Agenda Date: 3/3/21
Agenda Item: 8C

STATE OF NEW JERSEY

Board of Public Utilities
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Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY AND CLEAN ENERGY

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 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.	ORDER ADOPTING STIPULATION DOCKET NOS. QO19010040 AND GO20090622

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Andrew K. Dembia, Esq., New Jersey Natural Gas Company
Nathan Howe, Esq., Counsel for Energy Efficiency Alliance of New Jersey
Eric Miller, Esq., Counsel for Natural Resources Defense Council

BY THE BOARD:

On September 25, 2020, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of a proposed Energy Efficiency ("EE") Program ("SAVEGREEN 2020 Program") ("Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by NJNG, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), the Energy Efficiency Alliance of New Jersey ("EEANJ"), and the Natural Resources Defense Council ("NRDC") (collectively, "Parties") that addresses several issues in this matter.

BACKGROUND

On January 13, 2008, L. 2007, c. 340 ("RGGI Act") was signed into law based on the New Jersey 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. The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies.[1]

Pursuant to Section 13 of the RGGI Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may provide and invest in EE and conservation programs in its service territory on a regulated basis. Upon petition, such investment in EE and conservation programs may be eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas.[2] Ratemaking treatment may include placing appropriate technology and program costs investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board.[3] An electric or gas utility seeking cost recovery for any EE and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.[4]

In May 2018, Governor Murphy ordered the Board and several executive branch agencies to work on an Energy Master Plan ("EMP") that would chart a path for New Jersey to convert its energy production profile to 100% clean energy sources by January 1, 2050. The draft EMP was released in June 2019, and the final EMP was released in January 2020.

Also in May 2018, Governor Murphy signed into law the Clean Energy Act, L. 2018, c. 17("CEA"), which set forth ambitious goals to advance EE in the state. In the two years following passage of the CEA, the Board, Staff, Rate Counsel, electric and natural gas public utility companies, and a broad range of stakeholders worked diligently and collaboratively to review and consider options and best practices on a myriad of topics related to EE.[5]

By Order dated June 10, 2020, the Board approved an EE 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.[6] In the June 2020 Order, the Board directed New Jersey's electric and gas companies to file petitions by September 25, 2020 for approval of three-year programs by the Board by May 1, 2021 to be implemented beginning July 1, 2021.

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[1] N.J.S.A. 26:2C-45.
[2] N.J.S.A. 48:3-98.1(b).
[3] Id.
[4] Id.
[5] The subject matter included details of program design and administration, application of utility targets, filing requirements, cost recovery mechanisms, performance incentives and penalties, evaluation, measurement, and verification, tracking and reporting requirements, a triennial review process, and ongoing stakeholder working groups.
[6] In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040, Order dated June 10, 2020, ("June 2020 Order").

NJNG September 2020 Petition

In the Petition, the Company sought approval to implement 11 subprograms, including five (5) residential subprograms, one (1) multi-family subprogram, four (4) commercial and industrial ("C&I") subprograms, and one (1) pilot subprogram. The residential subprograms would, among other initiatives, promote the purchase and installation of high-efficiency products through rebates and on-bill repayment; provide customers with energy audits and installation of EE measures; allow customers to monitor and compare their energy usage with similar buildings in the area; and provide moderate-income customers with enhanced opportunities to participate in EE programs. Several of these subprograms are grouped under the Existing Homes Program. The C&I subprograms would, among other initiatives, incentivize the installation of energy efficient equipment; optimize energy consumption in existing buildings; provide enhanced incentives for small non-residential customers; and promote comprehensive custom EE projects in C&I buildings. Several of these subprograms are grouped under the Energy Solutions for Business Program. The Multi-Family subprogram would provide a dedicated pathway for multi-family buildings owners and tenants alike to take advantage of EE opportunities, including comprehensive projects, while the Hybrid Heat pilot subprogram would promote and provide incentives for the installation of hybrid heat systems.

The Company proposed a total SAVEGREEN 2020 Program budget of approximately $258.2 million (investment and expense) over a three-year period from July 1, 2021 to June 30, 2024. The proposed programs and associated costs are summarized in the table below:

Program	Proposed Budget (3-Year Program)
Behavioral	$5,275,086
EE Products	$56,768,985
Existing Homes	$41,993,503
Multi-Family	$25,542,959
Direct Install	$48,911,127
Energy Solutions for Business	$70,699,388
Hybrid Heat Pilot	$5,573,851
Portfolio	$3,468,666
TOTAL	$258,233,566

In addition to approval of the plan to implement the SAVEGREEN 2020 Program, the Company requested approval of a cost recovery mechanism. Specifically, NJNG requested authority to recover the revenue requirement associated with the costs to implement the SAVEGREEN 2020 Program, including incentives, outside services, inspections, and quality control, information technology costs, and operations and maintenance ("O&M") costs. The Company proposed to recover SAVEGREEN 2020 Program costs through a separate surcharge clause of its tariff, Rider F. The revenue requirement recovered through Rider F would be designed to recover the annual costs of the SAVEGREEN 2020 Program, as well as true-up for any prior period over/under recovery. The Company proposed to recover lost revenues from reduced gas sales associated with the SAVEGREEN 2020 Program by way of its current Conservation Incentive Program

("CIP") mechanism. The Company proposed a change to the EE rate effective July 1, 2021 to coincide with the beginning of the effective date of the SAVEGREEN 2020 Program.

The Company estimated that the initial annual bill impact for a typical residential customer using 1,000 therms annually would be an increase of $21.00 or 1.8% for the first year of the SAVEGREEN 2020 Program.

On October 20, 2020, the Company filed revisions to the revenue requirement that increased the proposed request from $258.2 million to $264.0 million, including the allocation to and from the electric distribution companies in the Company's service territory ("October Revision"). Based on the October Revision, the Company estimated that the initial annual bill impact for a typical residential customer using 1,000 therms annually would be an increase of $21.40 or 1.9% for the first year of the SAVEGREEN 2020 Program.

Procedural History

On August 20, 2020, the Company met with Staff, Rate Counsel, and the Division of Law within the Department of Law and Public Safety for a pre-filing meeting, as required by the May 2008 Order and June 2020 Order to discuss the Company's filing.[7]

By Order dated September 23, 2020, the Board designated Commissioner Upendra J. Chivukula as Presiding Commissioner, authorized to rule on all motions that arise during the pendency of the Petition and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.[8] Further, the September 2020 Order directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by October 2, 2020 and that entities file with the Board any responses to those motions by October 9, 2020.

On September 25, 2020, NJNG filed the Petition with the Board.

By the October 2, 2020 deadline, three (3) entities filed to intervene, and seven (7) entities filed to participate. Specifically, EEANJ, NRDC, and Public Service Electric and Gas Company moved to intervene. Atlantic City Electric Company, the Building Performance Association ("BPA"), Google LLC, Jersey Central Power and Light Company, Rockland Electric Company, South Jersey Gas Company, and Elizabethtown Gas Company moved to participate.

On October 8, 2020, NJNG submitted a letter responding to the filed motions to intervene and participate. In its letter, NJNG indicated that it had no opposition to the motions to intervene or participate. By way of a supplemental letter, NJNG indicated that it did not oppose the participation of BPA.

[7] <u>In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation. Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1</u>, BPU Docket. No. EO08030164, Order dated May 12, 2008 ("May 2008 Order").
[8] <u>In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs</u>, BPU Docket No. QO19010040, Order dated September 23, 2020 ("September 2020 Order").

On October 16, 2020, Staff notified the Company that the Petition was administratively complete. Accordingly, pursuant to the Board's May 2008 Order, the 180-day review period commenced on September 25, 2020. Additionally, by letter dated October 16, 2020, the BPA withdrew its motion to participate.

Commissioner Chivukula issued a Prehearing Order on October 27, 2020 that established the issues to be determined by the Board, set forth a procedural schedule, granted intervener status to the EEANJ and NRDC, and granted participant status to the remaining movants.[9]

With the Petition, NJNG filed the direct testimonies of Ms. Anne-Marie Peracchio, Director, Conservation and Clean Energy; Mr. James M. Corcoran, Director, Revenue Requirements; and Mr. Brendon J. Baatz, Vice President, Gabel Associates, Inc. On December 15, 2020, pursuant to the schedule set forth in the Prehearing Order, Rate Counsel filed the direct testimonies of Mr. David E. Dismukes, PhD, Consulting Economist, Acadian Consulting Group, LLC; Mr. Ezra Hausman, PhD, President, Ezra Hausman Consulting; and Mr. Robert J. Henkes, Principal, Henkes Consulting.

Following notice in newspapers of general circulation with NJNG's service territory, and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on January 13, 2021.[10] One (1) member of the public provided oral comment during the 4:30 p.m. hearing in support of the Company's Petition, and no members of the public attended the 5:30 p.m. hearing. The Board's Secretary received one (1) written comment in support of the Company's Petition. No written comments were received by NJNG or Rate Counsel.

STIPULATION

Following conducting discovery and participating in settlement discussions, on February 18, 2021, the Parties executed the Stipulation, which in relevant part provides for the following:[11]

19. The Company withdraws its request to include the Hybrid Heat Pump Pilot as part of the SAVEGREEN 2020 Program.

20. The Parties agree that, subject to the final consensus of the Energy Efficiency Working Groups as outlined in paragraph 40 of the Stipulation, the Company may offer the following approved programs/sub-programs for a term of three (3) years commencing July 1, 2021 and ending June 30, 2024:

[9] In re the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, and In re 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., BPU Docket Nos. QO19010040 and GO20090622, Order dated October 27, 2020.
[10] Due to the COVID-19 pandemic, hearings were held virtually.
[11] Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

- Behavioral
- Energy Efficiency Products
- Existing Homes
  - Quick Home Energy Check Up ("QHEC")
  - Moderate Income Weatherization
  - Home Performance with Energy Star ("HPwES")
- Multi-family
  - Prescriptive and Custom
  - HPwES
  - Engineered Solutions
- Direct Install
- Energy Solutions for Business
  - Prescriptive and Custom Measures
  - Energy Management
  - Engineered Solutions

21. The Parties agree that the SAVEGREEN 2020 Program budget shall not exceed $258.94 million, as illustrated below.

PROGRAM	**REBATES**	**OBRP**	**O&M**	**TOTAL PROGRAM**
BEHAVIORAL	4,619,058		656,028	5,275,086
ENERGY EFFICIENCY PRODUCTS	26,495,838	26,082,195	4,272,769	56,850,802
EXISTING HOMES	23,054,297	13,365,030	5,861,125	42,280,452
MULTI-FAMILY	12,950,459	0,655,272	1,937,228	25,542,959
DIRECT INSTALL	31,775,177	13,409,628	3,735,115	48,919,920
ENERGY SOLUTIONS FOR BUSINESS	28,763,619	38,388,369	3,540,259	70,692,247
PORTFOLIO			3,454,304	3,454,304
TOTAL NJNG EXPENDITURES	127,658,448	101,900,494	23,456,828	253,015,770
EDCs IN	32,653,426	9,698,215		42,351,641
EDCs OUT	(34,234,035)	(2,193,448)		(36,427,483)
NET TRANSFERS TO/FROM EDCS	(1,580,609)	7,504,767		5,924,158
GRAND TOTAL	**126,077,839**	**109,405,261**	**23,456,828**	**258,939,928**

22. The estimated initial annual bill impact for a typical residential customer using 1,000 therms annually would be an increase of $21.30 or 1.9% for the first year of the SAVEGREEN 2020 Program.

23. The O&M expenses for the SAVEGREEN 2020 Program, including Administration and Program Development, Sales and Marketing, Training, Audit and Quality Control, and Evaluation and Related Research, shall not exceed $23.46 million. To facilitate the startup of the SAVEGREEN 2020 Program, the Company may incur costs upon the effective date of the Board Order, which will be reviewed for prudency in the Company's subsequent SAVEGREEN cost recovery filing.

24. Based on market response, the Company may shift the timing of investment spending between Program Years (July 1 – June 30) in any sub-program as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of Program targets during the term of the Program, in accordance with the procedure outlined in the June 2020 Order.

25. During implementation, certain sub-programs may be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process, in accordance with the June 2020 Order, shall be as follows:

- NJNG can 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.
- NJNG can shift budgets out of the Residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), 5–10% with Staff approval, and over 10% with Board approval. Such budgets may be added to any sub-program(s) within the sector to which it is being transferred without limitation when the budget shift does not exceed 5%.
- All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. Requests for budget adjustments within the three-year Program filing necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, which will trigger Staff review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of NJNG's request, those requests will be automatically granted.

26. Customer information shall be used by the Company to deliver an effective customer experience in compliance with any applicable BPU regulations and statutory obligations. The Company shall adopt privacy and data handling policies

and procedures for the SAVEGREEN 2020 Program that are consistent with NJNG's customer data security protections, the June 2020 Order, and any applicable BPU regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, NJNG shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the SAVEGREEN 2020 Program or to evaluate the sub-programs, the Company commits to enforcing the contractual confidentiality requirement to the extent allowed by the law. Any "breach of security" with respect to customers' "personal information," as those terms are defined in N.J.S.A. 56:8-161, shall be treated in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:8-161 et seq., and Section 3b of the BPU's Cybersecurity Order of March 18, 2016 in Docket No. AO16030196.

27. NJNG agrees that customer-specific data belongs to the customer, who may request or authorize NJNG to share it with suppliers, and that data gathered during the operation of these sub-programs not specific to any particular customer belongs to the Company and will be used solely to support current or future regulated utility programs. Such data may not be used for other purposes without Board approval. Any financial benefits derived from the data will be offset against the costs of the program. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board.

28. The Parties agree that the design for all Programs and sub-programs will be as described in Attachment A of the Stipulation, The SAVEGREEN 2020 Program Plan, subject to modification consistent with the June 2020 Order and in cooperation with the BPU's Utility Working Group and the Energy Efficiency Working Groups as further addressed in Paragraph 40 of the Stipulation. The Company commits to complying with all Board Orders regarding the programs and program details it is required to offer.

29. The Company will continue to coordinate regarding transition of programs (including program delivery, program data, and marketing) with the current NJCEP program administrator and other utilities with whom the Company has overlapping service territories. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement, as permissible under law, consistent elements of the core programs concurrently with all electric and gas utilities in the state. This consistency will include the following elements:
    - Common forms for use by customers and contractors;
    - Contractor requirements, open and competitive procurement protocols where feasible, and training; procurement protocols should include policies and practices (e.g., scoring systems) developed in collaboration with the Equity Working Group and Workforce Development Working Group that encourage supplier diversity (including contractors and subcontractors) and contractor coaching/mentoring of diverse business enterprises;
    - Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for low- to

moderate-income customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);

- Eligible measures;
- Incentive ranges;
- Incentive payment processes and timeframes;
- Customer and contractor engagement platforms;
- Data platforms and database sharing among program administrators, where appropriate; and
- Quality control standards and remediation policies.

30. The Parties agree that the Company is and shall be authorized to defer and seek recovery of all reasonable and prudent SAVEGREEN 2020 program costs, including grant costs, customer incentives, and associated reasonable and prudent O&M expenses as limited in Paragraph 23 of the Stipulation. These costs shall be subject to recovery through rates in future periods pursuant to the terms of NJNG's Rider F and separately tracked through a sub-component of Rider F called SAVEGREEN 2020. Annual true-up filings will separately break out the expenses, investments, unamortized investments, and revenue requirement calculations for the Program. The SAVEGREEN 2020 Program costs shall be subject to the terms set forth in Rider F and shall be recovered through a per-therm EE charge relative to all applicable jurisdictional throughput on the NJNG distribution system as provided in Rider F. Proposed Tariff sheets are provided as Attachment B of the Stipulation.

31. The calculation of the carrying costs on the average monthly balances of under-recovery or over-recovery of deferred costs shall be subject to the terms under Rider F (see Attachment B of the Stipulation) and as described in more detail in the Board's Order in BPU Docket Nos. EO09010056 and EO09010057, dated July 17, 2009. The Company shall accrue interest at a rate equal to the Company's monthly commercial paper rate. In the event that commercial paper was not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest rate shall not exceed the overall rate of return as authorized by the Board in NJNG's most recent base rate case, pre-tax Weighted Average Cost of Capital ("WACC") as identified in Paragraph 32 of the Stipulation or as authorized in NJNG's subsequent base rate case.[12]

32. NJNG agrees that the SAVEGREEN 2020 Program investments shall be amortized over a 10 year period, on a straight-line basis, with the return of the investment and return on the unamortized investments based upon a rate of 6.95%, as shown in the capital structure below.

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[12] In re the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in Its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, and the Petition of New Jersey Natural Gas Company's Request for Deferred Accounting Authority for Costs Related to New Information Technology Systems, BPU Docket Nos. GR19030420 and GR18101096, and OAL Docket No. 06769-2019S, Order dated November 13, 2019.

	Percent	Embedded Cost	Weighted Cost
Long-Term Debt	46.00%	3.83%	1.76%
Common Equity	54.00%	9.60%	5.18%
Total	100.00%		6.95%

33. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case shall be reflected in the subsequent monthly revenue requirement calculations as of the date of the next scheduled annual true-up.

34. As currently structured, the customer repayment periods for the On-Bill Repayment Plan ("OBRP") offers shall be five (5), seven (7), and ten (10) years, depending on the program/sub-program and total OBRP funds made available. In computing the return component of its costs, NJNG shall, in addition to a reduction for the accumulated amortization of its investments, deduct the applicable deferred income taxes related to the amortization of SAVEGREEN 2020 Program costs over a five (5)-year, seven (7)-year, and ten (10)-year period for book purposes and over one (1) year for tax purposes. NJNG shall continue to calculate the monthly net investment balances by subtracting from the monthly net investment balances the current month-end accumulated amortization balances.

35. The SAVEGREEN 2020 Program investments and operating costs shall be reconciled to actual recoveries from the EE rate in the SAVEGREEN 2020 Rate Recovery filings to be submitted in June of each year, for which the Company may seek recovery. Any federal or state benefits, if applicable, received by the Company and associated with these programs shall be used to reduce the revenue requirement to be collected from ratepayers.

36. The Company shall include in its annual SAVEGREEN 2020 Rate Recovery filings the Minimum Filing Requirements ("MFRs") as set forth in the June 2020 Order and Attachment C of the Stipulation.

37. The Company shall also provide the following information on a quarterly/annual basis as required after consideration and recommendation of the Evaluation, Measurement, and Verification ("EM&V") Working Group. This information may include:
    a. Estimated free ridership and spillover with any Cost-Benefit Analysis required;
    b. Participant costs (net of utility incentives), including a breakdown by sub-program with any Cost-Benefit Analysis required;
    c. Results of program evaluations, including a breakdown by sub-program when required by the June 2020 Order.

38. The Company shall provide in all future SAVEGREEN 2020 Rate Recovery filings the Rate Base/ROR/Expense presentation set forth in discovery response RCR-NJNG-INF-2, which is set forth in Attachment D of the Stipulation, and reflects the settlement revenue requirement. The settlement revenue requirement does not include the Hybrid Heat Pilot Program.

39. The Parties agree to revisit the specific SAVEGREEN 2020 Program incentive levels agreed to in the Stipulation before the conclusion of the first triennial period in time to support consideration of revised Program incentive levels in the next triennial.

40. The Parties recognize that the Energy Efficiency Working Groups referenced in the June 2020 Order have not completed their work as of the time of the Stipulation. The Parties recognize that these Energy Efficiency Working Groups will be addressing many long-term issues that will impact planning for future triennials. However, the Parties recognize that the Energy Efficiency Working Groups may issue recommendations for the current triennial that are inconsistent with any programs and/or sub-programs set forth in Attachment A of the Stipulation and/or have the potential to increase or decrease the level of investment beyond the amount agreed to herein. To the extent that any particular aspect of the Stipulation concerning establishment of core sub-programs and coordinated elements (such as incentives, marketplace, marketing, workforce development, and contractor procurement), or sub-program structure in overlapping territories are not consistent with the final consensus reached by the Energy Efficiency Working Groups and approved by the Board with regard to the current triennial, the Parties agree that they will meet to address any inconsistencies and define a path for resolution of these items.

