with Board approval.

On May 24, 2023, the Board issued the CEF-EE Extension Order, which provided for additional funding to continue offering CEF-EE subprograms for an additional nine months, through June 2024.³

The below table sets forth the current budget reallocation request under “April 2024 Reallocation.” The table also includes the current budget, including the Company’s most recent budget reallocation, which was submitted on February 22, 2024, as shown below under “CEF-EE I Revised Budget as of February 2024.”

PSE&G hereby requests BPU review of a request to transfer \$57 million from the C&I Engineered Solutions subprogram to the following subprograms: \$20 million to C&I Prescriptive, \$26 million to Residential Efficient Products and \$11 million to Residential Existing Homes within the CEF-EE Program. PSE&G is making this request in order to align the approved funds with the demand for energy efficiency projects. Customer demand for the Residential Efficient Products, Residential Existing Homes and C&I Prescriptive Subprograms has been increasing. Strong residential response, originally driven by customers being home more often since COVID has persisted. In order to meet current customer demand in these programs, PSE&G proposes to transfer funds from the Engineered Solutions Subprogram which has a longer development lead time where commitments are made to enrolled customers over a longer period of time. The transfer of more than 5% of funds between the C&I sector to the Residential sector triggers the need for Staff approval.

³ The CEF-EE Extension Order reset the baseline for future budget adjustments.

Program Component	April 2024 Reallocation				
	CEF-EE I Revised Budget as of Feb 2024	Apr 2024 Reallocation	CEF-EE I Revised Budget as of Apr 2024	Cumulative Subprogram % Reallocation	Cumulative Sector % Change
Residential Efficient Products	\$ 287,000,000	\$ 26,000,000	\$ 313,000,000	26.2%	16.6%
Residential Existing Homes	\$ 115,100,000	\$ 11,000,000	\$ 126,100,000	12.5%	
Residential Behavior	\$ 25,200,000		\$ 25,200,000	0.0%	
Residential Multifamily	\$ 13,000,000		\$ 13,000,000	18.2%	
Income Eligible	\$ 56,000,000		\$ 56,000,000	-8.2%	
C&I Prescriptive	\$ 243,900,000	\$ 20,000,000	\$ 263,900,000	8.2%	-9.6%
C&I Custom	\$ 18,000,000		\$ 18,000,000	-24.7%	
C&I Small Non-Resi Efficiency (i.e. DI)	\$ 182,800,000		\$ 182,800,000	-4.3%	
C&I Energy Management	\$ 3,100,000		\$ 3,100,000	-22.5%	
C&I Engineered Solutions*	\$ 303,700,000	\$ (57,000,000)	\$ 246,700,000	-24.7%	
IT*	\$ 36,300,000		\$ 36,300,000	0.0%	
Total Investment	\$ 1,284,100,000	\$ -	\$ 1,284,100,000	0.0%	

In accordance with the CEF-EE and CEF-EE Extension Orders, response to this request is required within 30 days. If there is no response from Staff or Rate Counsel, this request shall be automatically granted.⁴

Thank you for your attention to this matter.

Respectfully submitted,

Stacey M. Mickles

Stacey M. Mickles, Esq.

cc: Service List (via email)

⁴ CEF-EE Order at 11.