41. The Parties recognize that, while the Board established the New Jersey Cost Test ("NJCT") on an interim basis through the August 24, 2020 BPU Order, (Order Adopting the First New Jersey Cost Test, Docket Nos. QO19010040 and QO020060389) ("NJ Cost Test Order"), the Parties are not in agreement regarding the inputs and calculations used to implement the NJCT. Further, the NJ Cost Test Order already noted that the interim NJCT may not include the full range of possible benefits and costs and committed to further review of the NJCT with the guidance of the EM&V Working Group. The Company's proposal passes the NJCT under both their calculation submitted in the filing and under a modified version developed by Rate Counsel through the Initial Pre-Filed Direct Testimony of its witness, David Dismukes. All parties agree that further deliberation of both the underlying elements included within the NJCT and the proper approach to calculating those elements is critical to accurately evaluating the cost effectiveness of energy efficiency program offerings for future triennials. To support that effort, the Parties agree, through the EM&V Working Group, to work through these issues regarding the NJCT in support of establishing a consistent and transparent approach to implementing this test.

42. The Parties agree that recoverable non-weather CIP amounts shall not exceed 4.0% of the aggregate variable margin revenues under the Variable Margin Revenue test in the first year of the SAVEGREEN 2020 Program, specifically the deferral period commencing July 1, 2021 and ending June 30, 2022.

43. No later than January 31, 2022, NJNG agrees to hold at least one (1) non-confidential collaborative meeting with interested parties to receive input on additional "non-core" program design. The non-core programs subject to discussion in the collaborative include, but are not limited to, demand response,

non-pipes alternatives, building electrification, and other programs that further the clean energy goals of the State of New Jersey.

44. NJNG shall continue to submit data regarding all of the SAVEGREEN programs and related expenses in accordance with the content, format and timing dictated by both the June 2020 Order and subsequent directives from either the Board, based on recommendations from the Statewide Evaluator procured by the Board or the EM&V Working Group.

DISCUSSION AND FINDINGS

Having carefully reviewed the record in this matter, including the Petition, testimony, and Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. The Board **FURTHER FINDS** that the Stipulation will benefit New Jersey's residents, energy users, and ratepayers and is consistent with the goals of the CEA and the EMP, as well as the requirements of the Board's June 2020 Order. The Board **FINDS** that the Stipulation will bolster New Jersey's clean energy workforce and will greatly improve the ability of low- and moderate-income customers to take advantage of EE programs, initiatives, and opportunities. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY AUTHORIZES** NJNG to implement a new component of Rider F to recover the costs associated with the SAVEGREEN 2020 Program. The initial EE Programs 2021 rate will be set to $0.0213 per therm, including sales and use tax for services rendered on or after July 1, 2021. As a result of the Stipulation, a typical residential customer using 1,000 annual therms would experience an increase in their annual bill of $21.30 or 1.9% for the first year of the SAVEGREEN 2020 Program. The Board also **HEREBY AUTHORIZES** NJNG to continue its previously approved gas CIP to account for lost revenue resulting from the potential decrease in customer energy usage.

The Board **HEREBY RATIFIES** the decisions made by Commissioner Chivukula during the pendency of this proceeding for the reasons stated in his decisions and Orders.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets conforming to the terms of this Order by July 1, 2021.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is March 13, 2021.

DATED: March 3, 2021

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
PRESIDENT

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

UPENDRA J. CHIVUKULA
COMMISSIONER

ROBERT M. GORDON
COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH
SECRETARY

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 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 NOS. QO19010040 AND GO20090622

SERVICE LIST

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The SAVEGREEN Project Program Plan

New Jersey Natural Gas

Updated for Settlement 12/21/2020

1. Core Programs

The Utilities will administer the following core programs and subprogram to engage customers and encourage the pursuit of energy efficient solutions from single transactions to comprehensive upgrades. The Utilities will strive to provide customized guidance wherever possible and provide supporting resources to make energy-efficient retrofits more accessible for all customers. Core Programs and subprograms include:

1.1 Residential Core

Efficient Products: This program provides incentives for Efficient Products, including retail products, appliance rebates, HVAC equipment, and appliance recycling.

Existing Homes: Home Performance with Energy Star: This subprogram provides incentives to encourage customers to pursue comprehensive upgrades to their home.

1.2 Multifamily Core

Multifamily Program: This program recognizes the variation in property types of multifamily housing and takes a collaborative approach, working in conjunction with customers, to identify the most important efficiency projects with a focus on encouraging more comprehensive projects wherever possible and offering incentives to encourage the investment in energy efficiency.

1.3 Commercial Core

C&I Direct Install: This program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations ("eligible customers") that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. Incentives will be offered to encourage these customers to invest in energy efficiency

Energy Solutions for Business - Prescriptive and Custom Measures: This subprogram promotes the installation of high-efficiency electric and/or natural gas equipment to NJNG customers, either via the installation of prescriptive or custom measures or projects to commercial and industrial customers. Incentives will be offered to encourage these customers to invest in energy efficiency

Note: Comfort Partners, the comprehensive energy efficiency solution for low income customers in New Jersey, is not addressed within this filing since it is intended to be run as a Co-Managed Program under Societal Benefits Clause funding which is not the subject of this proceeding.

1.1 Residential Core Programs

1.1.1 ENERGY EFFICIENT PRODUCTS

Program Description (MFR II.a.i)

This program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, including an online marketplace, downstream rebates to customers (including but not limited to in-store or online), up-front rebates, reduced point of sale costs, a midstream or upstream component and a network of trade allies and in collaboration with local foodbank and non-profit organizations serving customers in need. The program will provide incentives for energy efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other energy efficiency products (e.g. smart thermostats, water saving measures, weatherization items, and prepackaged kits). Measures range in type and price, but include both electric and natural gas technologies that improve energy efficiency in the home. The program may include customer opportunities at no up-front cost to engage and introduce customers to energy savings opportunities and achieve energy savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The program is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels and also provide a means to encourage customers to take the first steps toward energy-efficiency.

The program is designed to:

- Provide incentives for products that reduce energy use in the home and information about other programs that encourage the installation of high efficiency equipment, such as lighting, HVAC units, other heating and cooling equipment, electronics and appliances.
- Provide midstream incentives to retailers and/or distributors to increase sales of ENERGY STAR or other energy efficient products.
- Continue to support and/or provide downstream approaches for certain measures to ensure market is properly supported.
- Provide a marketing mechanism for retailer and high efficiency product suppliers to promote energy efficient equipment and products to end users.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Provide online or other channels for customers that include but are not limited to online and in-store eligibility options to acquire select ENERGY STAR products, as well as low and moderately priced energy-saving products.
- Recognize unique barriers that low- and moderate-income customers face and employ strategies to address those barriers, including no cost measures and/or enhanced incentives where appropriate.

- Utilize energy efficiency kits to introduce and promote energy efficiency technologies that can be easily installed in the home. The kits will serve as a gateway to other programs by including energy efficiency and conservation educational materials and promotional materials for other program opportunities, including the utility, Comfort Partners and NJCEP programs.
- Provide energy efficiency kits to local foodbank and non-profit organizations and at energy assistance outreach events to reach low- to moderate-income customers, with schools to promote energy efficiency education in classrooms, to new movers, customers upon request, and within utility marketplaces to support customer engagement.

This program will increase adoption of energy efficient equipment and products by harnessing the unique utility customer relationship to positively impact the entire sales process surrounding efficient equipment, from education and awareness of customers, engagement with trade ally contractors and equipment distributors and retailers, to on-bill repayment or access to financing with similar terms for select products.

The utilities will use their brand and customer outreach infrastructure to increase the availability, awareness, and customer uptake of energy efficient products. On-bill repayments or access to financing with similar terms will be available to customers to cover the remaining cost (after applying the rebate discount) for the balance of the efficient product cost for select products and services.

Utility staff and/or a third-party implementation contractor(s) will be selected to assist with the administration, oversight, and delivery of the program. Activities will include in the launch of a statewide online marketplace with utility-specific interfaces, efforts to raise awareness of the program, on-going refinements to the list of eligible measures, validating customer eligibility and processing incentives and conducting outreach to and securing partnerships with retailers, wholesalers, distributors, manufacturers and trade allies to assure all customers are able to easily purchase energy efficient products and equipment through the program. Customer engagement and sales channels may include:

- **Post Purchase (Downstream) Rebates**: Rebates will be made available to customers after they have made their purchase. Applications may be available online or in stores to submit either electronically or in hard copy with proof-of-purchase.
- **Online Marketplace:** This online marketplace is an easy to use source for the online purchase of efficient products and services. Participants will be able to browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant rebates and may offer the option for on-bill repayments or access to financing with similar terms for select products.
- **Point of Sale Rebates**: Prescriptive rebates will be made available at the point of sale for selected products. The utilities will also explore the viability of using a digital, smartphone-based application platform, to enable customers to purchase efficient equipment at traditional consumer retail outlets and instantly redeem rebates at point-of-sale in both physical

stores and online. Allowing easy access to rebates encourages customers to purchase qualifying efficient products.

- **Appliance Recycling:** Rebates will be provided to customers for recycling qualifying, inefficient, operating appliances. Offering an incentive for the drop off or pick-up and removal of an appliance prevents the appliance from being maintained as a second unit or transferred to another customer.
- **Midstream or Upstream Rebates:** The utilities will pursue a midstream or upstream rebate component to encourage purchase of certain efficient equipment. The utilities will work with retail partners (such as Home Depot, Lowes, etc.), distributors or manufacturers to assure that measures are available throughout the state. Midstream or upstream rebates encourage market transformation and wider availability of efficient equipment. Efficient products that are rebated via a midstream or upstream approach may be passed on or discounted to the customer at the retail level. Utilities may also offer downstream rebate programs to ensure customers and trade allies are properly supported.
- **Trade Allies:** The utilities will establish a network of trade allies to promote certain components of the program with a consistent experience to the customer where applicable. The trade ally network will consist of qualified installation contractors, plumbers, electricians, and other trade service professionals who meet all applicable statewide requirements for performing the respective service (e.g. HVAC license, insurance requirements). Trade allies will be able to leverage the program and offer customers rebates through their normal course of business.
- **Community Partners:** The utilities will partner with foodbanks and other community organizations serving customers in need to help reduce the energy burden of those customers with no-cost energy efficient products and to raise the awareness of other energy efficiency and energy assistance programs available to help.

By developing relationships with both program and trade allies, the program will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Targeted program and trade allies may include:

- Efficient equipment retailers, distributors and manufacturers;
- HVAC & appliance contractors; and
- General contractors, plumbers, electricians, and other trade service professionals.

Regardless of the delivery mechanism, the utilities will take steps to ensure customers are made aware of utility engagement in helping to off-set up-front costs of the efficient products.

Target Market or Segment (MFR II.a.ii)

The target market for this program will be all electric and/or natural gas customers served by at least one investor-owned utility in New Jersey. The program is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major residential end-use categories, and can be easily promoted to program allies, trade allies and customers via straightforward prescriptive rebates. Technologies incentivized through this program include lighting, HVAC, other heating/cooling equipment, electronics, appliances, smart thermostats, water saving measures, weatherization items, pre-packaged kits, and other efficient products. The program will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances.

The utilities may offer enhanced incentives for Low-to-Moderate income ("LMI") customers (up to 400% of federal poverty level) for certain products to assure that the program reaches all customer types. Eligibility for these enhanced incentives can be determined based on screening an individual customer however the utilities will also explore implementing automatic eligibility for enhanced incentives based upon a physical location (e.g. census tract, environmental justice community, Urban Enterprise Zone) to encourage more activity in LMI communities.

Marketing Plan (MFR II.a.xiv)

The utilities will implement both multi-pronged direct and indirect marketing campaigns to promote this program. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, social media and hard-copy materials to promote awareness, as well as tie-ins with other programs. Retailers, wholesalers, distributors, manufacturers and trade allies will be contacted directly and through trade associations to develop networks and promote involvement in the program where applicable. The utilities will also look to leverage the behavior program for 'warm leads' into this program through both the home energy reports and online audit tool. In addition, the kits provided through this Program will include pamphlets and literature recommending customers visit utilities online portals and marketplace, further increasing engagement.

Targeting and promotion within this program will be enabled through intelligence gained through other residential programs or offerings, primarily Behavioral Home Energy Reports, Existing Homes, and other activity in the Efficient Products program. The utilities will explore opportunities to provide customized information to customers with prioritized action items, to maximize availability and uptake.

A combination of strategies will be used to train and support retailers, distributors and other program allies, including media advertising, outreach community forums, events, and direct outreach to customers. Marketing activities may include:

- Point of purchase displays and materials, joint advertising, coupons, and special "instant sales events;
- Public relations materials;
- Brochures that describe the benefits and features of the program including application forms and processes. The brochures will be available for various public awareness events (community events, presentations, seminars etc.);
- Bill inserts, bill messages, email, Facebook, Twitter and other social media platforms, pop-up stores;

- NJNG website content providing program information resources, contact information, online application forms, online retail store and links to other relevant service and information resources;
- Customer representatives trained to promote the program to their customers; and
- Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.

The primary market barriers that impact this program include:

- **Initial Cost of Efficient Equipment:** Relative to the market baseline, efficient equipment often carries a higher upfront cost but a lower lifetime operating cost. Customers often may not fully value the lifetime operating cost advantage of efficient equipment and, as a result, higher upfront cost is a barrier to purchasing efficient equipment. To address this barrier, incentives are provided to the customer to reduce the initial cost. On-bill repayment or access to financing with similar terms will also help mitigate the up-front cost barrier.
- **Customer Awareness and Engagement:** Residential customers may not be aware of the benefits of installing efficient equipment and/or lack the time and resources to pursue efficient equipment when replacing existing equipment. To address this barrier, the utilities will educate customers on the benefits of installing efficient equipment through targeted marketing, ensure that incentives are easily accessible, and encourage market transformation and stocking of efficient equipment through midstream incentives. Through outreach efforts, the utilities will seek to partner with retail and wholesale entities to promote program offerings, and also focus marketing, education, and outreach efforts on the trade ally community to ensure that trade allies are aware of available incentives and prepared to serve customers. To increase awareness among customers with English as a second language, utilities may develop and provide outreach materials in Spanish. The utilities intend to be active participants in both the Equity or Marketing Working groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.
- **Landlord/Tenant Arrangements:** Split incentives between landlord/tenants with respect to who pays for energy use vs. who owns the energy-using equipment challenge investment decisions. To address this barrier, the program will be marketed to both landlords and tenants to assure that those exposed to energy costs are able to participate in the program. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties to attract tenants.
- **Sufficient Stocking and Availability of Efficient Products:** The utilities will look for opportunities to develop and promote a midstream component for specific equipment to encourage high levels of participation via incenting midstream market actors and/or directly discounting the cost of the efficient equipment at the point of sale.

The utilities will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. The utilities established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis. To the extent possible, the utilities will cross-promote programs to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The utilities and/or third-party implementation contractors will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the program vision, eligible efficient products, rebates, and ways to participate. Additionally, the utility and/or third-party implementation contractors will engage trade allies, including local HVAC, electrical, plumbing, and other contractors to educate them on program benefits and build a trade ally network which will reliably install energy efficient equipment for participating customers. The utility and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and both program ally and trade ally availability to provide suggestions to assure that the program is continually providing customers with their needs. The utility and/or third-party implementation contractors will be responsible for the management of the online marketplace. The utilities will oversee the build-out of the online marketplace as well as the retail and Trade Ally network, which may be administered by third-party implementation contractors. The utility and/or third-party implementation contractors will also process the online instant rebates, verify eligibility of customers and manage the delivery of items purchased on the website.

To select qualified third-party implementation contractors, the utilities will prioritize criteria including but not limited to:

- Experience delivering similar programs or initiatives;
- Resources and marketing strength;
- Cost; and
- The amount of business placed with minority, women, veteran and service-disabled veteran owned businesses.

By allowing participants to select a trade ally they are comfortable with for select products, the program reduces barriers to entry related to knowledge of energy efficiency confidence in assessments, and measure installation. The utilities will perform customer satisfaction and other quality assurance and quality control activities to monitor, ensure program and verify quality standards are met.

NJNG existing staff is familiar with many of the programs managed by the New Jersey Clean Energy Program ("NJCEP") [1] NJNG is also committed to a competitive solicitation process for our online marketplace but may consider extending the current contract with our existing vendor to ensure there is no disruption to marketplace availability given the tight timeframe between program approval

[1] While NJNG was not the primary QC inspector for WARMAdvantage, all of our BPI certified auditors occasionally noted issues as part of their audit work.

and launch. If NJNG decides to extend that contract, it would conduct a competitive solicitation for those services in late Fiscal 2022. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. NJNG intends to hire additional staff to help support the residential sector programs. We expect to be operational with most program components by July 1, 2021 but newer elements may be launched later in the year.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The utilities propose to provide a range of incentives depending on the measure type, subject to changes based upon customer response and marketplace changes over the plan period. Incentives will vary depending on the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace. Refer to Exhibit P-2, Schedule AMP-1, for the Summary of Existing and Proposed Incentive Ranges for this program.

Incentives will be available in several ways and are adapted to the retail partner needs and market response. Strategies may include:

- Mail-in applications available from the retailer and the program website or directly from contractors;
- Online rebate forms;
- Point of Sale or In-store “Instant Reward” coupons that are redeemed in-store at the time of purchase;
- Special sale events in retail stores;
- Manufacturer buy down to Retailer;
- Midstream or upstream incentives to retailers, distributors or manufacturers to encourage them to stock and promote efficient products or to provide product incentives at time of purchase; and
- Partnerships with community groups, schools, and/or non-profit organizations.

Incentives may change based on market prices, as well as manufacturer and distributor co-funding. Other incentive alternatives may be used as the market evolves and new and innovative customer, program ally and trade ally engagement opportunities become apparent.

In instances where incentives are not immediate, the utilities will complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this program.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Energy Savings (MFR II.a.x, II.a.ix)

The table below summarizes the projected participation and savings associated with this program. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Participation estimates are calculated as the sum of forecasted measure-level participation units, and each unit of participation is based on a measure-specific forecasted savings unit of measure. Savings estimates are based on projected participation during each year of the forecast period.

Table 1: Products Program Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (products)	93,820	93,886	93,922
Projected Net Annual Natural Gas Savings (therms)	1,245,514	1,320,538	1,354,803
Projected Net Lifetime Natural Gas Savings (therms)	15,973,600	17,229,615	17,842,702
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	1,145,506	1,145,506	1,145,506
Projected Net Annual Electric Savings (kWh)	2,923,269	2,928,544	2,930,127
Projected Net Lifetime Electric Savings (kWh)	28,714,468	28,777,769	28,796,759
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	13,541,616	13,541,616	13,541,616
Projected Net Annual Peak Demand Savings (kW)	9	9	9
Projected Net Lifetime Peak Demand Savings (kW)	127	128	128

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings for shared measures. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 2: Products Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost[2]	146,825	0	0
Utility Administration	1,166,838	1,199,486	1,233,113
Marketing	269,460	271,544	273,690
Outside Services	637,687	637,250	633,994
Incentives	15,046,500	16,533,930	17,229,517
Inspections and Quality Control	41,253	42,491	43,766
Evaluation	485,944	520,079	537,406
Total	17,794,508	19,204,780	19,951,487

[2] Capital Cost reflects start-up costs so only reflected in budgets for Program Year 1.

1.1.2 EXISTING HOMES-HOME PERFORMANCE WITH ENERGY STAR

Program Description (MFR II.a.i)

Home Performance with ENERGY STAR ("HPwES") will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this subprogram must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program ("OBRP") or access to financing with similar terms.

This subprogram is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy savings. The subprogram will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES program subject to as-needed enhancements to maximize participation and cost-effective energy savings opportunities. The utilities will also seek to increase the number of contractors certified to offer customers the U.S. Department of Energy Home Energy Score ("HES") to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

Target Market or Segment (MFR II.a.ii)

HPwES will be available to all single-family and single-family attached (1 to 4 unit properties) electric and/or natural gas customers served by at least one of the investor owned utilities in New Jersey.

As noted, all customers will start with a comprehensive energy audit or through upgrading from a Quick Home Energy Check-up. Potential measures incentivized through this subprogram include but are not limited to insulation, air sealing, smart thermostats, and HVAC. All HPwES projects must include air sealing and insulation.

Marketing Plan (MFR II.a.xiv)

The utilities will utilize many marketing avenues to assure subprogram awareness and participation is maximized. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, media advertising, and hard-copy materials to promote awareness among trade allies and customers. The utilities will also cross promote this subprogram to participants in other energy efficiency program offerings. Information garnered from other programs, such as the Residential Behavioral and Residential Efficient Products could also be used to identify prime candidates for participation in this HPwES subprogram. For example, a review of usage data contained in Home Energy Reports from the Residential Behavioral program could allow the utilities to identify customers who are particularly susceptible to changes in weather and would be ideal candidates for an audit. Likewise, the

Residential Efficient Products program could provide leads to customers interested in energy efficiency. Most importantly, the QHEC subprogram was specifically designed to educate, engage and provide immediate energy savings to customers and identify strong leads for candidates that would benefit from participating in this HPwES subprogram.

Consistent with current New Jersey HPwES subprogram practices, the utilities may offer Cooperative Marketing funding to encourage contactors to promote this subprogram.

The Primary Market Barriers that Impact this subprogram include:

- **Initial Cost of Comprehensive Home Retrofits:** Home retrofits are more expensive and involved than purchasing efficient equipment and therefore, require more participant investment and commitment. Customers must be willing and able to invest in more expensive energy-efficiency projects. The utilities address this barrier by offering incentives and On-Bill Repayment Programs or access to financing with similar terms.
- **Traditional Credit Screening:** Many customers interested in pursuing comprehensive projects may not be able to pass traditional credit screening (e.g. requirements for debt to equity ratio) despite having a proven track record for paying their utility bills on time. The utilities will explore solutions to help more customers access this incentive through either an OBRP approach or access to financing with similar terms that relies on a review of utility payment history and bankruptcy check to ensure customers who have a proven track record have the opportunity to participate or through innovative approaches.
- **Customer Awareness and Engagement:** Many customers are unaware of the "whole house" approach to energy-efficiency or the fact that building science exists. The utilities will work to address this by:
    - Continuing to educate customers about the HPwES subprogram and how both the structure and equipment work together;
    - Highlighting the extra training that participating contractors must have;
    - Identifying how the shell measure improvements can improve their comfort within the home;
    - Noting that an audit includes health and safety testing; and
    - Reinforcing that the investments in equipment and shell measures may increase the value of their home.

  To increase awareness among customers with English as a second language, utilities may develop and provide outreach materials in Spanish. The utilities intend to be active participants in both the Equity or Marketing Working groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.

- **Trade Ally Awareness and Training:** To meet the participation goals, sufficient HPwES contractors must be available to undertake the work. The utilities will address this barrier by trying to recruit more contractors to secure the additional certification necessary to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, underrepresented, and disadvantaged workers.

The utilities will seek to manage all barriers to program success through a commitment to applying best practices in program design, deliver, outreach, and marketing/advertising. The utilities established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The utilities will administer this HPwES subprogram and may also choose to select third-party implementation contractors to manage delivery of this subprogram.

Utility staff and/or third-party implementation contractors will oversee all aspects of the subprogram, including training and engagement, quality assurance ("QA") / quality control ("QC"), and rebate processing. There will be a significant focus on developing, training, and growing a qualified trade ally network. This will include trade ally training sessions, workshops, and market development events to grow and develop the trade ally network, with a priority placed on encouraging them to integrate home efficiency performance into their business and become Building Performance Institute ("BPI") certified contractors. Utility staff and/or third-party implementation contractors will maintain a close relationship with trade allies to ensure consistent subprogram delivery experience and high customer satisfaction. Utility staff and/or third-party implementation contractors will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of trade ally installation work.

Trade allies will consist of companies employing BPI-certified professionals to complete HPwES audits and energy-saving projects. In order to facilitate trade ally access to participants, utilities or the third-party implementation contractor will maintain a list of companies and professional services where customers can find local trade allies based on geography and other criteria.

Selection of third-party implementation contractors will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Ability to educate and train contractors;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran and service-disabled veteran owned businesses.

The utilities will encourage all participating contractors to also look for opportunities to promote measures from the Residential Efficient Products program, such as home appliances (e.g. clothes washers) to increase energy savings and leverage those incentives.

NJNG existing staff is familiar with the NJCEP HPwES program that will be transitioned to this program. Our team has experience answering customer inquiries, and screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions that will have not addressed under our prior programs like field inspections for QC. NJNG intends to hire additional staff to help support the residential sector programs. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. We expect to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR.II.a.iii) (MFR II.a.iv)

The utilities will provide incentives to encourage customers to implement the measures recommended during their audit. Incentives will be calculated based on modeled savings through a sliding scale up to an overall project cap. Modeled savings will be based upon software that will use consistent calculations across territories. As the utilities work to launch midstream incentives for HVAC measures through the EE Products program, there is a recognition that a baseline incentive may be provided when a participating contractor secures the equipment from a participating distributor or retailer. The utilities intend to adjust the calculation of the incentive when an incentive has already been provided through a midstream path. However, the utilities have a shared intention to have the value of an HVAC measure being installed through this subprogram be higher than a standalone HVAC equipment installation to ensure that customers are encouraged to pursue comprehensive upgrades and to recognize additional energy savings associated with improving the building shell.

Consistent with current practices for the New Jersey HPwES subprogram, the utilities are proposing an incentive range for a Contractor Production incentive and separate scale for incentives for multifamily properties.

Refer to Schedule Exhibit P-2, AMP-1, for the Summary of Existing and Proposed Incentive Ranges for this subprogram.

The utilities and/or third-party implementation contractors will complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this subprogram.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 3: HPwES Residential Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	670	737	774
Projected Net Annual Natural Gas Savings (therms)	206,938	227,631	239,013
Projected Net Lifetime Natural Gas Savings (therms)	3,517,940	3,869,734	4,063,220
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	647,013	711,714	747,300
Projected Net Lifetime Electric Savings (kWh)	10,999,220	12,099,142	12,704,099
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	22	24	25
Projected Net Lifetime Peak Demand Savings (kW)	373	411	431

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Subprogram Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 4: HPwES Residential Subprogram Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	182,540	0	0
Utility Administration	630,366	644,562	659,185
Marketing	247,869	249,305	250,784
Outside Services	205,799	204,865	204,061
Incentives	7,886,000	8,674,600	9,108,330
Inspections and Quality Control	35,177	36,233	37,320
Evaluation	267,461	278,577	290,382
Total	9,455,211	10,088,142	10,550,060

1.2.1 MULTIFAMILY PROGRAM

Program Description (MFR II.a.i)

This Program addresses multifamily structures with three or more units. As such, there can be significant variation in the types of structures served under this Program ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high rise buildings. In order to meet the specific needs of each customer, the Multifamily Program will provide, in conjunction with the customer, a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy savings measures, comprehensive energy savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multifamily Program will provide On-Bill Repayment or access to financing with similar terms and enhanced incentives for low income/affordable housing properties.

The Multifamily Program will seek to work with each customer to determine and package the best energy savings opportunities based on NJNG’s current program offerings (e.g. direct installation of standard energy savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multifamily Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy savings measures to help encourage program participation. The assessment will also identify additional energy savings opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size;
- Number of units;
- If the facility is being served by a central plant;
- If there are individual heating and cooling units;
- If there are building envelope/weatherization opportunities;
- Application review with a potential virtual site inspection;
- Application review with potential telephone interview with property management; and
- An on-site pre-scoping audit may be performed.

Depending upon the screening results and the customer’s interests, a customer’s project plan could include direct installation of standard energy saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a comprehensive Engineered

Solutions project. The measures within the project plan will be consistent with the terms and conditions of the NJNG's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include prescriptive measures with set energy-savings and/or custom projects with savings on a project basis. Please refer to these program descriptions for more information on these program offerings and the associated terms and conditions, including delivery methods and contractor roles.

Target Market or Segment (MFR II.a.ii)

All multifamily buildings with three or more units that are served by at least one investor owned utility are eligible to participate. The Program targets multifamily property owners, property managers, and residents, who, because of the building owner – tenant relationship, have always had difficulty investing in energy efficiency equipment. The utilities will also target outreach to economically-qualified occupants and owners of multifamily buildings who are eligible for enhanced incentives. Eligibility for these enhanced incentives can be automatic based upon the type of property that has a Low or Moderate-Income designation (e.g. New Jersey Housing and Mortgage Financing Agency qualified, Housing Authorities) or by a physical location (e.g. census tract, environmental justice community, Urban Enterprise Zone). The program may refer prospective customers to Comfort Partners as appropriate.

Marketing Plan (MFR II.a.xiv)

The marketing strategy will focus on informing property owners, managers, associations, tenant groups, municipalities, and community organizations about the availability and benefits of the program and how to participate. Marketing activities will also target lower and moderate-income multifamily sector. Key elements of the marketing strategy may include:

- Targeted outreach through direct mailings and presentations to inform property owners, managers, apartment associations, tenant groups, municipalities and community organizations about the benefits of the program and participation processes;
- Brochures highlighting the benefits and features of the program as well as the enrollment and participation processes;
- Website content providing program information resources and contact information;
- In-person visits by program representatives to properties with three or more units; and
- Energy assessments of properties may include the direct installation of standard energy savings measures to engage, educate and promote the building owners or facility managers to participate in the other program offerings targeting deeper savings.

The primary market barriers that impact this program include:

- **Business/Operational Constraints:** Multifamily properties often have unique operations and time constraints that act as a barrier to implement energy-efficiency projects. This barrier will be addressed by ensuring the program operates cooperatively with participants, provides program participation and technical assistance, and offers timely incentives and financing support.

- **Customer Awareness and Engagement:** Eligible participants may be unaware of energy-efficiency opportunities and programs because the segment has historically not been well served by traditional energy-efficiency programs. To address this barrier, this program was designed specifically to support the multifamily segment. The utilities will execute targeted outreach strategies to ensure that relevant customers are aware of program opportunities and consider energy efficiency in equipment investments and long-term planning. The program will also prepare and distribute successful case studies of prior participants and their experiences and energy savings. To increase awareness among customers with English as a second language, utilities may develop and provide outreach materials in Spanish. The utilities intend to be active participation in both the Equity or Marketing Working groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.
- **Cost Effectiveness:** Efficiency upgrades require an initial investment that is recovered by lower long-run operating costs and non-energy benefits. Multifamily projects may carry longer payback periods than traditional energy-efficiency projects due to the unique needs of the segment. To address this barrier, incentives and access to OBRP or similar financing options will be provided to the customer to reduce the initial cost. The utilities will also communicate the non-energy benefits offered by many efficiency upgrades that may not be captured in the cost/benefit analysis to further promote efficiency upgrades to customers.

Additionally, the utilities considered the following market barriers identified in the Utility Demographic and Firmographic Profile 2020 Study.[3]

- **Split Incentives:** Multifamily properties can face challenges for energy efficiency improvements since the owner generally does not pay the utility bills and may not reap the full benefit of any energy efficiency investment. To address this barrier, the utilities will market to both landlords and tenants to assure that those exposed to energy costs are able to participate in the program, provide low- and no-cost measures at no cost to the tenant or the landlord, and offer comprehensive approaches for multifamily, including application, technical and engineering support to design cost-effective projects with benefits for owners and renters. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties.

- **Complex Buying Process:** There can be a broad range of potential energy efficiency investments but it can be challenging to identify which strategies may be the most beneficial for owners and/or tenants. To address this barrier, the program will provide

[3] The purpose of this study was to examine the demographics and firmographics of all customers in the service territories of each of the electric and gas public utilities in New Jersey. This is to comply with P.L. 2018, c. 17, codified at N.J.S.A. 48:3-51-87 et seq., commonly known as the Clean Energy Act of 2018 (“Clean Energy Act” or “CEA”), as well as in response to the New Jersey Board of Public Utilities (NJBPU) Order Docket Nos. QO19010040 and QO19060748 (dated October 7, 2019), which directed the utilities to complete a demographic analysis pursuant to the Clean Energy Act. The study was released on April 30, 2020 and can be found here.

customized screening and on-going support to help find the best solution for the customer and include incentives to encourage the customer to implement the recommended solutions.

The utilities will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. The utilities will leverage their established customer communication channels, data, and brand in the marketplace to identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The Multifamily Program will be delivered in coordination between both the Lead Utility and the Partner Utility (where applicable) and/or qualified third-party implementation contractor(s) with experience delivering similar programs. Because of the unique and varied nature of the multifamily market Program representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the Program. The Program will assist customers as necessary to coordinate scheduling of the Energy Assessment and direct installations and will provide program and technical support to complete program and rebate application requirements.

Delivery of energy-saving measures will be dependent on the project plan and may include direct install of standard energy savings measures, installation of prescriptive measures, and/or custom projects. It may be necessary to schedule appointments for the installation of energy saving measures in the individual living units and common areas. In-unit HVAC tune-ups may also be offered to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the energy saving devices installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.

While there is no comparable existing NJCEP program, NJNG's existing staff is familiar with many of required functions for this program - answering customer inquiries, processing rebates, screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions, including the direct installation of measures in individual units, field inspections for QC for projects that do not have a built-in commissioning approach, and the potential to bring on additional engineering firms that may specialize in multifamily programs for Engineered Solutions. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. NJNG expects to hire additional staff to support this program but they will work across the other program sectors. We hope to launch the HPwES Multifamily path by July 1, 2021 to avoid disrupting the market, but other program paths may be launched later in the year.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The following table provides a summary of the existing and proposed incentives for each of the potential components of the project plan for each building under the Multifamily Program.

Program Component/Service	Existing Incentive[4]	Proposed Incentive
Energy Assessment with installation of standard energy savings measures	• N/A	• Energy Assessment with the equipment and installation costs for the standard energy savings measures will be provided to eligible properties with "Up to 100%" of the cost provided by the program.
Prescriptive Equipment replacement and custom retrofit projects	• See the list of existing incentives in the descriptions of the Residential and Commercial & Industrial programs currently available for the prescriptive equipment replacement and custom retrofits	• Same value as incentives offered through the Residential and Commercial & Industrial programs applicable for the prescriptive equipment replacement and custom retrofits. • Includes enhanced incentives offered for properties that are located in qualifying target areas or for LMI[5] qualified customers.
Engineered Solutions	• No cost ASHRAE[6] Level I, II, or III audit. • Program will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years.	• No cost ASHRAE Level I, II, or III audit. • Program will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years.

[4] Existing incentives generally represent currently available NJCEP incentives. For Engineered Solutions, they would represent the incentives currently approved for the New Jersey utilities that currently run this program.
[5] Low to Moderate Income
[6] American Society of Heating, Refrigerating and Air-Conditioning Engineers

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges.

Customer Financing Options (MFR II.a.vi)

Program Component/Service	Existing Incentive
Prescriptive Equipment replacement and custom retrofit projects	Same financing option as available through the Residential and Commercial & Industrial programs applicable for select prescriptive equipment replacement and custom retrofit projects
Engineered Solutions	After the project incentive buy-down, the remaining project costs may be repaid by participants at no to low interest financing through an OBRP or other financing option with similar terms. Properties eligible for the Enhanced Low to Moderate Income incentive will be eligible for up to a 10-year repayment term.

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this Program. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 5: Multifamily Program Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	1,153	1,273	1,331
Projected Net Annual Natural Gas Savings (therms)	92,477	109,362	124,599
Projected Net Lifetime Natural Gas Savings (therms)	1,625,080	1,942,800	2,236,183
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	203,392	254,240	305,088
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	3,714,529	4,570,485	5,404,637
Projected Net Lifetime Electric Savings (kWh)	70,258,453	86,974,351	103,435,635
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	11,356,544	14,195,680	17,034,816
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	62	77	92
Projected Net Lifetime Peak Demand Savings (kW)	1,202	1,494	1,784

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Program Budget (MFR II a.xi) (MFR_II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 6: Multifamily Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	111,111	0	0
Utility Administration	1,011,828	1,022,683	1,033,863
Marketing	116,390	116,881	117,388
Outside Services	100,597	106,383	113,377
Incentives	5,835,937	7,001,314	8,100,773
Inspections and Quality Control	3,251	3,349	3,449
Evaluation	220,042	246,716	277,627
Total	7,399,156	8,497,326	9,646,477

1.3 Commercial & Industrial Core Programs

1.3.1 C&I DIRECT INSTALL

Program Description (MFR II.a.i)

The C&I Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations ("eligible customers") that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The C&I Direct Install program plays an important role in the marketplace because private providers of energy efficiency services typically do not target smaller customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small businesses, non-profit organizations, municipalities, schools, and faith-based organizations are often hard to reach, and the program fills an important gap by targeting, promoting, and delivering efficiency services to these customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

The program will also focus on the smallest customers within the eligible customer segment. NJNG anticipates portions of the program to be directed at restaurants, small offices, convenience stores and other small independent businesses that often are left behind in less-comprehensive energy efficiency programs. Through a number of delivery mechanisms, NJNG will assure that all eligible business types are able to participate in this program.

Target Market or Segment (MFR II.a.ii)

The Utilities will seek to address the most cost-effective measures (e.g. LED lighting retrofits) but will also address all measure retrofits that would comprise a cost-effective project. Examples of end-use categories covered by the program include lighting, HVAC, controls, refrigeration, food service, motors, low-flow devices, pipe wrap and domestic hot water equipment. The program will be divided into two tiers of eligibility, determined by the customer's individual facility peak electrical demand over the last 12 months. Tier 1 will serve the smallest of the eligible customer base, specifically focusing on customers with an average individual facility peak electrical demand of up to 100 kW. Tier 1 will also include customers up to 200 kW within an Urban Enterprise Zone (“UEZ”), Opportunity Zone, and owned or operated by a local government, K-12 public schools. Additionally, customers with an average peak demand from 101 – 200 kW that are located within designated opportunity zones or UEZ may also qualify for Tier 1 status. Tier 2 will serve the larger segment of small non-residential customers, with an average individual facility peak electrical demand of 101 - 200 kW. This figure may be increased by the electric utility to ensure the program is properly addressing the market in the electric utility’s service territory.

Marketing Plan (MFR II.a.xiv)

The C&I Direct Install Program will be marketed to customers through a combination of direct outreach by program staff, and/or the third-party implementation contractor, web-based engagement and customer information analytics, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Direct outreach may include visits to customer premises to distribute hard-copy program materials, inform customers about the program directly, and solicit participation. Additionally, NJNG may engage community partners, including Chambers of Commerce and other local organizations including those comprised of underrepresented and socially or economically disadvantaged individuals. NJNG will also consider the potential to utilize customer information analytics or other targeted energy education outreach to identify and target customers best suited for participation in the program. The collective marketing plan strategy is useful for enrolling eligible customers that may be interested in participating but have not heard of the program and do not have the time or resources to prioritize investigating energy efficiency opportunities or reaching out to NJNG.

The primary market barriers that impact this program include:

- **Customer Awareness and Engagement:** Small businesses, non-profit organizations, schools and faith-based organizations typically have limited resources and time to consider or prioritize energy efficiency and may have efficiency needs not well aligned with traditional commercial demand side management (“DSM”) programs targeted at larger customers. This program is intended to confront these market barriers by providing turnkey, direct installation of efficiency measures tailored to these eligible customers at no cost, while identifying additional efficiency opportunities directly on-site, and through directly soliciting eligible customers for participation. This personalized approach builds trust and achieves results while increasing the likelihood of further participation referrals. To increase participation rates among a diverse demographic, utilities may include focused outreach efforts to reach minority- and women-owned small businesses, and start-ups by engaging with business groups and organizations that support these customers. Partner business groups might include the Chamber of Commerce, and the Small Business Administration. Utilities may also explore providing outreach materials in Spanish to reach Spanish-speaking business owners.

- **Initial Cost of Efficiency Investments:** Recommended energy efficiency projects that go beyond direct-install measures will require more participant investment and commitment. This barrier will be addressed through offering incentives and a repayment option, as well as through operating a program that is flexible and easy for small business customers to utilize.
- **Landlord/Tenant Arrangements:** Split incentives between landlord/tenants with respect to who pays for energy use versus who owns the energy-using equipment presents a unique challenge because the investor in the equipment does not experience an immediate benefit. The subprogram will employ strategies to help the landlord understand the long-term benefits of participating. This subprogram will be marketed to both landlords and tenants to assure that those exposed to energy costs and investments are able to participate in the program. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties.

NJNG will seek to manage barriers to program success through a commitment to monitoring program performance and feedback channels for assessing effective program design, delivery, outreach, and marketing/advertising, and improvement opportunities. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis. To the extent possible, NJNG will cross-promote program offerings to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The C&I Direct Install Program interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site energy assessment to identify energy efficiency retrofit opportunities. Standard basic energy savings measures may also be provided at no cost at the time of the energy assessment for eligible Tier 1 customers, to support customer engagement, participation, and energy savings. Following the energy assessment, participants are provided with a report assessing the site and recommending investments that could further improve the energy efficiency of the facility.

Based on the results of the energy assessment report, the program will offer to initially pay a percentage of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord). The program will also provide a payment option to the customer (and/or landlord) for their portion of the project cost. NJNG will provide for the installation of all work and assure it is completed on time and to specifications. This approach frees up the participant, who may not have the time or resources to dedicate to project implementation. The distinction between Tier 1 and Tier 2 eligibility criteria will ensure that eligible customers, even those that are the smallest and often overlooked, receive ample focus. The simple, turnkey solution provides eligible customers with the initial site visit, energy assessment, and installation of recommended efficiency measures at no initial cost to participants.

NJNG will administer and manage the program with the support of third-party implementation contractor(s) and/or utility staff. The third-party implementation contractor or Utility Staff will have responsibility for most delivery tasks and customer outreach on behalf of NJNG. If used, the third-party implementation contractor will work closely with NJNG to optimize the program offering, including, but not limited to:

- Initial participant recruitment, energy assessment, and equipment installation;
- Program data tracking;
- Direct customer outreach/program delivery strategy;
- Development of measure mix;
- Marketing;
- Promotion of emerging technology; and
- Customer satisfaction.

The third-party implementation contractor or utility staff will take on the responsibility of implementing the program, directing the qualification and enrollment of participating contractors, and will work to assure that ample participating contractors are available to complete all work derived from the program. The participating contractors will perform the energy assessments and installations, working with NJNG and/or the third-party implementation contractors oversight to undertake all construction and installation work identified in the energy assessment process.

NJNG existing staff is familiar with the NJCEP Direct Install program that will be transitioned to this program. Our team has experience answering customer inquiries, and screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions that have not been addressed under our prior programs like field inspections for QC. NJNG expects to hire additional staff to support this program but they will work across the commercial sector programs NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. We expect to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

Both tiers of the program will encompass many of the same benefits, including a simple, turnkey solution for eligible customers, which requires no up-front investment. The initial site visit, energy assessment, and installation of recommended energy efficiency measures are provided at no initial cost to participants. The utilities propose to provide an incentive level of up to 70-80% of the project costs, and to continue discussions to determine the appropriate level and at what level the incentive is applied to best promote the completion of comprehensive projects while maintaining overall program cost effectiveness. Additionally, the utilities plan to coordinate on the methodologies and calculations used to determine energy savings and program incentives.

For Tier 1 customers, standard basic energy savings measures may be installed at no cost during the time of the energy assessment. The program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through an available repayment option. Customers located in an Urban Enterprise Zone, Opportunity Zone, owned or operated by a local government or K-12 public schools will also qualify for Tier 1 status, up to an average individual facility peak electrical demand of 200 kW.

Tier 2 will serve the larger segment of eligible customers, with an average individual facility peak electrical demand of 101 - 200 kW over the past 12 months. Incentives up to 70% of the total project cost will be offered.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of Existing and Proposed Incentives for this program.

Customer Financing Options (MFR II.a.vi)

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a financing option. Refer to Exhibit P-2, Schedule AMP-2 for the Summary of Proposed Financing for this program.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this program. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Participation estimates are calculated as the sum of expected number of small businesses participating in the program. Savings estimates are based on projected participation during each year of the forecast period.

Table 7: C&I Direct Install Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (projects)	225	248	260
Projected Net Annual Natural Gas Savings (therms)	309,350	340,285	357,299
Projected Net Lifetime Natural Gas Savings (therms)	4,640,250	5,104,275	5,359,489
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	4,640,250	5,104,275	5,359,489
Projected Net Annual Electric Savings (kWh)	10,122,965	11,135,261	11,692,024
Projected Net Lifetime Electric Savings (kWh)	151,844,472	167,028,919	175,380,365
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	151,844,472	167,028,919	175,380,365
Projected Net Annual Peak Demand Savings (kW)	1,322	1,454	1,527
Projected Net Lifetime Peak Demand Savings (kW)	19,833	21,816	22,907

<u>Program Budget (MFR II a.xi) (MFR II.a.xii)</u>

The table below illustrates the projected program expenditures for the program.

Table 8: C&I Direct Install Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	404,982	414,774	424,860
Marketing	216,390	216,881	217,388
Outside Services	268,921	266,572	264,548
Incentives	13,626,704	14,989,375	15,738,843
Inspections and Quality Control	0	0	0
Evaluation	554,954	597,681	625,652
Total	15,218,776	16,485,283	17,271,291

1.3.2 ENERGY SOLUTIONS FOR BUSINESS: PRESCRIPTIVE AND CUSTOM MEASURES (MFR II.a.i)

The C&I Prescriptive and Custom Measures subprogram will promote the installation of high-efficiency electric and/or natural gas equipment by NJNG C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low to no-interest financing to further reduce first cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls;
- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand; and
- Ensure the participation process is clear and simple.

Prescriptive incentives will increase adoption of energy efficient equipment by harnessing NJNG's unique customer relationships to positively impact the entire sales process surrounding efficient equipment, from education and awareness with customers, engagement with trade ally contractors and equipment distributors, to financing opportunities for the high efficiency equipment.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. In addition, the Utility and/or implementation contractors will provide applications in web ready formats to ensure participants have easy access to the forms. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports the Company's subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by NJNG a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

Target Market or Segment (MFR II.a.ii)

The C&I Prescriptive and Custom Measures subprogram will be available to all commercial, industrial, and other non-residential customers located within NJNG's service territory. This subprogram is focused on promoting the sale and installation of efficient electric and/or natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates, or more complex custom rebates. Potential technologies incentivized through prescriptive measures include energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Customers pursuing custom incentives will generally be customers with more complex needs and non-standard efficiency opportunities and typically include building types such as light/heavy industrial, manufacturing, data centers, and distribution centers, among others.

Marketing Plan (MFR II.a.xiv)

The C&I Prescriptive and Custom Measures subprogram will engage with customers and trade allies at multiple levels, including broad-based energy efficiency awareness campaigns, direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. In some cases, subprogram staff and representatives will reach out directly to large customers. Use of appropriate types of media are anticipated to be included in the marketing plan, such as direct mail, email, print, and digital media. Engagement with trade associations (e.g. builders, architects, engineers, equipment distributors, professional and contractor associations, etc.) will also be important venues for NJNG to present information about the subprogram, raise awareness and encourage participation.

Marketing will be used to target specific customer sectors to ensure awareness in the subprogram and enhance participation. The Utility and/or implementation contractor will target various market sectors (i.e. education, medical/health care, manufacturing, retail, food service) to enhance participation and promote a cross-section of measures applicable to each market. Since prescriptive retrofits are generally one-for-one replacements, measure-specific collateral pieces will be developed for new measures or enhanced for continuing measures. These will be delivered to sectors most likely to utilize the specific technology. Fact sheets, mailings, post cards, e-blasts, and on-location seminars will also be used to promote specific measures. Custom marketing efforts require a consistent and directed outreach to trade allies and associations, The Utility and/or implementation contractors will be required to develop and implement a marketing plan to identify and target customers to connect them to appropriate measures using e-blasts, webinars, on-site seminars, and large customer publications, among other marketing and outreach initiatives. Further, in order to attract multiple measure participation, the Utility and/or implementation contractor will outreach via sectors, as well as to trade allies and associations such as architects, engineers and professional associations. Targeted advertisements in industry/trade publications will also be required to bring awareness to the opportunities and savings available through the Custom offering.

The primary market barriers that impact this subprogram include:

- **Initial Cost of Efficient Equipment:** Relative to the market baseline, efficient equipment often carries a higher upfront premium but a lower lifetime operating cost. Purchasers often may not fully value the lifetime operating cost advantage of efficient equipment and as a result, higher upfront cost is a barrier to purchasing efficient equipment. To address this barrier, incentives are provided to the customer to reduce the initial cost through a variety of channels including at midstream and downstream points. Access to financing for certain measures will also help address this barrier.
- **Customer Awareness and Engagement:** Commercial and Industrial customers may not be aware of the benefits of installing efficient equipment and/or lack the time and resources to pursue efficient equipment when replacing existing equipment. To address this barrier, NJNG will educate customers on the benefits of installing efficient equipment through targeted marketing, ensure that incentives are easily accessible, and encourage market transformation and stocking of efficient equipment through midstream incentives. Through outreach efforts, NJNG will seek to partner with retail and wholesale entities to promote subprogram offerings, and also focus marketing, education, and outreach efforts on the trade ally community to ensure that trade allies are aware of available incentives and prepared to serve customers. To increase participation rates among a diverse demographic, NJNG will include focused outreach efforts to reach minority- and women-owned small businesses, and start-ups by engaging with business groups and organizations that support these customers. Partner business groups might include the Chamber of Commerce, and the Small Business Administration. Utilities may also explore providing outreach materials in Spanish to reach Spanish-speaking business owners.

- **Landlord/Tenant Arrangements:** Split incentives between landlords, who own the energy-using equipment, and tenants, who pay for energy use, present a unique challenge because the investor in the equipment does not experience an immediate benefit. The subprogram will employ strategies to help the landlord understand the long-term benefits of participating. This subprogram will be marketed to both landlords and tenants to assure those exposed to energy costs are able to participate in the subprogram. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties.
- **Sufficient Stocking and Availability of Efficient Products:** To support a robust marketplace for efficient equipment, the Utilities may promote midstream incentives for specific equipment types to encourage participation via incentives for distributors or retailers to stock and promote the purchase of or for directly marking down the cost of the efficient equipment at the point of sale

NJNG will seek to manage barriers to subprogram success through a commitment to monitoring program performance and feedback channels for assessing effective program design, delivery, outreach, and marketing/advertising, and improvement opportunities. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis. NJNG will cross-promote programs and subprograms to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method, and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR II. a. xiii)

The Utilities may outsource some, or all, of the implementation of this subprogram to an implementation contractor who would be responsible for defined functions, which could include administration, marketing, application processing and documentation regarding purchased products and processing incentives and rebates. NJNG will perform overall administration and oversight of the subprogram. To maximize customer participation and streamline the customer experience, NJNG will use its strong customer and marketplace relationships to support multiple implementation strategies to achieve subprogram goals.

- **Trade Allies:** NJNG and/or the implementation contractor will target trade allies (e.g. electricians, HVAC contractors, lighting retailers and distributors, building energy managers, etc.) to promote the efficiency opportunities and incentives to their clients. Preserving this downstream approach will ensure that customers and trade allies are properly supported. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace and solicit feedback to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms include:

- Design, engineering, and controls firms;
- HVAC distributors, contractors, and retail providers;
- Food service retailers and service providers; and
- Commercial lighting distributors and wholesalers.

- **Retail:** NJNG subprogram staff and/or the implementation contractor field representatives will work with retailers and distributors that directly target C&I customers to inform them of the participation process and available equipment incentives. The Utility and/or implementation contractor will also provide support and assistance to retailers or distributors to support identification and promotion of qualifying energy efficient products. This will also include training and instruction to participating retailers and distributors about the NJNG application forms.
- **Midstream:** The Utilities and/or the implementation contractors may promote a midstream component for specific equipment types to encourage purchase of efficient equipment via directly marking down the cost of the efficient equipment at the point of sale. Midstream rebates encourage market transformation and wider availability of efficient equipment. The Utilities anticipate offering midstream point of sale discounts across numerous equipment types, including, but not limited to: LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream approach will not be eligible for rebates in any other utility rebate program. The Utility and/or implementation contractor will also provide support and assistance to distributors to support identification and promotion of qualifying energy efficient products. This will also include training and instruction to participating distributors as well as enrollment of distributors to participate in midstream subprogram offerings
- **Digital:** The subprogram will be marketed directly to C&I customers on the NJNG website, where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, and incentives across all efficient equipment types and end-uses.
- **Targeted Customer Outreach:** NJNG staff may choose to reach out directly to large business and commercial customers to develop relationships with energy and facilities managers, operations staff, and procurement personnel. Subprogram staff can help facilitate completion of rebate applications and serve as a direct resource to these customers, providing technical support and helping to assist customers in identifying efficiency opportunities.
- **Technical Customer Assistance:** An important element of the C&I Prescriptive and Custom Measures subprogram is the availability of technical support. The Utility and/or implementation contractor will provide technical support to customers on the application

of the energy efficiency measures and technologies included in this subprogram, including supporting project identification, developing energy savings calculations, and assessing project economics as required.

Measurement & Verification ("M&V") for projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after project implementation to determine savings and incentive amounts.

If used, it is anticipated that any third-party implementation contractor will work closely with the utility to optimize the subprogram's strategic direction, including, but not limited to, the following activities:

- Offered incentive levels and strategies;
- Customer satisfaction;
- Measurement and verification during on-site visits;
- Subprogram data tracking; and
- Rebate payments.

NJNG may select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach;
- Organizational and Management Capability;
- Experience;
- Cost; and
- The amount of business placed with minority, women, veteran and service-disabled veteran owned businesses.

A comprehensive contractor agreement, containing information about equipment certification (such as DLC lighting, etc.), licensing, insurance requirements and more, will be developed and provided to all participating contractors.

Some of NJNG's existing staff is familiar with the NJCEP SmartStart program that will be transitioned to this subprogram. Our team has experience answering customer inquiries, and screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions that will have not addressed under our prior programs like field inspections for QC. NJNG expects to hire additional staff to support this subprogram but they will work across the commercial sector programs. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. We expect to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The utilities propose to provide a range of incentives depending on the measure type, subject to changes based upon customer response and market conditions over the plan period. Incentives will vary depending on factors including but not limited to the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

In instances where incentives are not immediate, the utilities will complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a financing option. Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this subprogram.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 9: C&I Prescriptive and Custom Measures Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (measures)	981	1,080	1,135
Projected Net Annual Natural Gas Savings (therms)	422,080	464,521	489,546
Projected Net Lifetime Natural Gas Savings (therms)	3,566,177	3,926,276	4,149,576
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers [7](therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	824,076	923,626	1,102,666
Projected Net Lifetime Electric Savings (kWh)	12,338,057	13,829,008	16,513,331
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)[8]	0	0	0
Projected Net Annual Peak Demand Savings (kW)	13	15	18
Projected Net Lifetime Peak Demand Savings (kW)	203	228	278

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings for shared measures and for certain comprehensive projects. Refer to Exhibit P-1, NJNG-Schedule 19, for a description of the role of the Statewide Coordinator.

[7] Small commercial customers will participate in this program. However, it is not possible to estimate participation levels at this time based upon available data.
[8] Small commercial customers will participate in this program. However, it is not possible to estimate participation levels at this time based upon available data.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 10: C&I Prescriptive and Custom Measures Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	111,111	0	0
Utility Administration	233,903	240,920	248,147
Marketing	216,390	216,881	217,388
Outside Services	60,837	60,823	61,303
Incentives	6,305,912	7,230,625	8,324,944
Inspections and Quality Control	2,825	2,910	2,997
Evaluation	52,172	48,847	51,877
Total	6,983,149	7,801,006	8,906,656

2.0-Additional Utility Led Programs

In addition to core programming, utilities will also administer utility-run program and subprograms to further engage customers and promote energy efficiency projects. Utility-run programs and subprograms will compliment and expand upon core programs to ensure that utilities reach a diverse customer base and that customers receive adequate support in applying for and completing energy efficiency upgrades.

Utility-run programs and subprograms include:

2.1 Residential Additional Utility Led Programs

Behavioral: This program initially includes Behavioral initiatives and energy education. This program can reach a significant portion of the NJNG customer base, including low- to moderate-income segment and share personalized education, including guidance on low and no-cost energy saving strategies.

Existing Homes: Quick Home Energy Check-Up: This subprogram helps customers understand their best opportunities to save energy through an in-home consultation and secure energy savings during that visit through the direct installation of energy saving measures. It will be designed to help renters as well as homeowners and promotes additional energy savings opportunities and upgrades available to the customer. NJNG will also offer a QHEC+ option that provides a complete home energy assessment for a fee.

Existing Homes: Moderate Income Weatherization: This subprogram provides an opportunity for moderate-income customers to receive no cost energy efficiency measures and upgrades.

2.2 Commercial and Industrial Additional Utility Led Programs

Engineered Solutions: This subprogram will provide tailored energy-efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals ("MUSH"), and non-profit entities. Incentives will be offered to encourage these customers to invest in energy efficiency

Energy Management: This subprogram targets energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance. Incentives will be offered to encourage these customers to invest in energy efficiency

2.1 Residential Additional Utility Led Programs

2.1.1 BEHAVIORAL

Program Description (MFR II.a.i)

The Residential Behavior subprogram educates and provides customers with granular and easy-to-understand information about their energy use, the usage of their peers, and suggested actionable steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other energy-efficiency programs. Direct mailed and/or electronic home energy reports ("HERs" and "eHERs" collectively) will be the cornerstone of the program and will provide participants with customized, easy to implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. NJNG will also continue to issue high usage alerts by email to customers when weather patterns and other data indicate their next bill is trending higher and provide the customer with tips to manage their usage.

The program will also offer an internet-based home energy self-audit to all residential customers. This audit will allow customers to better understand their energy usage and opportunities for energy savings.

An online portal will be used to provide customers with usage information, recommendations, tips and links to energy-efficiency programs provided by NJNG. NJNG will utilize the information gathered from the HERs and online audits to not only gain a better understanding of the residential customer base, but also assist in making smart decisions moving forward with the energy-efficiency programs.

NJNG will share participation information with the Behavioral vendor to ensure that customers get messages that properly target their remaining efficiency opportunities (e.g. avoid sending a furnace replacement message to a customer that has recently installed a high-efficiency furnace). Incorporating participation feedback into the program on a prospective basis can improve the customer experience and potentially lead to higher engagement (e.g. build higher confidence in relevance of energy saving advice) and participation in other energy saving programs.

Target Market or Segment (MFR II.a.ii)

The program will provide HERs to the maximum number of customers to whom the vendor can cost effectively provide the service and maintain an appropriate control group. This number will be reviewed periodically and modified as needed to maximize cost-effective energy savings. The online energy audit will be available to all NJNG residential customers. The HERs and online audit will offer tailored recommendations to reduce their energy consumption.

The program primarily targets single-family homes, and NJNG will maintain a subset of HERs for its income-eligible markets. These customers receive customized low- to no-cost energy saving tips and other program opportunities available to them including income-qualified programs.

Marketing Plan (MFR II.a.xiv)

The recipients of the HERs and the related control group will be selected by NJNG and its selected Behavioral vendor. Accordingly, there is no marketing for the program itself. However, this program will influence residential customers to be more aware of other NJNG energy-efficiency programs and drive participation in those programs as well.

The online audit will be marketed through bill-insert mailers, digital advertising, community partners and other means to assure that all customers are aware of the availability of these resources. Participants in other NJNG energy-efficiency programs will be referred to the online audit tool and online portal where appropriate. The audit will highlight additional NJNG energy-efficiency programs, as well as relevant NJCEP programs, and drive participation in those programs.

The primary market barriers that this program addresses include:

- **Lack of Understanding:** Many customers have no sense of how their energy usage for any particular period compares to their prior usage or to that of similar homes. In the absence of the HER reports, customers don't have an inherent sense of how much energy they use or the extent to which they might be able to reduce energy usage by utilizing their own historical usage in addition to similar homes. This program addresses this barrier by providing this information to customers through the HERs. Customers who are not selected to receive HERs, but are interested in learning more, can take advantage of the self-service online audit.
- **Lack of Customer Effort:** While many utilities have offered self-service online audits for years, the traditional participation rate is very low. This program addresses this barrier by sending the HER reports directly to the customer several times throughout the year. To increase customer engagement, the program will continue to use an opt-out model where customers automatically receive reports unless they specify otherwise.
- **Insufficient Data:** Customers may delay participating in energy programming because they lack sufficient data, or the ability to interpret data, related to their own energy use, as well as financial and other benefits of energy efficiency projects. To address this barrier, utilities will ensure that HERs reports include important information to guide customers on how to interpret their energy use and how to measure the potential impact of efficiency measures. For example, as indicated above, HERs will compare customers' energy use to their peers and indicate if monthly usage is trending up or down.
- **Lack of Motivation:** Customers may lack the motivation to pursue energy efficiency measures. To account for this, utilities will incorporate behavior change messaging into HERs reports that has proven to increase customer adoption of energy measures. For instance, HERs will indicate whether customers use more or less energy than their neighbors, and may include messaging on how other community members are already reducing energy use through efficiency measures. This type of messaging motivates energy efficiency program participation by making the reader feel that they are joining a wider community effort by participating, and by instilling a sense of friendly competition with their peers.

NJNG will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will utilize a third-party contractor to provide the services under this program. NJNG is committed to a competitive procurement process to ensure we secure competitive pricing and superior features for our customers. However, NJNG may consider extending the contract with our existing vendor for the first year of the triennial due to the tight timeline between program approval and launch.

NJNG's HER vendor will identify and distribute HERs to residential customers at no charge to the participant. The online audit will be available for all NJNG residential customers free of charge. Customers will also have access to online functionality provided under the program that all customer can easily utilize to see additional tips on how to save energy, complete the online audit tool, and review their usage over a period of time.

NJNG expects to have a program operational as of July 1, 2021 but typically HERs are not issued until closer to the start of the heating season. Customers in the treatment group would be eligible to receive eHERs and all customers would have access to the online portal and online audit.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

There is no additional cost to participating customers for participation in this program. The program provides customized Home Energy Reports and access to an Online Audit tool to assist and drive customers to develop goals and strategies to reduce their energy usage as incentive for participation.

Customer Financing Options (MFR II.a.vi)

Since there is no additional cost for participating customers, there is no need for a financing component.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this program. All values are annual incremental totals and do not incorporate savings achieved in prior years. Savings per participant are based on savings per measure and an assumed mix of measures per participant. Total savings estimates are based on projected program participation during each year of the forecast period. Estimates of participants and related energy savings are based upon industry assumptions, but actual results will reflect the outcome of the competitive solicitation process.

Table 11: Residential Behavioral Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	256,000	242,000	229,000
Projected Net Annual Natural Gas Savings (therms)	1,083,826	1,232,718	1,035,177
Projected Net Lifetime Natural Gas Savings (therms)	2,311,189	2,628,691	2,207,447
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)[9]	Not available at this time	Not available at this time	Not available at this time
Projected Net Annual Electric Savings (kWh)	0	0	0
Projected Net Lifetime Electric Savings (kWh)	0	0	0
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	0	0	0
Projected Net Lifetime Peak Demand Savings (kW)	0	0	0

Since this program is grounded in NJNG specific usage data, there is no interaction with the Statewide Coordinator for this program.

[9] NJNG intends to maintain a dedicate pool of low income participants that receive customized messaging promoting special energy efficiency and energy assistance program available to them. Savings estimates for this separate pool is not available at this time.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 12: Residential Behavioral Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	0	0	0
Utility Administration	34,871	35,917	36,995
Marketing	31,479	32,423	33,396
Outside Services	87,500	87,500	87,500
Incentives	1,600,000	1,512,500	1,431,250
Inspections and Quality Control	0	0	0
Evaluation	92,308	87,807	83,639
Total	1,846,158	1,756,148	1,672,780

2.1.2 EXISTING HOMES-QUICK HOME ENERGY CHECK-UP

Program Description (MFR II.a.i)

The Quick Home Energy Check-Up ("QHEC") subprogram is an Additional Utility Led Initiative intended to provide residential customers with an understanding of opportunities to save energy and help them start saving energy immediately by providing some standard energy saving measures at no additional cost to participants. Interested customers will sign up for a QHEC to be performed by a qualified energy auditor. NJNG intends to launch the subprogram using our own Building Performance Institute Certified auditors but reserves the right to consider using a participating contractor. During the visit, the auditor will perform a walk-through of the customer's home with the customer to provide education about the opportunities to save energy. The auditor may also identify any health and safety issues observed as well as larger opportunities for energy savings, including making referrals to other energy efficiency programs and program opportunities based on the needs for that premise and the customer's interest in pursuing additional upgrades. This may include sharing information about the products and incentives available under the Energy Efficient Products program, the potential for comprehensive upgrades through either the HPwES subprogram, the Moderate-Income Weatherization subprogram, or the Comfort Partners program. This no-risk subprogram addresses all customer demographics and is intended to appeal to and provide benefits to both renters and homeowners.

Utility-specific Enhancement: NJNG also intends to offer QHEC+ for customers which will include the performance of a blower door test and the provision of U.S. Department of Energy Home Energy Score for fee and option to have our auditors install a smart thermostat[10] during the visit. This QHEC+ option would be comparable to our current Home Energy Assessment program and would provide an independent option for customers that wanted a comprehensive assessment of their building shell and mechanical systems. The QHEC+ option will also provide an overview of the opportunities to save by upgrading to high-efficiency equipment and or installing insulation and seal-up measures.

Target Market or Segment (MFR II.a.ii)

The QHEC subprogram will be available to all single-family and single-family attached (1 to 4 unit properties)[11] electric and/or natural gas customers served by at least one of the participating investor owned utilities in New Jersey. Standard energy efficiency measures installed during that visit may include but not be limited to LED bulbs, energy and water saving showerheads, kitchen faucet aerators, bathroom faucet aerators, gaskets, power strips and other energy saving measures. All participants will receive a QHEC report that confirms the findings during the appointment and summarizes the measures received and the recommendations made. The QHEC report will also highlight incentives available to support the implementation of those recommendations, including educating customers about how to pursue the recommendations through other program and subprogram opportunities as well as the availability of enhanced incentives. There are also

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[10] Additional Fee Applies
[11] Properties larger than 4 units will be referred for consideration in the Multifamily Program.

additional options through other program and subprogram offerings for Low-to-Moderate income ("LMI") customers (up to 400% of Federal Poverty Level or potential automatic eligibility based on physical location) and access to OBRP or financing with similar terms. Eligibility for these enhanced incentives can be determined based on screening an individual customer but the utilities also intend to explore implementing automatic eligibility for enhanced incentives based upon a physical location (e.g. census tract, environmental justice community, UEZ) to encourage more activity in LMI communities.

QHEC+ participants will receive a more detailed audit report that summarizes the results of the diagnostic tests performed at their home and their DOE Home Energy Score. Auditors are able to answer questions and provide information to customers on available rebates and incentives to assist with upfront costs of efficiency upgrades. In addition, should the customer choose, their audit can be posted on NJNG's contractor bidding portal. This portal allows up to three contractors to view customers' audits and provide an estimate on recommended upgrades and, provides customers easy access to participating contractors.

Similar to our current treatment for our Home Energy Assessment Program, NJNG will offer a QHEC+ with the installation of free smart thermostat to customers who receive a benefit from the moderate-income energy assistance programs (e.g. PAGE). NJNG may also offer the QHEC+ at no cost to customers within their first year of being at a new address to take advantage of prime periods on home upgrades.

Marketing Plan (MFR II.a.xiv)

NJNG will utilize various marketing channels to assure subprogram awareness and participation is maximized. These may include traditional marketing channels, such as web-based engagement and information, digital advertising, media advertising, and printed materials. NJNG also plan to cross promote this subprogram to participants in other energy efficiency program offerings. Information garnered from other program and subprogram offerings, such as the Residential Behavioral and Residential Efficient Products could also be used to identify prime candidates for participation in this QHEC subprogram. For example, a review of usage data contained in Home Energy Reports from the Residential Behavioral Subprogram would allow the NJNG to identify customers who are particularly susceptible to changes in weather and would be ideal candidates for a QHEC. Likewise, the Residential Efficient Products program would provide leads to customers interested in energy efficiency. Most importantly, the QHEC subprogram was specifically designed to engage and provide immediate energy savings to customers and identify strong leads for candidates that would benefit from participating in other programs.

The primary market barriers that impact this subprogram include:

- **Customer Awareness and Engagement:** Residential customers may not be fully aware of energy-efficiency opportunities for their home. This subprogram addresses this barrier by providing an independent professional assessment. NJNG will focus on promoting the subprogram to underrepresented demographics. NJNG will also provide outreach materials in Spanish and can reach younger demographics through a robust digital marketing plan. NJNG will also focus outreach efforts on reaching the highest gas users.

- **Up-front Cost of a Home Energy Assessment:** Many customers would not be interested or have the ability to pay the cost for an assessment. This subprogram addresses this barrier by offering the QHEC at no additional cost to the customer.
- **Split Incentives:** Many renters may not consider participating in energy efficiency programs because they don't own the premise and don't have a role in decisions regarding equipment replacement or structural improvements. This subprogram addresses this barrier by providing simple energy efficiency measures that provide immediate energy savings and don't require landlord approval to install or use (e.g. smart strips, LEDs).
- **Customer Skepticism of Contractor Proposals:** Some customers are skeptical that contractors don't have their best interests at heart since contractors are interested in performing the work. This subprogram addresses this barrier by ensuring the entity performing the assessment would not be performing the installation work for the EE Products or HPwES program that may be recommended as potential next steps in QHEC reports. NJNG will seek to mitigate skepticism by reaching consumers through trusted market influencers, such as Sustainable New Jersey and large employers in the state, and provide outreach and messaging from credible sources, including community groups, and local leaders.

NJNG will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will administer and oversee this QHEC subprogram and intends to select a third-party implementation contractor to manage delivery of this subprogram.

NJNG staff will oversee all aspects of the subprogram, including training and engagement, and QA/QC. NJNG staff will ensure a consistent subprogram delivery experience and high customer satisfaction. NJNG staff will also be responsible for customer support as needed and conducting selective verification of installation work. All QHEC+ projects will be subject to the quality verification requirements for the DOE Home Energy Score Program.

NJNG has more than a decade of experience performing in-home energy audits. Our BPI certified auditors have issued more than 25,000 DOE Home Energy Scores. We have been offering a proactive home energy assessment with an optional smart thermostat installation, which maps closely to the QHEC+ since January of 2020. We expect to be operational with this subprogram by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

NJNG will provide the QHEC to their interested customers at no additional cost, including the installation of standard energy efficiency measures that are appropriate for their home. Participating customers will also benefit from receiving energy efficiency conservation tips, recommendations and referrals to other energy efficiency programs based upon the opportunities identified for their home. Customers interested in the QHEC+ option will be charged a $49 fee although NJNG reserves the right to discount this fee for certain promotional periods to drive activity.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

Customer Financing Options (MFR II.a.vi)

Since there is no cost for participating customers for QHEC, there is no need for a financing component. Fee will be applied for QHEC+, but it will be provided at no cost for moderate income customers.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 13: Residential QHEC Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	1,500	1,650	1,733
Projected Net Annual Natural Gas Savings (therms)	19,636	21,600	22,680
Projected Net Lifetime Natural Gas Savings (therms)	161,056	177,162	186,020
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	72,552	79,807	83,797
Projected Net Annual Electric Savings (kWh)	795,749	875,324	919,091
Projected Net Lifetime Electric Savings (kWh)	8,969,389	9,866,328	10,359,644
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	133,547	146,902	154,247
Projected Net Annual Peak Demand Savings (kW)	9	10	10
Projected Net Lifetime Peak Demand Savings (kW)	96	106	111

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19 for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 14: Residential QHEC Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	1,095,158	1,125,656	1,157,068
Marketing	137,981	139,121	140,294
Outside Services	92,313	92,261	92,216
Incentives	211,430	232,573	244,202
Inspections and Quality Control	32,511	33,487	34,491
Evaluation	90,327	85,426	87,804
Total	1,806,547	1,708,523	1,756,075

2.1.3 EXISTING HOMES-MODERATE INCOME WEATHERIZATION

Subprogram Description (MFR II.a.i)

The Moderate-Income Weatherization subprogram provides an opportunity for low- to moderate-income customers to receive energy efficiency measures and upgrades at no additional cost. Income eligible customers will undergo an audit and then receive direct install measures (such as showerheads, faucet aerators, and LED bulbs) and weatherization measures (insulation, air sealing, and duct sealing). Homeowners with nonfunctional heating and/or cooling systems may also be eligible to receive repairs or replacement at no additional cost. The subprogram will include a cap on each project with additional funding for health and safety expenses.

During the audit, customers will receive installation of low-cost measures such as LED lighting, energy-saving aerators, showerheads, smart thermostats and smart power strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat and water heating setpoints. Based on the in-home audit recommendations, the participant may also be given the opportunity for additional building envelope measures to be installed at no additional cost. These measures include air sealing and building insulation. Also, customers with nonfunctional heating and cooling equipment may receive repairs or new equipment.

Target Market or Segment (MFR II.a.ii)

The Moderate-Income Weatherization subprogram will be available to all income-qualified single-family homes served by at least one investor-owned utility in New Jersey. To qualify for this subprogram, the customer's household income must be above the Comfort Partners program eligibility and up to 400% of Federal Poverty Income Guidelines. Eligibility for these enhanced incentives can be determined based on screening an individual customer but NJNG also intends to explore implementing automatic eligibility for enhanced incentives based upon a physical location (e.g. census tract, environmental justice community, Urban Enterprise Zone) or based upon participation in a qualifying program (e.g. PAGE assistance program) to encourage more activity in LMI communities.

Marketing Plan (MFR II.a.xiv)

NJNG will utilize many marketing avenues to educate potential eligible customers about the subprogram. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, and hard-copy materials to promote customer awareness. NJNG intends to cross market this subprogram and pursue additional marketing opportunities through other program offerings, such as through Home Energy Reports, where information garnered could be used to identify potential participants for this subprogram. For example, a review of usage data contained in Home Energy Reports could allow NJNG to identify customers who are particularly susceptible to changes in weather and would be ideal candidates for an audit and comprehensive weatherization. NJNG will also look at customers that did not qualify for the Comfort Partners program that might be eligible for this subprogram. Finally, NJNG customer service personnel will work to promote the subprogram and educate customers on energy efficiency and the programs available to assist them.

The primary market barriers that impact this subprogram include:

- **Initial Cost of Comprehensive Home Retrofits:** Comprehensive home retrofits are more expensive and require more participant investment and commitment. Customers must be willing and able to invest in more expensive energy-efficiency projects. NJNG addresses this barrier by offering all subprogram services at no additional cost to income- qualified customers.
- **Customer Awareness and Engagement:** Many customers are unaware of the "whole house" approach to energy-efficiency or the fact that building science exists. NJNG will work to address this by:
    - Continuing to educate customers about the subprogram and how both the structure and equipment work together;
    - Highlighting the extra training and BPI certification that contractors must have;
    - Identifying how the shell measure improvements can improve their comfort within the home;
    - Noting that the subprogram includes health and safety testing and repairs to allow Energy-saving measures to be installed; and
    - Reinforcing that the installation of equipment and shell measures may increase the value of their home.

  To increase subprogram participation among historically underrepresented demographics, NJNG will provide outreach materials in Spanish, and reach younger demographics through a robust digital marketing plan.
- **Awareness and Training:** To meet the participation goals, sufficient qualified contractors must be available to undertake the work. NJNG and/or their third-party implementation contractors will address this barrier by trying to recruit qualified contractors to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, under-represented and disadvantaged workers.
- **Customer Skepticism:** Customers may be skeptical of the motivation behind energy efficiency programs. To address this skepticism, NJNG will provide outreach and messaging from credible sources, including community groups, and local leaders in low to moderate income areas.
- **Complex Buying Process:** There can be a broad range of potential energy efficiency investments, but it can be challenging to identify which strategies may be the most beneficial. This subprogram addresses this barrier by providing free installation of low hanging fruit measures, and technical guidance and support in implementing more extensive and costly measures.

NJNG will seek to manage all barriers to success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG staff and/or third-party implementation contractors will oversee all aspects of the subprogram, including contractor training and engagement, quality assurance and fulfillment of subprogram services. The in-home energy audit and efficiency improvements will be conducted by third- party implementation contractors and/or program contractors. There will be a significant focus on developing and training qualified contractors. NJNG and/or third-party implementation contractors will oversee their staff and subcontractors and engage contractors to educate them on the subprogram benefits to reliably complete the in-home audits and install energy efficient equipment and improvements for participating customers. NJNG and/or third-party implementation contractors will also verify eligibility of customers and will maintain a close relationship with contractors to ensure consistent subprogram delivery experience and high customer satisfaction. NJNG and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts and that the subprogram is effectively achieving participation and serving customers. NJNG staff and/or third-party contractors will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of contractor installation work.

Contractors will consist of companies employing BPI-certified professionals to complete audits and energy-saving projects.

Selection of third-party implementation contractors will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Ability to educate and train contractors;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran, and service-disabled veteran owned businesses.

NJNG intends to issue a competition solicitation for a third-party implementer to run this subprogram. While we have no direct experience with this subprogram model, South Jersey Utilities has been running a similar program for more than 3 years. Similar to our approach when we launched Engineered Solutions in early 2019, we expect to be able to quickly launch this subprogram because of the cooperation and collaboration between utilities. Given the prioritization of existing programs, NJNG expects to launch this subprogram later in 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The customer may receive no-cost energy efficiency measures and upgrades with a per project cap for weatherization measures and an additional cap on health and safety expenses.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of Proposed Incentive Ranges for this subprogram.

NJNG and/or the third-party implementation contractors will complete contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

All services provided under this subprogram are at no additional cost or financing to the customer.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 15: Residential Weatherization Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	100	110	116
Projected Net Annual Natural Gas Savings (therms)	34,272	37,699	39,584
Projected Net Lifetime Natural Gas Savings (therms)	629,987	692,986	727,635
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	623,687	686,056	720,359
Projected Net Annual Electric Savings (kWh)	173,864	191,250	200,812
Projected Net Lifetime Electric Savings (kWh)	2,291,984	2,521,182	2,647,241
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	1,955,216	2,150,737	2,258,274
Projected Net Annual Peak Demand Savings (kW)	5	5	6
Projected Net Lifetime Peak Demand Savings (kW)	88	97	102

For customers in areas where gas and electric service territories overlap, NJNG will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19 for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 16: Residential Weatherization Subprogram Estimated Participation and Savings

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	310,378	317,332	324,495
Marketing	40,066	41,268	42,506
Outside Services	241,415	241,064	240,760
Incentives	1,423,954	1,566,349	1,644,667
Inspections and Quality Control	6,502	6,697	6,898
Evaluation	114,165	114,353	118,912
Total	2,283,306	2,287,063	2,378,238

2.2 Commercial and Industrial Additional Utility Led Programs

2.2.1 ENERGY SOLUTIONS FOR BUSINESS-ENGINEERED SOLUTIONS

Program Description (MFR II.a.i)

The Energy Solutions for Business-Engineered Solutions subprogram will provide tailored energy-efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and healthcare facilities, ("MUSH"), and non-profit entities. The subprogram will provide guided consultative service throughout delivery to assist customers in identifying and undertaking large energy-efficiency projects, while requiring no up-front funding from the customer.

Through this subprogram, customers will be provided with an in-depth audit of their facilities as well as a detailed assessment and recommendation of energy-efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis. Selection of trade allies will be subject to a competitive solicitation process. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through on-bill repayments or access to financing with similar terms. Through this subprogram design, participants in market segments that have typically been underserved are able to achieve greater energy savings.

Target Market or Segment (MFR II.a.ii)

C&I MUSH and non-profit entities and other businesses who are seeking comprehensive solutions that can't be served by either the Direct Install or Prescriptive and Custom Measures subprograms located within NJNG's service territory are eligible to participate in this subprogram. The subprogram will provide energy audits and incentives to entities that directly serve the public, but often have difficultly investigating and investing in energy-efficiency. The measures included in this subprogram may include HVAC, building envelope, motors, lighting, controls, and other building systems, energy efficiency and energy consuming equipment.

Marketing Plan (MFR II.a.xiv)

NJNG will leverage existing relationships with municipalities, universities, schools and other public agencies to promote the subprogram, and will conduct further outreach through school, university and municipal associations. The subprogram will leverage NJNG's existing relationships and communication channels with customers through subprogram staff and account management/customer service personnel. In addition, the subprogram will work with hospitals, healthcare facilities, and non-profits to increase awareness of the subprogram.

The primary market barriers that impact this subprogram include:

- **Business/Operational Constraints:** These facilities often have unique operational constraints that act as a barrier to implement energy-efficiency projects. This barrier will be addressed by ensuring the subprogram operates cooperatively with participants by accommodating operational and capital investment cycles. NJNG will offer timely incentive and financing support and provide technical assistance from specialized professionals who understand each facility's core production processes and operating issues.
- **Risk and Uncertainty, Hidden Costs:** These market segments may be particularly averse to risk and the potential for hidden costs in efficiency upgrades. To mitigate risk and uncertainty concerns NJNG will publicly communicate cycles of energy efficiency funding to serve as an investment signal for customers and trade allies.
- **Customer Awareness and Engagement:** Eligible participants may be unaware of energy-efficiency opportunities and programs because the segment has historically not been well served by traditional energy-efficiency programs. To address this barrier, this subprogram was designed specifically to support the segment. The subprogram will include a targeted outreach strategy to ensure that relevant customers are aware of subprogram opportunities and consider energy-efficiency in equipment investments and long-term planning. The subprogram will prepare and distribute successful case studies of prior participants and their experiences and energy savings.
- **Cost Effectiveness:** Efficiency upgrades require an initial investment that is recovered by lower long-run operating costs and non-energy benefits. These projects often carry longer payback periods than traditional energy-efficiency projects due to the unique needs of the segment (e.g. hospital & health buildings). To address this barrier, incentives and on-bill repayment or access to financing with similar terms is provided to the customer to reduce the initial cost, and subprogram will endeavor to communicate the non-energy benefits offered by many efficiency upgrades that are not well captured in traditional cost/benefit analysis.
- **Complex Buying Process:** This program is designed to simplify the buying process by providing direct engagement with these market segments to facilitate completion of project applications. NJNG will serve as a direct resource to these customers, providing technical support and assisting customers in identifying efficiency opportunities.
- **Awareness and Training:** To meet participation goals of the program, sufficient qualified contractors must be available to undertake the work. NJNG and/or their third-party implementation contractors will address this barrier by trying to recruit qualified contractors to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, under-represented and disadvantaged workers.

NJNG will seek to manage all barriers to subprogram success through a commitment to applying best practices in subprogram design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice subprograms that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will administer this subprogram and may also choose to select a third-party to manage delivery of this subprogram. NJNG will oversee all aspects of the subprogram in coordination with our Partner utilities. NJNG will utilize qualified trade allies to undertake the audit and engineering services required to deliver this subprogram. NJNG may also utilize the qualified trade allies to assist in the outreach, marketing, and trade ally coordination. Participants will contract with the installation trade allies selected through a competitive solicitation process to install the measures included in projects.

The subprogram delivery will typically occur in four steps:

- **Audit:** NJNG shall assess the required level of an American Society of Heating, Refrigerating, and Air Conditioning Engineers ("ASHRAE") audit to perform, based on the complexity of the facility and the potential energy efficiency measures; an investment grade audit may not be required for all facilities. NJNG will then select a subprogram trade ally to perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. NJNG and our Partner Utility will then review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project.
- **Engineering Analysis of Project:** Based on the audit results and customer feedback, an engineering analysis may be required. NJNG, as the Lead Utility, will conduct a screening of the payback and project cost effectiveness and recommend the selected energy-efficiency measures for the project. NJNG will review the project with the Customer for customer agreement on the approved project and coordinate with the Partner Utility as necessary. NJNG and a subprogram engineering trade ally will work with the customer to prepare a Scope of Work and other project documents, which will be used by the customer to obtain installation cost estimates for the approved project.
- **Scope of Work/Contractor Bids:** The customer will issue a Scope of Work to obtain competitive bids to complete the identified and approved project. NJNG and the subprogram engineering trade ally and the customer will review and evaluate the bids/costs received, and the customer will make the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness.

- **Measures Installation and Inspections:** NJNG and the subprogram engineering trade ally, acting as construction administration agent, will monitor project progress and will release project funds based on the following payment structure:

    - Stage 1: Project Contracting Stage - The first progress payment of up to 30% of the installation cost can be issued to the customer to initiate the project.
    - Stage 2: Construction Stage - A pre-defined series of progress payments totaling up to 50% of total project commitment can be issued.
    - Stage 3: Project Completion and Commissioning - When the project is 100% complete, a final inspection and final project true-up will be performed; remaining progress payments will be issued.

The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.

The progress payment schedule described above is designed to ensure that customers can pay their installation contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by the NJNG and the trade ally engineering firm with updates to the Partner Utility as appropriate.

NJNG will select qualified subprogram trade allies to undertake all auditing and engineering work associated with the subprogram. NJNG will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and subprogram trade ally and installation contractor availability and provide suggestions for improvement. The installation contractor(s) will adhere to the project specifications recommended by NJNG and the subprogram engineering trade ally and set forth between the installation contractor and the customer.

Selection of subprogram trade allies will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Resources and marketing strength;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran and service disabled veteran owned businesses.

NJNG has been implementing an Engineered Solutions program since January of 2019. There are more than a dozen projects currently underway. NJNG existing staff is familiar with all aspects of implementing this program and the process for securing additional Engineering Firms as trade allies. NJNG intends to hire additional staff to help support the commercial sector programs. The program is expected to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The subprogram will provide a 100% incentive for an up-front ASHRAE audit, the specific audit level will be determined on a project by project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, NJNG will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the subprogram with participants repaying the balance of the project costs through OBRP or access to financing with similar terms.

Refer to Exhibit P-2, Schedule AMP-1 for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

NJNG will complete customer contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2 for the Summary of Proposed Financing for this program.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4 for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 19: Engineered Solutions Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (projects)	42	46	49
Projected Net Annual Natural Gas Savings (therms)	306,091	336,700	353,535
Projected Net Lifetime Natural Gas Savings (therms)	6,121,818	6,734,000	7,070,700
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	4,089,374	4,498,311	4,723,227
Projected Net Lifetime Electric Savings (kWh)	81,787,477	89,966,225	94,464,536
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	112	123	129
Projected Net Lifetime Peak Demand Savings (kW)	2,234	2,458	2,581

For customers in areas where gas and electric service territories overlap, NJNG will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

<u>Program Budget (MFR II a.xi) (MFR II.a.xii)</u>

The table below illustrates the projected expenditures for this subprogram.

Table 20: Engineered Solutions Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	370,637	380,756	391,179
Marketing	0	0	0
Outside Services	172,193	170,324	168,713
Incentives	12,410,880	13,651,968	14,334,566
Inspections and Quality Control	0	0	0
Evaluation	434,410	466,927	489,287
Total	13,534,945	14,669,975	15,383,745

2.2.2 C&I ENERGY MANAGEMENT SUBPROGRAM

Program Description (MFR II.a.i)

The C&I Energy Management subprogram targets energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance through maintenance, tune-up and retro-commissioning services for existing buildings and through the implementation of energy savings strategies that improve the overall operation and energy performance of buildings and building systems. This subprogram compliments the Prescriptive/Custom and Engineered Solutions subprograms which focus on capital equipment replacement or process improvement investments by improving the energy performance of a building by maintaining, adjusting and optimizing the systems within the building and the implementation of complimentary energy savings measures. The program also provides paths to track the ongoing building energy performance by using retro-commissioning and strategic energy management strategies, which ensures continued energy performance. By implementing these measures, customers also receive ancillary benefits including improved occupant comfort, lower maintenance costs, and extended equipment life.

This subprogram includes measures that focus on specific energy efficiency measures and management practices that can be categorized as follows:

Building Operations

Building Operations measures provide multiple paths for a customer to implement building tune-up and maintenance services. These measures are designed to focus on midsize commercial and industrial customers and include the following:

- HVAC Tune-Up: Provides for a tune-up of central HVAC systems, Mini-Splits and Packaged Terminal units, and include the following measures;
  - Refrigeration charge correction (if needed);
  - Cleaning evaporator and condenser coils;
  - Filter changes;
  - Verification of proper operation of fans and motors; and
  - Other minor repairs to refrigerant lines and coils.

- Building Tune-Up: Provides a path for customers to implement a Building Tune-Up that will focus on the adjustment and calibration of building systems and controls, diagnostic testing and the installation of other measures that enhance building energy performance and savings. Also includes application of controls to optimize operation of building systems, and includes the following measures:
  - Calibration of building systems and controls, including energy management systems, lighting and HVAC;
  - Diagnostic and function tests of applicable major systems and equipment;
  - HVAC controls to optimize Roof Top Units (“RTU”)/Air Handling Units (“AHU”);

- Refrigeration controls to optimize refrigeration equipment;
- Lighting upgrades including application of lighting controls and optimization;
- Chiller system controls to optimize chiller performance;
- Other program eligible energy saving measures identified through the building assessment; and
- Building Operations Training for qualified personnel to obtain Building Operations Certification ("BOC") through a certified training program or other training programs as related to the efficient design, operations and maintenance of buildings.

Retro-Commissioning

Retro-Commissioning ("RCx") measures provide a comprehensive assessment of a customer's commercial/industrial building by using a prescribed planning process that includes a building audit, development of an action plan for the building and development of a Measurement and Verification ("M&V") plan to ensure the optimum on-going performance of the building and building systems. A comprehensive assessment of a commercial/industrial building using a prescribed planning and implementation process, including:

1. Audit Phase – Customer confirms intent to participate in the subprogram and registers with NJNG. Customer and/or the customer's consultant completes the required level of an American Society of Heating, Refrigerating, and Air Conditioning Engineers ("ASHRAE") audit based on the complexity of the facility, develops a retro-commissioning implementation plan, including project timelines and plan to implement audit identified operation and maintenance measures. There may be opportunities to complete this Phase without a full ASHRAE level audit.
2. Setup Phase - Contracted services to implement the plan are verified, long-term monitoring and reporting is developed and initiated, and a project plan is implemented by the customer.
3. M &V Phase - Savings verification and rebate payment from implementation of the plan is completed.

Typical Retro-Commissioning measures include, but are not limited to:

- Optimizing chiller and boiler operations to better match building load conditions;
- Reducing ventilation in over-ventilated areas;
- Fixing ventilation dampers that are open when they should be closed or vice versa;
- Decreasing supply air pressure setpoint and system rebalancing;
- Aligning zone temperature setpoints to match the building's actual operating schedule; and
- Virtual Commissioning ("VCx").

As an option to performing an on-site audit to develop a retro-commissioning plan, VCx option provides eligible customers with an analysis of their building's energy performance by using meter usage data, other data and building modeling to identify and recommend energy efficiency measures and operational changes to improve a building's overall energy performance. The analysis will foster participation in the utility’s other programs by identifying and encouraging customers to implement other energy efficiency improvements. The VCx process can also utilize benchmarking and peer comparison metrics to help determine energy performance to identify facilities that are underperforming. This offering can also use continuous engagement, monitoring and periodic reviews of customer’s energy usage to ensure that implemented measures or changes have been successfully completed. The use of building analysis using remote analysis techniques will also help customers to participate in the programs because of limited access to customer’s facilities due to concerns and restrictions such as COVID-19.

Strategic Energy Management

The Strategic Energy Management (“SEM”) component of this subprogram is designed to optimize energy consumption for larger C&I customers through long term management of major energy using systems. SEM provides a holistic approach that is focused on management of existing systems and processes (including behavior), as well as tracking and benchmarking performance to identify and evaluate energy optimization efforts. SEM is a long-term effort typically focused on developing and executing an energy management strategy. This strategy is formulated through a series of site and/or remote visits and interviews with building owners and staff to specifically develop a Strategic Energy Management Plan (“SEMP”) for the customer’s facility. The SEMP will be reviewed with the customer by the utility and/or its third-party implementation contractor on a scheduled basis. This plan may include:

- Revisions or improvements to an existing Building Automation System or the addition and initiation of the use of a Building Automation System to monitor and control the buildings components and systems. The implementation or improvements to a system or the review of an existing system, can include the proper training for building operators to achieve maximum efficiency.
- Development of a maintenance plan for existing building components and or systems to identify best practices in building performance and an interactive monitoring of system components by both staff and sponsoring utilities.
- Ongoing engagement to track energy usage and performance, assist with planning energy efficiency projects, and interact with facility personnel to adopt energy efficiency strategies and behaviors.
- Utilizing other subprogram offerings, including: Prescriptive/Custom measures, Building Tune-Up, RCx, and VCx.

- Using building modeling and benchmarking to compare customer's usage and performance to cohort of similar facilities and VCx to track energy usage and performance over time.
- Application of whole building energy modeling tools that can model buildings for both operational and capital improvements.
- Scheduling of attendance of customer personnel to attend educational workshops, webinars and group/individual training sessions with cohorts of facility managers (e.g. Building Operations Training).

Customers can participate by application to the subprogram or will be contacted directly by subprogram personnel. The subprogram will retrieve customer demographics and obtain customer agreement for the services to be provided and handle on-going customer engagement. Incentives for improvements recommended by the subprogram will be issued after the retrofit is completed. NJNG and/or a third-party implementation contractor will develop rebate application forms for this subprogram that will guide applicants through eligibility guidelines, terms and conditions, and general program information requirements. In addition, the subprogram will provide applications in web-ready formats to ensure participants and potential customers have easy access to the forms.

Target Market or Segment (MFR II.a.ii)

The C&I Energy Management subprogram will be available to all commercial, industrial, and other non-residential customers located within NJNG's service territory with buildings and building systems.

Building Operations measures target existing commercial buildings and is particularly relevant for medium building types that utilize traditional building systems and controls.

Retro-commissioning targets existing commercial buildings and is particularly relevant for medium to large building types utilizing a building energy management system.

SEM targets existing large to very large commercial and industrial customers and building types and is particularly relevant to customers with significant energy use who commit to on-going participation and engagement across the organization including various levels of management and decision making.

Marketing Plan (MFR II.a.xiv)

Marketing will specifically target commercial, industrial and government entities within NJNG's service territory depending upon the subprogram offering. Given the subprogram's breadth of offerings, the subprogram can provide basic HVAC tune up services to medium sized commercial customers up to providing Retro-Commissioning services for the larger C&I customers that have building management technology that controls the daily operations of building lighting and HVAC systems. In many cases, customers do not maintain nor operate their existing building equipment or energy management systems, so the subprogram will focus on bringing those systems back to peak operating performance and/or implementing control schemes that will enhance the operations of those systems as well as implementing energy saving technologies that will focus on building energy savings.

NJNG will leverage existing relationships with commercial and industrial customers to promote the overall subprogram. The subprogram will be specifically marketed as a comprehensive solution for a customer to improve the energy performance of their building by utilizing many of the services that the subprogram offers. The subprogram will leverage the utility's existing relationships and communication channels with customers through subprogram staff and account management teams.

The primary market barriers that impact this subprogram include:

- **Business/Operational Constraints:** These facilities often have unique operational constraints that act as a barrier to implement energy-efficiency projects and the maintenance of equipment. This barrier will be addressed by ensuring the subprogram operates cooperatively with participants, provides technical assistance, maintenance services and offers timely incentives and financing support. NJNG may also engage directly with businesses to facilitate completion of subprogram applications and utility staff will serve as a direct resource to these customers.
- **Customer Awareness and Engagement:** Eligible participants may be unaware of energy-efficiency opportunities and programs because the segment has historically not been well served by traditional energy-efficiency programs. To address this barrier, this subprogram was designed specifically to support the segment. NJNG will execute a targeted outreach strategy to ensure that relevant customers are aware of subprogram opportunities and consider energy-efficiency in building tune-ups, retro-commissioning and strategic energy management opportunities that will cover both short term and longer planning needs in those facilities. The subprogram will also prepare and distribute successful case studies of prior participants and their experiences and energy savings.
- **Awareness and Training:** To meet participation goals to evaluate the effectiveness of the program, sufficient qualified contractors must be available to undertake the work. NJNG will address this barrier by trying to recruit qualified contractors to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, under-represented and disadvantaged workers.

NJNG will seek to manage all barriers to subprogram success through a commitment to applying best practices in subprogram design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver a best-practice subprogram that identify and confront market barriers on an ongoing basis. To the extent possible, NJNG will cross-promote other programs and subprograms to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will perform overall administration and oversight of the subprogram and may also choose to select third-party implementation contractors to manage delivery of this subprogram. NJNG staff and/or third-party implementation contractors will oversee all aspects of the subprogram. NJNG and/or third-party implementation contractors will be responsible to administer, promote and provide the subprogram to customers including staffing, processes ensuring quality and other controls supporting successful subprogram implementation. NJNG staff and/or third-party implementation contractors will conduct the marketing, management, and implementation aspects of this subprogram. Marketing will target specific customer sectors, program allies and partners to ensure awareness in the subprogram and enhance customer participation. Additional target marketing will be completed to enhance participation among hard to reach customers.

NJNG staff and/or third-party implementation contractors will select qualified subprogram trade ally contractors to undertake all subprogram services. Installation and maintenance trade allies must adhere to the project specifications developed by the utility and/or third-party implementation contractors. NJNG will leverage its existing and or develop a network of engaged trade allies, including local construction, electrical, plumbing and other contractors, to educate them on subprogram benefits and assist with building an approved trade ally network which will reliably maintain and install energy-efficient equipment for participating customers.

NJNG staff and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and subprogram trade ally availability and provide suggestions for improvement.

Selection of third-party implementation contractors and subprogram trade allies will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Resources and marketing strength;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran and service disabled veteran owned businesses.

NJNG's existing staff has experience answering with commercial customer outreach, addressing customer inquiries, and screening for and issuing On-Bill Repayment Programs. NJNG intends to hire additional staff to help support the commercial sector programs. Given the prioritization of existing programs, NJNG expects to launch this subprogram later in 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

Incentives for this subprogram are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows:

- **HVAC Tune-Up:** Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units.
- **Building Tune-Up:** Incentives that cover up to 70% of the project cost with a project cap of $75,000 and up to 70% of the cost to attend qualified BOC training up to $1000 per person.
- **Retro-Commissioning:** Incentives to cover up to 50% of the initial cost to perform the required ASHRAE level audit, and the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the audit. The customer will also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit. The total audit and project incentive will be capped at up to 70% of the project cost.
- **Strategic Energy Management**: A third-party implementation contractor may perform an engineering assessment of the Customer's facility to develop a SEMP or the Customer may choose to utilize a consultant of their choosing to perform an engineering assessment to develop the SEMP. Customers who utilize a consultant will receive an incentive to cover up to 50% of the initial cost of the engineering assessment, with the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the SEMP process. A tiered incentive structure for Customer engineering assessment will be utilized based upon square footage of Customer's facility. The SEMP will identify short, medium, and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering that the measures are attributed.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

NJNG will complete customer contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this subprogram.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 21: C&I Energy Management Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (projects)	10	12	13
Projected Net Annual Natural Gas Savings (therms)	24,078	27,690	31,843
Projected Net Lifetime Natural Gas Savings (therms)	120,390	138,449	159,216
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	594,647	683,844	786,420
Projected Net Lifetime Electric Savings (kWh)	2,973,234	3,419,219	3,932,102
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	14	16	19
Projected Net Lifetime Peak Demand Savings (kW)	71	82	94

For customers in areas where gas and electric service territories overlap, NJNG will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19 for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 22: C&I Energy Management Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	111,111	0	0
Utility Administration	32,473	33,447	34,450
Marketing	0	0	0
Outside Services	10,238	10,459	11,029
Incentives	855,000	983,250	1,130,738
Inspections and Quality Control	0	0	0
Evaluation	23,096	19,561	22,231
Total	1,031,917	1,046,717	1,198,447

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

This service is available to any residential Customer in the territory served by the Company using gas for any domestic purpose. This rate is applicable to individually-metered apartments and to rooming and boarding houses where the number of rental bedrooms is not more than twice the number of bedrooms used by the Customer.

Gas delivered under this schedule may not be used for other than domestic purposes except when such use is incidental to domestic use.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$10.14

Delivery Charge:

Residential Heating

Delivery Charge per therm	$0.7189

Residential Non-Heating

Delivery Charge per therm	$0.6551

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

This service is available to any residential customer using distributed generation technologies including, but not limited to, microturbines and fuel cells to generate electricity for domestic purposes.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$10.14

Delivery Charge:

November - April	$0.3681
May - October	$0.3148

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses less than 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision I.2, the Company may, upon application by the Customer, meter the space heating and CAC use separately. Street Lighting Service also will be supplied under this schedule (Special Provision II.1).

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$34.85

Delivery Charge:

Delivery Charge per therm	$0.6712

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

SPECIAL PROVISIONS

I. *Applicable to All Customers Under This Service Classification*

1. ***Annual Review***
The Company shall review, at least once a year, each GSS Customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service – Large ("GSL") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is greater than or equal to 5,500 therms, the customer will be switched to GSL.

2. ***Air Conditioning and Pool Heating***
Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.3862) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.2850 per therm, which includes $0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

Commercial Air Conditioning and Pool Heating ("CAC") customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

Where a CAC Customer uses gas under this service classification in a direct-fired chiller/heater and the heating load is metered through the same meter as the cooling, air conditioning or pool heating load, and further, where the gas used for heating is billed separately, the GSS Customer Charge shall be waived, provided the Customer pays the Customer Charge under its heating service in all twelve (12) months of the year.

3. ***Veterans' Organization Service***
Pursuant to N.J.S.A 48:2-21.41, when natural gas service is delivered to a customer that is a Veterans' Organization, serving the needs of veterans of the armed forces, the customer may apply and be eligible for billing under this Special Provision.

a. Each customer shall be eligible for billing under this Special Provision upon submitting an Application for Veterans' Organization Service under this Service Classification and by qualifying as a "Veterans' Organization" as defined by N.J.S.A. 48:2-21.41 as "an organization dedicated to serving the needs of veterans of the armed forces that: is chartered under federal law, qualifies as a tax exempt organization under paragraph (19) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501 (c)(19), or that is organized as a corporation under the 'New Jersey Nonprofit Corporation Act,' N.J.S.15A:1-1 et seq." Under N.J.S.A. 48: 2-21.41, a qualified Veterans' Organization shall be charged the residential rate for service delivered to the property where the Veterans' Organization primarily operates, if the residential rate is lower than the commercial rate for service at that property.

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

The Customer shall furnish satisfactory proof of eligibility of service under this Special Provision to the Company. Once proof of eligibility is determined by the Company, service under this Special Provision shall begin with the next billing cycle following receipt of the Application.

b. The Customer will continue to be billed on this Service Classification. At least once annually, the Company shall review eligible customers' Customer Charges and Delivery Charges under this Special Provision for all relevant periods. If the comparable Customer Charges and Delivery Charges under Service Classification Residential Service (RS) are lower than the charges under their current Service Classification, a credit in the amount of the difference will be applied to the Customer's next bill.

II. *Applicable to All Customers Purchasing Gas Supply Under Rider "A" BGSS*

1. ***Street Lighting Service***
Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is $0.6312 per therm.

III. *Applicable to All Customers Purchasing Gas Supply from a Third Party Supplier*

1. ***Metering***
An Automated Meter Reading (AMR) device will not be required for this service.

2. ***Additional Requirements***
Service is subject to the terms and conditions of the Third Party Supplier Requirements section of this Tariff (Service Classification – TPS) and Section 10 of the Company's Standard Terms and Conditions.

TERMS AND CONDITIONS

Service is subject to the Company's Standard Terms and Conditions of this Tariff.

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses greater than or equal to 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision I.4, the Company may, upon application by the Customer, meter the space heating and CAC use separately.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$80.79

Demand Charge:

Demand Charge per therm applied to HMAD	$2.63

Delivery Charge:

Delivery Charge per therm	$0.5078

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE (continued)

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

SPECIAL PROVISIONS

I. *Applicable to All Customers in this Service Classification*

1. ***Determination of Demand***
   The highest monthly average daily usage (HMAD) that occurs in any billing period will be used to calculate the Demand Charge. The HMAD shall be determined based upon the Customer's highest normalized average daily usage for a month in the most recent twenty-four (24) month period. Estimated data may be used when actual data is not available. At least once a year, the Company shall review and modify, if necessary, each GSL customer's HMAD based upon the most recent twenty-four (24) months of billing information. The Company reserves the right to determine the HMAD for any Customer by actually metering daily usage.

2. ***Metering***
   An Automated Meter Reading (AMR) device with daily meter reads will not be required for this service. However, the Company reserves the right to install an AMR if it believes such a device will provide a more accurate HMAD than the Determination of Demand set forth above. Should the Company decide to install an AMR, the Customer shall furnish the necessary infrastructure to support the AMR, including, but not limited to, an electrical supply and phone line, or data plan, for the operation of the device, in an area acceptable to the Company.

3. ***Annual Review***
   The Company shall review, at least once a year, each GSL customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service - Small ("GSS") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is less than or equal to 4,500 therms, the Customer will be switched to GSS.

4. ***Air Conditioning and Pool Heating***
   Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.2228) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.2850 per therm which includes $0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

   Commercial Air Conditioning and Pool Heating ("CAC") Customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

This service is available to any customer who would otherwise qualify for service under Service Classifications GSS, GSL, IS, or NGV. The Company may require the Customer to provide to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$271.28

Demand Charge:

Demand Charge per therm applied to MDQ	$1.98

Delivery Charge:

Delivery Charge per therm	$0.1656

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

This service is available to any commercial customer using distributed generation technologies including, but not limited to, microturbines and fuel cells.

CONDITIONS PRECEDENT

If the Customer is served by a Third Party Supplier, the Third Party Supplier assumes the responsibility for all delivery requirements. The Company may require the Customer to provide, to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems. The Customer is responsible for payment of any costs if additional facilities, exclusive of metering facilities, are necessary to provide service. The Company reserves the right to limit new customers served under this service, if it determines that service expansion is detrimental to existing firm customers. The Customer must demonstrate that qualifying electric generation equipment has been installed at its location.

MONTHLY RATES

	DGC-Balancing	DGC-FT
Customer Charge:		
Customer Charge per meter per month	$82.43	$82.43
Demand Charge:		
Demand Charge per therm applied to PBQ	$1.94	$1.94
Delivery Charge per therm:		
November - April	$0.2541	$0.1515
May - October	$0.2215	$0.1189
BGSS Charge:		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS. For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

SERVICE CLASSIFICATION - EGS

ELECTRIC GENERATION SERVICE

AVAILABILITY

This service is available to any existing or new customer who uses greater than or equal to 10,000 therms daily for the sole purpose of generating electricity.

MONTHLY RATES

Customer Charge:

	Without SUT	With SUT
Customer Charge per month	$877.26	$935.38

Demand Charge:

	Without SUT	With SUT
Demand Charge per therm applied to MDQ	$1.5132	$1.6134

Delivery Charge:

	Without SUT	With SUT
Delivery Charge per therm	$0.0851	$0.0908

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, applicable taxes, assessments or similar charges lawfully imposed by the Company. Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E and H and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY
This service is available to any residential or commercial customer for the purpose of fueling natural gas vehicles at Company owned and operated compressed natural gas ("CNG") re-fueling facilities ("Company facilities") and at separately metered Customer owned and operated CNG re-fueling facilities ("Customer owned facilities").

CONDITIONS PRECEDENT
The Customer must sign a service agreement which sets forth the vehicles to be served to be eligible for this service.

DEFINITION OF TERM USED HEREIN
"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE
Firm sales gas service where Customer who uses Company facilities purchases gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"). Firm sales or transportation gas service where Customer who uses Customer owned facilities purchases gas supply pursuant to the Company's Rider "A" for BGSS or from a Third Party Supplier, respectively.

LICENSING, PERMITS AND LEGAL REQUIREMENTS
Customers installing CNG re-fueling facilities on their premises must meet all applicable licensing, permitting and other legal requirements associated with owning and operating CNG refueling facilities. The failure of the customer to comply with this provision may result in the Company suspending or terminating gas service to such facilities without further liability.

MONTHLY RATES

	Gas Available at Company Facilities	Customer Owned Facilities
Customer Charge:		
Residential Customer Charge per meter per month	N/A	$10.14
Commercial Customer Charge per meter per month	N/A	$82.85
Delivery Charge:		
Delivery Charge per therm	$0.3044 ($0.381 per GGE)	$0.3044 ($0.381 per GGE)

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

This service is applicable to Commercial and Industrial Customers whose minimum connected load is not less than 150 therms per hour, provided that gas is used only at locations where the Company has 1) adequate distribution facilities and 2) an adequate supply of natural gas. Customers will be required to specify that they have alternate fuel facilities installed in operating condition with an adequate fuel supply, as discussed in Special Provision 1.

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$572.98

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm	$0.1385

Customers without Alternate Fuel

Delivery Charge per therm	$0.3793

BGSS Charge:

BGSS Charge per therm for Sales Customers	See “Rate Summaries” at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge applicable shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

AVAILABILITY

This service is available to any customer who would otherwise qualify for service under Service Classifications RS, GSS, GSL, FT, IS, or NGV and who will utilize natural gas for the purpose of fueling natural gas vehicles at Company owned compressed natural gas re-fueling facilities operated by the Customer on its property ("Host Customer").

Availability of this Service Classification is subject to the terms and conditions approved in BPU Docket No. GR11060361. This Service Classification is closed.

CONDITIONS PRECEDENT

The Host Customer must sign an Agreement with the Company. The Host Customer must provide assurance that it will use initially at least twenty (20) percent of the re-fueling facility's capacity. The Host Customer must agree to provide the general public with reasonable access to a re-fueling facility for purposes of fueling the general public's natural gas vehicles.

DEFINITION OF TERM USED HEREIN

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE

Firm gas service where Host Customer may purchase gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"), from the Company through a contract, or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$82.85

Delivery Charge:

Delivery Charge per therm	$0.5176 ($0.647 per GGE)

BGSS Charge:

Monthly BGSS Charge per therm for Sales Customers without a gas supply contract	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

RIDER "F"

ENERGY EFFICIENCY - EE

AVAILABILITY

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	EGS	Electric Generation Service
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial	CNG	Compressed Natural Gas

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Energy Efficiency ("*EE")* Rider and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

The EE rate is for recovering authorized expenditures related to the energy-efficiency programs as approved in BPU Docket Nos. GO10030225, GR11070425, GO12070640, GO14121412, and GO18030355, collectively referred to as "Energy Efficiency Programs Established 2010-2018," and GO20090622 ("Energy Efficiency Programs Established 2021-Present").

DETERMINATION OF THE EE

The Company shall file an annual request with the Board for implementation of an EE charge, which shall be applicable to customers on all service classifications to which Rider "F" applies. The EE recovery year is intended to run from October 1st to September 30th of each year.

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

I. Determination of the Rate

The EE rate shall have two components, an Energy Efficiency Programs 2010-2018 rate and an Energy Efficiency Programs Established 2021-Present rate, which shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy-efficiency programs approved by the Board for Energy Efficiency Programs 2010-2018 and Energy Efficiency Programs Established 2021-Present unless modified further by Board Order.

2. An estimate shall be made of the total annual volume of prospective jurisdictional sales of gas (in therms) to NJNG's sales and transportation customers.

3. The prospective costs for Energy Efficiency Programs 2010-2018 and Energy Efficiency Programs Established 2021-Present (per paragraph (1)) shall separately be adjusted upward or downward to the extent of the amount of any prior under-recovery or over-recovery to determine the total costs to be recovered and then shall be divided by the estimated total volume of prospective sales (per paragraph (2)), to determine the per unit cost recovery rates. The result shall be carried for four (4) decimal places.

II. Tracking the Operation of the EE

The Company shall calculate carrying costs on the average monthly balances of under-or over-recovery of deferred costs based upon the Company's monthly commercial paper rate. The carrying cost calculation shall be based on the net of tax beginning and end average monthly balance. The carrying costs shall accrue on a monthly basis and shall be rolled into the balance at the end of each EE recovery year.

In accordance with P.L., 1997 c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT"), and when billed to customers exempt from this tax, as set forth in Rider "B", shall be reduced by the amount of such tax included therein.

The EE rate shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications to which Rider "F" applies. The EE rate is as set forth below:

Energy Efficiency Programs Established 2010-2018	$0.0171
Energy Efficiency Programs Established 2021-Present	$0.0213
EE	$0.0384

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		10.14	10.14	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4690	0.4690	
SUT		0.0311	0.0311	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		0.0304	0.0304	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.5689*	*0.5689*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.7189**	**0.7189**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Third Revised Sheet No. 253
BPU No. 10 - Gas *Superseding Second Revised Sheet No. 253*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		10.14	10.14	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4690	0.4690	
SUT		0.0311	0.0311	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		(0.0334)	(0.0334)	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.5051*	*0.5051*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.6551**	**0.6551**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

Date of Issue: *Effective for service rendered on and after July 1, 2021*
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		10.14	10.14	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.1685	0.1185	
SUT		0.0112	0.0079	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.2181*	*0.1648*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	0.0474	0.0474	
Delivery Charge (DEL)	a+b+c=d	**0.3681**	**0.3148**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**0.3320**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		34.85	34.85	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4153	0.4153	
SUT		0.0275	0.0275	Rider B
After-tax Base Rate		0.4428	0.4428	
CIP		0.0400	0.0400	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.5212*	*0.5212*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.6712**	**0.6712**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		80.79	80.79	
Demand Charge				
Demand Charge per month applied to HMAD		2.63	2.63	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2711	0.2711	
SUT		0.0180	0.0180	Rider B
After-tax Base Rate		0.2891	0.2891	
CIP		0.0303	0.0303	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.3578*	*0.3578*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.5078**	**0.5078**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3497**	**X**	Rider A

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, DEL, and BGS charges are presented on customer bills.

Date of Issue: — *Effective for service rendered on and after July 1, 2021*

Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		Transport	Reference
Customer Charge			
Customer Charge per meter per month		271.28	
Demand Charge			
Demand Charge per therm per month applied to MDQ		1.98	
Delivery Charge ("DEL") per therm			
Pre-tax Base Rate		0.0748	
SUT		0.0050	Rider B
After-tax Base Rate		0.0798	
EE		0.0384	Rider F
Subtotal	a	*0.1182*	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0.0213	Rider E
RA		0.0145	Rider C
USF		0.0116	Rider H
Total SBC	b	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.1656**	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, and DEL, charges are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		82.43	82.43	
Demand Charge				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0616	0.0310	
SUT		0.0041	0.0021	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		0.0384	0.0384	Rider F
Subtotal	a	0.1041	0.0715	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Balancing Charge	c	*0.1026*	*0.1026*	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	**0.2541**	**0.2215**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3497**	**0.3497**	Rider A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Customer Charge, Demand Charge, DEL, and BGS charges are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-FT

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		82.43	82.43	
Demand Charge				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0616	0.0310	
SUT		0.0041	0.0021	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.1041*	*0.0715*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
DGC-FT Delivery Charge (DEL)	a+b=c	**0.1515**	**0.1189**	

For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Customer Charge, Demand Charge, and DEL rate are presented on customer bills

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Electric Generation Service (EGS)

		Without SUT	With SUT	Reference
Customer Charge				
Customer Charge per meter per month		877.26	935.38	
Demand Charge				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0047	0.0047	
SUT		0.0000	0.0003	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	0.0360	0.0384	Rider F
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0200	0.0213	Rider E
RA		0.0136	0.0145	Rider C
USF		0.0108	0.0116	Rider H
Total SBC	c	*0.0444*	*0.0474*	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	**0.0851**	**0.0908**	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, and DEL charges are presented on customer bills.

Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E, F, and H and shall not be billed for such charges subject to the Customer's submission of an Annual Certification form.

NEW JERSEY NATURAL GAS COMPANY

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0494	0.0494	
SUT		0.0033	0.0033	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.0911*	*0.0911*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.1385**	**0.1385**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.4523	X	Rider A
BGS	d	**0.4523**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2753	0.2753	
SUT		0.0182	0.0182	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.3319*	*0.3319*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.3793**	**0.3793**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.4523	X	Rider A
BGS	d	**0.4523**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

Date of Issue: *Effective for service rendered on and after July 1, 2021*
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Compressed Natural Gas (CNG)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		82.85	82.85	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2050	0.2050	
CNG Charge		0.2000	0.2000	
SUT		0.0268	0.0268	Rider B
After-tax Base Rate		0.4318	0.4318	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.4702*	*0.4702*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.5176**	**0.5176**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.4523	X	Rider A
BGS	d	**0.4523**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer, DEL, and BGSS charges are presented on customer bills.

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				Reference
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2050		
SUT		0.0136		Rider B
After-tax Base Rate		0.2186		
EE		0.0384		Rider F
Subtotal	a	*0.2571*		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213		Rider E
RA		0.0145		Rider C
USF		0.0116		Rider H
Total SBC	b	*0.0474*		
Delivery Charge (DEL)	a+b=c	**0.3044**	**0.381**	
Compression Charge	d	**0.4958**	**0.620**	
Monthly Basic Gas Supply Charge ("BGS")	e	**0.4523**	**0.565**	Rider A
Total Variable Charge	c+d+e=f	**1.2525**	**1.566**	
New Jersey Motor Vehicle Fuel Tax	g		**0.000**	
Federal Excise Fuel Tax *	h		**0.185**	
Federal Excise Fuel Tax Credit *	i		**(0.517)**	
Total Price	f+g+h+i =j		**1.234**	

*Adjusted to reflect Internal Revenue Service GGE Conversion.

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Owned Facilities

				Reference
Customer Charge				
Residential Customer Charge per month		10.14		
Commercial Customer Charge per meter per month		82.85		
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2050		
SUT		0.0136		Rider B
After-tax Base Rate		0.2186		
EE		0.0384		Rider F
Subtotal	a	0.2571		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213		Rider E
RA		0.0145		Rider C
USF		0.0116		Rider H
Total SBC	b	*0.0474*		
Delivery Charge (DEL)	a+b=c	**0.3044**	**0.381**	
Monthly Basic Gas Supply Charge ("BGS")	d	**0.4523**	**0.565**	Rider A
Total Variable Charge	c+d=e	**0.7567**	**0.946**	

Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.
Customer and DEL charges are presented on customer bills for Firm Transport Gas Service
.

Date of Issue: ***Effective for service rendered on and after July 1, 2021***
Issued by: ***Mark G. Kahrer, Senior Vice President***
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

NJNG Energy Efficiency Program
Minimum Filing Requirements for Rate Filing
Minimum Filing Requirements (MFRs)

1. Information on direct FTE employment impacts including a breakdown by each of the Board approved NJNG EE programs. The Company will not be responsible for addressing the level of employment activity for HVAC and/or HPES contractors that are hired by customers unless those contractors are hired by NJNG.

2. A monthly revenue requirement calculation based on EE Program expenditures, including the investment and cost components showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.

3. For the review period, actual clause revenues, by month and by rate class recorded under the EE Program.

4. Monthly beginning and ending clause deferred balances related to the EE Program, as well as the average deferred balance, net of tax, for the 12-month period.

5. The interest rate used each month for over/under deferred balance recoveries related to the EE Program, and all supporting documentation and calculations for the interest rate.

6. The interest expense to be charged or credited to ratepayers each month.

7. A schedule showing budgeted versus actual EE Program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs.

8. The monthly journal entries relating to regulatory asset and deferred O&M expenses related to the EE Program for the 12 month review period.

9. Supporting details for all administrative costs related to the EE Program included in the revenue requirement.

10. Information supporting the carrying cost used for the unamortized costs of the EE program.

11. Number of participants for each of the Board approved NJNG EE programs.

12. Estimated demand and energy savings for each of the Board approved NJNG EE programs.

13. Estimated emissions reductions for each of the Board approved NJNG EE programs.

14. For programs that provide incentives for conversion of energy utilization to natural gas from other energy sources (e.g., converting from electric to gas furnaces) the company shall identify:
    - i. the number of such projects;
    - ii. an estimate of the increase in annual gas demand and energy associated with these projects; and
    - iii. the avoided use of electricity and/or other fuels.

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected July-21	Projected August-21	Projected September-21	Projected October-21	Projected November-21	Projected December-21	Projected January-22	Projected February-22	Projected March-22	Projected April-22	Projected May-22	Projected June-22	Projected July-22	Projected August-22	Projected September-22	Projected Total
1	Monthly Investment	$ 3,797,063	$ 1,504,916	$ 1,158,842	$ 2,052,813	$ 2,525,802	$ 2,783,331	$ 2,543,976	$ 2,064,559	$ 1,831,161	$ 2,081,196	$ 2,568,056	$ 2,797,031	$ 4,175,850	$ 2,128,861	$ 1,849,186	$ 35,862,643
2																	
3	Net Monthly Investment	$ 3,797,063	$ 1,504,916	$ 1,158,842	$ 2,052,813	$ 2,525,802	$ 2,783,331	$ 2,543,976	$ 2,064,559	$ 1,831,161	$ 2,081,196	$ 2,568,056	$ 2,797,031	$ 4,175,850	$ 2,128,861	$ 1,849,186	$ 35,862,643
4																	
5	Cumulative Investment	$ 3,797,063	$ 5,301,979	$ 6,460,821	$ 8,513,634	$ 11,039,435	$ 13,822,767	$ 16,366,743	$ 18,431,302	$ 20,262,463	$ 22,343,659	$ 24,911,715	$ 27,708,746	$ 31,884,596	$ 34,013,457	$ 35,862,643	$ 35,862,643
6																	
7	Less Accumulated Amortization	$ (31,642)	$ (75,825)	$ (129,666)	$ (200,612)	$ (292,608)	$ (407,797)	$ (544,187)	$ (697,781)	$ (866,635)	$ (1,052,832)	$ (1,260,430)	$ (1,491,336)	$ (1,757,041)	$ (2,040,486)	$ (2,339,342)	$ (2,339,342)
8																	
9	Less Accumulated Deferred Tax	$ (80,052)	$ (191,831)	$ (328,041)	$ (507,529)	$ (740,268)	$ (1,031,687)	$ (1,376,739)	$ (1,765,317)	$ (2,192,500)	$ (2,663,560)	$ (3,188,761)	$ (3,772,931)	$ (4,356,192)	$ (4,949,082)	$ (5,553,811)	$ (5,553,811)
10																	
11	Net Investment	$ 3,685,369	$ 5,034,323	$ 6,003,114	$ 7,805,492	$ 10,006,559	$ 12,383,282	$ 14,445,817	$ 15,968,204	$ 17,203,328	$ 18,627,267	$ 20,462,524	$ 22,444,479	$ 25,771,363	$ 27,023,889	$ 27,969,490	$ 27,969,490
12																	
13	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
14																	
15	Required Net Operating Income	$ 27,561	$ 37,649	$ 44,894	$ 58,373	$ 74,833	$ 92,607	$ 108,032	$ 119,417	$ 128,654	$ 139,303	$ 153,027	$ 167,849	$ 192,729	$ 202,096	$ 209,168	$ 1,756,193
16																	
17	Pre Tax Amortization	$ 31,642	$ 44,183	$ 53,840	$ 70,947	$ 91,995	$ 115,190	$ 136,390	$ 153,594	$ 168,854	$ 186,197	$ 207,598	$ 230,906	$ 265,705	$ 283,445	$ 298,855	$ 2,339,342
18																	
19	Revenue Requirement	$ 59,203	$ 81,832	$ 98,734	$ 129,320	$ 166,829	$ 207,797	$ 244,422	$ 273,011	$ 297,508	$ 325,500	$ 360,625	$ 398,756	$ 458,434	$ 485,542	$ 508,023	$ 4,095,535

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-22	Projected November-22	Projected December-22	Projected January-23	Projected February-23	Projected March-23	Projected April-23	Projected May-23	Projected June-23	Projected July-23	Projected August-23	Projected September-23	Projected Total
1	Monthly Investment	$ 2,803,390	$ 3,098,174	$ 3,245,796	$ 3,097,078	$ 2,837,024	$ 2,677,366	$ 2,989,573	$ 3,227,151	$ 3,363,978	$ 4,783,356	$ 3,107,148	$ 2,953,881	$ 38,183,916
2														
3	Net Monthly Investment	$ 2,803,390	$ 3,098,174	$ 3,245,796	$ 3,097,078	$ 2,837,024	$ 2,677,366	$ 2,989,573	$ 3,227,151	$ 3,363,978	$ 4,783,356	$ 3,107,148	$ 2,953,881	$ 38,183,916
4														
5	Cumulative Investment	$ 38,666,034	$ 41,764,208	$ 45,010,004	$ 48,107,082	$ 50,944,106	$ 53,621,472	$ 56,611,045	$ 59,838,196	$ 63,202,174	$ 67,985,529	$ 71,092,678	$ 74,046,559	$ 74,046,559
6														
7	Less Accumulated Amortization	$ (2,661,559)	$ (3,009,594)	$ (3,384,677)	$ (3,785,570)	$ (4,210,104)	$ (4,656,949)	$ (5,128,708)	$ (5,627,360)	$ (6,154,045)	$ (6,720,591)	$ (7,313,030)	$ (7,930,084)	$ (7,930,084)
8														
9	Less Accumulated Deferred Tax	$ (6,169,556)	$ (6,791,451)	$ (7,416,576)	$ (8,047,403)	$ (8,689,679)	$ (9,345,505)	$ (10,015,607)	$ (10,693,589)	$ (11,376,972)	$ (12,063,380)	$ (12,765,426)	$ (13,486,430)	$ (13,486,430)
10														
11	Net Investment	$ 29,834,919	$ 31,963,163	$ 34,208,751	$ 36,274,110	$ 38,044,323	$ 39,619,017	$ 41,466,729	$ 43,517,247	$ 45,671,157	$ 49,201,559	$ 51,014,222	$ 52,630,045	$ 52,630,045
12														
13	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
14														
15	Required Net Operating Income	$ 223,118	$ 239,034	$ 255,828	$ 271,273	$ 284,512	$ 296,288	$ 310,106	$ 325,441	$ 341,548	$ 367,950	$ 381,506	$ 393,590	$ 3,690,194
16														
17	Pre Tax Amortization	$ 322,217	$ 348,035	$ 375,083	$ 400,892	$ 424,534	$ 446,846	$ 471,759	$ 498,652	$ 526,685	$ 566,546	$ 592,439	$ 617,055	$ 5,590,742
18														
19	Revenue Requirement	$ 545,335	$ 587,069	$ 630,911	$ 672,166	$ 709,046	$ 743,134	$ 781,865	$ 824,092	$ 868,233	$ 934,496	$ 973,945	$ 1,010,645	$ 9,280,937

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-23	Projected November-23	Projected December-23	Projected January-24	Projected February-24	Projected March-24	Projected April-24	Projected May-24	Projected June-24	Projected July-24	Projected August-24	Projected September-24	Projected Total
1	Monthly Investment	$ 3,641,776	$ 3,863,263	$ 3,839,619	$ 3,792,194	$ 3,785,684	$ 3,803,308	$ 3,869,345	$ 3,891,304	$ 3,880,539	$ 1,449,988	$ 2,240,583	$ 2,660,966	$ 40,718,570
2														
3	Net Monthly Investment	$ 3,641,776	$ 3,863,263	$ 3,839,619	$ 3,792,194	$ 3,785,684	$ 3,803,308	$ 3,869,345	$ 3,891,304	$ 3,880,539	$ 1,449,988	$ 2,240,583	$ 2,660,966	$ 40,718,570
4														
5	Cumulative Investment	$ 77,688,335	$ 81,551,598	$ 85,391,217	$ 89,183,411	$ 92,969,096	$ 96,772,404	$ 100,641,748	$ 104,533,053	$ 108,413,592	$ 109,863,580	$ 112,104,163	$ 114,765,130	$ 114,765,130
6														
7	Less Accumulated Amortization	$ (8,577,487)	$ (9,257,084)	$ (9,968,677)	$ (10,711,872)	$ (11,486,615)	$ (12,293,051)	$ (13,131,733)	$ (14,002,841)	$ (14,906,288)	$ (15,821,818)	$ (16,756,019)	$ (17,712,395)	$ (17,712,395)
8														
9	Less Accumulated Deferred Tax	$ (14,218,543)	$ (14,959,528)	$ (15,705,429)	$ (16,458,729)	$ (17,225,385)	$ (18,009,506)	$ (18,805,172)	$ (19,607,280)	$ (20,412,399)	$ (21,136,037)	$ (21,834,127)	$ (22,519,122)	$ (22,519,122)
10														
11	Net Investment	$ 54,892,305	$ 57,334,987	$ 59,717,112	$ 62,012,810	$ 64,257,096	$ 66,469,846	$ 68,704,844	$ 70,922,931	$ 73,094,905	$ 72,905,726	$ 73,514,017	$ 74,533,612	$ 74,533,612
12														
13	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
14														
15	Required Net Operating Income	$ 410,508	$ 428,776	$ 446,590	$ 463,758	$ 480,542	$ 497,090	$ 513,804	$ 530,392	$ 546,635	$ 545,220	$ 549,769	$ 557,394	$ 5,970,479
16														
17	Pre Tax Amortization	$ 647,403	$ 679,597	$ 711,593	$ 743,195	$ 774,742	$ 806,437	$ 838,681	$ 871,109	$ 903,447	$ 915,530	$ 934,201	$ 956,376	$ 9,782,311
18														
19	Revenue Requirement	$ 1,057,911	$ 1,108,372	$ 1,158,184	$ 1,206,953	$ 1,255,284	$ 1,303,527	$ 1,352,485	$ 1,401,501	$ 1,450,082	$ 1,460,750	$ 1,483,971	$ 1,513,770	$ 15,752,790

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-24	Projected November-24	Projected December-24	Projected January-25	Projected February-25	Projected March-25	Projected April-25	Projected May-25	Projected June-25	Projected July-25	Projected August-25	Projected September-25	Projected Total
1	Monthly Investment	$ 752,049	$ 613,457	$ 472,781	$ 516,177	$ 700,581	$ 806,636	$ 746,705	$ 571,309	$ 483,145	$ 508,216	$ 646,854	$ 767,029	$ 7,584,939
2														
3	Net Monthly Investment	$ 752,049	$ 613,457	$ 472,781	$ 516,177	$ 700,581	$ 806,636	$ 746,705	$ 571,309	$ 483,145	$ 508,216	$ 646,854	$ 767,029	$ 7,584,939
4														
5	Cumulative Investment	$ 115,517,178	$ 116,130,635	$ 116,603,417	$ 117,119,594	$ 117,820,175	$ 118,626,810	$ 119,373,515	$ 119,944,824	$ 120,427,969	$ 120,936,186	$ 121,583,039	$ 122,350,068	$ 122,350,068
6														
7	Less Accumulated Amortization	$ (18,675,038)	$ (19,642,794)	$ (20,614,489)	$ (21,590,486)	$ (22,572,320)	$ (23,560,877)	$ (24,555,656)	$ (25,555,197)	$ (26,558,763)	$ (27,566,564)	$ (28,579,756)	$ (29,599,340)	$ (29,599,340)
8														
9	Less Accumulated Deferred Tax	$ (23,134,664)	$ (23,672,642)	$ (24,130,644)	$ (24,510,696)	$ (24,816,839)	$ (25,050,895)	$ (25,210,054)	$ (25,290,104)	$ (25,289,439)	$ (25,265,522)	$ (25,202,756)	$ (25,093,828)	$ (25,093,828)
10														
11	Net Investment	$ 73,707,476	$ 72,815,200	$ 71,858,284	$ 71,018,412	$ 70,431,015	$ 70,015,038	$ 69,607,804	$ 69,099,523	$ 68,579,767	$ 68,104,100	$ 67,800,527	$ 67,656,900	$ 67,656,900
12														
13	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
14														
15	Required Net Operating Income	$ 551,216	$ 544,543	$ 537,387	$ 531,106	$ 526,713	$ 523,602	$ 520,557	$ 516,756	$ 512,869	$ 509,312	$ 507,041	$ 505,967	$ 6,287,069
16														
17	Pre Tax Amortization	$ 962,643	$ 967,755	$ 971,695	$ 975,997	$ 981,835	$ 988,557	$ 994,779	$ 999,540	$ 1,003,566	$ 1,007,802	$ 1,013,192	$ 1,019,584	$ 11,886,945
18														
19	Revenue Requirement	$ 1,513,859	$ 1,512,298	$ 1,509,082	$ 1,507,103	$ 1,508,548	$ 1,512,159	$ 1,515,336	$ 1,516,296	$ 1,516,435	$ 1,517,113	$ 1,520,233	$ 1,525,551	$ 18,174,014

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

	Projected October-25	Projected November-25	Projected December-25	Projected January-26	Projected February-26	Projected March-26	Projected April-26	Projected May-26	Projected June-26	Projected July-26	Projected August-26	Projected September-26	Projected Total
1 Monthly Investment	$ 486,693	$ 411,814	$ 333,233	$ 340,417	$ 354,824	$ 461,949	$ 278,521	$ 254,690	$ 150,069	$ 119,118	$ 114,309	$ 190,515	$ 3,496,153
2													
3 Net Monthly Investment	$ 486,693	$ 411,814	$ 333,233	$ 340,417	$ 354,824	$ 461,949	$ 278,521	$ 254,690	$ 150,069	$ 119,118	$ 114,309	$ 190,515	$ 3,496,153
4													
5 Cumulative Investment	$ 122,836,762	$ 123,248,576	$ 123,581,809	$ 123,922,226	$ 124,277,050	$ 124,738,999	$ 125,017,520	$ 125,272,210	$ 125,422,279	$ 125,541,397	$ 125,655,706	$ 125,846,221	$ 125,846,221
6													
7 Less Accumulated Amortization	$ (30,622,980)	$ (31,650,052)	$ (32,679,900)	$ (33,712,585)	$ (34,748,227)	$ (35,787,719)	$ (36,829,532)	$ (37,873,467)	$ (38,918,652)	$ (39,964,831)	$ (41,011,962)	$ (42,060,680)	$ (42,060,680)
8													
9 Less Accumulated Deferred Tax	$ (24,977,544)	$ (24,855,572)	$ (24,729,551)	$ (24,598,614)	$ (24,458,748)	$ (24,309,725)	$ (24,149,082)	$ (23,980,426)	$ (23,803,616)	$ (23,617,412)	$ (23,418,466)	$ (23,205,569)	$ (23,205,569)
10													
11 Net Investment	$ 67,236,238	$ 66,742,953	$ 66,172,359	$ 65,611,027	$ 65,070,075	$ 64,641,555	$ 64,038,907	$ 63,418,318	$ 62,700,011	$ 61,959,154	$ 61,225,279	$ 60,579,973	$ 60,579,973
12													
13 Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
14													
15 Required Net Operating Income	$ 502,821.31	$ 499,132	$ 494,865	$ 490,667	$ 486,622	$ 483,417	$ 478,910	$ 474,269	$ 468,897	$ 463,357	$ 457,869	$ 453,043	$ 5,753,871
16													
17 Pre Tax Amortization	$ 1,023,640	$ 1,027,071	$ 1,029,848	$ 1,032,685	$ 1,035,642	$ 1,039,492	$ 1,041,813	$ 1,043,935	$ 1,045,186	$ 1,046,178	$ 1,047,131	$ 1,048,719	$ 12,461,340
18													
19 Revenue Requirement	$ 1,526,461	$ 1,526,204	$ 1,524,714	$ 1,523,353	$ 1,522,264	$ 1,522,909	$ 1,520,723	$ 1,518,204	$ 1,514,083	$ 1,509,535	$ 1,505,000	$ 1,501,761	$ 18,215,210

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-26	Projected November-26	Projected December-26	Projected January-27	Projected February-27	Projected March-27	Projected April-27	Projected May-27	Projected June-27	Projected July-27	Projected August-27	Projected September-27	Projected Total
1	Monthly Investment	$ 228,618	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 228,618
2														
3	Net Monthly Investment	$ 228,618	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 228,618
4														
5	Cumulative Investment	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840
6														
7	Less Accumulated Amortization	$ (43,111,304)	$ (44,161,927)	$ (45,212,551)	$ (46,263,175)	$ (47,313,798)	$ (48,364,422)	$ (49,415,046)	$ (50,465,669)	$ (51,516,293)	$ (52,566,917)	$ (53,617,540)	$ (54,668,164)	$ (54,668,164)
8														
9	Less Accumulated Deferred Tax	$ (22,986,090)	$ (22,756,965)	$ (22,520,034)	$ (22,275,129)	$ (22,021,912)	$ (21,757,873)	$ (21,487,311)	$ (21,210,782)	$ (20,930,738)	$ (20,647,904)	$ (20,362,391)	$ (20,072,416)	$ (20,072,416)
10														
11	Net Investment	$ 59,977,446	$ 59,155,947	$ 58,342,254	$ 57,536,536	$ 56,739,130	$ 55,952,544	$ 55,172,483	$ 54,398,388	$ 53,627,809	$ 52,860,019	$ 52,094,908	$ 51,334,259	$ 51,334,259
12														
13	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
14														
15	Required Net Operating Income	$ 448,536.96	$ 442,393	$ 436,308	$ 430,283	$ 424,319	$ 418,437	$ 412,603	$ 406,814	$ 401,052	$ 395,310	$ 389,588	$ 383,900	$ 4,989,545
16														
17	Pre Tax Amortization	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 12,607,484
18														
19	Revenue Requirement	$ 1,499,161	$ 1,493,017	$ 1,486,932	$ 1,480,906	$ 1,474,943	$ 1,469,061	$ 1,463,227	$ 1,457,438	$ 1,451,675	$ 1,445,933	$ 1,440,212	$ 1,434,523	$ 17,597,029

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected July-21	Projected August-21	Projected September-21	Projected October-21	Projected November-21	Projected December-21	Projected January-22	Projected February-22	Projected March-22	Projected April-22	Projected May-22	Projected June-22	Projected July-22	Projected August-22	Projected September-22	Projected Total
1 Monthly Investment	$ 2,484,440	$ 1,490,664	$ 993,776	$ 1,631,567	$ 2,568,981	$ 3,037,689	$ 2,568,981	$ 1,631,567	$ 1,162,860	$ 1,634,524	$ 2,593,672	$ 3,052,622	$ 2,874,820	$ 1,884,337	$ 1,342,759	$ 30,953,258
2 Less Loan Repayments	$ (29,256)	$ (46,809)	$ (58,511)	$ (78,195)	$ (108,728)	$ (144,687)	$ (175,221)	$ (194,904)	$ (209,163)	$ (228,890)	$ (259,794)	$ (295,977)	$ (330,162)	$ (353,075)	$ (369,657)	$ (2,883,029)
3																
4 Net Monthly Investment	$ 2,455,184	$ 1,443,855	$ 935,265	$ 1,553,372	$ 2,460,253	$ 2,893,002	$ 2,393,761	$ 1,436,663	$ 953,697	$ 1,405,634	$ 2,333,878	$ 2,756,645	$ 2,544,658	$ 1,531,262	$ 973,101	$ 28,070,229
5																
6 Cumulative Investment	$ 2,455,184	$ 3,899,039	$ 4,834,303	$ 6,387,675	$ 8,847,929	$ 11,740,930	$ 14,134,691	$ 15,571,354	$ 16,525,051	$ 17,930,684	$ 20,264,563	$ 23,021,207	$ 25,565,865	$ 27,097,128	$ 28,070,229	$ 28,070,229
7																
8 Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
9																
10 Required Net Operating Income	$ 18,361	$ 29,159	$ 36,153	$ 47,770	$ 66,169	$ 87,804	$ 105,705	$ 116,449	$ 123,581	$ 134,093	$ 151,547	$ 172,162	$ 191,192	$ 202,644	$ 209,921	$ 1,692,711
11																
12 Revenue Requirement	$ 18,361	$ 47,520	$ 83,673	$ 131,442	$ 197,611	$ 285,415	$ 391,120	$ 507,569	$ 631,151	$ 765,244	$ 916,791	$ 1,088,953	$ 1,280,146	$ 1,482,790	$ 1,692,711	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-22	Projected November-22	Projected December-22	Projected January-23	Projected February-23	Projected March-23	Projected April-23	Projected May-23	Projected June-23	Projected July-23	Projected August-23	Projected September-23	Projected Total
1 Monthly Investment	$ 2,102,375	$ 3,064,615	$ 3,559,556	$ 3,083,801	$ 2,188,531	$ 1,666,848	$ 2,286,419	$ 3,201,842	$ 3,698,676	$ 3,480,939	$ 2,557,790	$ 1,999,348	$ 32,890,739
2 Less Loan Repayments	$ (396,108)	$ (433,300)	$ (476,070)	$ (513,542)	$ (541,280)	$ (563,040)	$ (592,513)	$ (631,916)	$ (676,870)	$ (719,539)	$ (752,530)	$ (779,230)	$ (7,075,937)
3													
4 Net Monthly Investment	$ 1,706,267	$ 2,631,315	$ 3,083,486	$ 2,570,259	$ 1,647,251	$ 1,103,808	$ 1,693,905	$ 2,569,926	$ 3,021,807	$ 2,761,400	$ 1,805,260	$ 1,220,119	$ 25,814,803
5													
6 Cumulative Investment	$ 29,776,496	$ 32,407,811	$ 35,491,297	$ 38,061,556	$ 39,708,807	$ 40,812,615	$ 42,506,520	$ 45,076,446	$ 48,098,253	$ 50,859,653	$ 52,664,913	$ 53,885,032	$ 53,885,032
7													
8 Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9													
10 Required Net Operating Income	$ 222,681	$ 242,359	$ 265,419	$ 284,641	$ 296,959	$ 305,214	$ 317,882	$ 337,101	$ 359,699	$ 380,350	$ 393,851	$ 402,975	$ 3,809,132
11													
12 Revenue Requirement	$ 222,681	$ 465,041	$ 730,460	$ 1,015,100	$ 1,312,060	$ 1,617,274	$ 1,935,156	$ 2,272,257	$ 2,631,956	$ 3,012,306	$ 3,406,157	$ 3,809,132	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-23	Projected November-23	Projected December-23	Projected January-24	Projected February-24	Projected March-24	Projected April-24	Projected May-24	Projected June-24	Projected July-24	Projected August-24	Projected September-24	Projected Total
1 Monthly Investment	$ 2,607,666	$ 3,715,615	$ 4,180,978	$ 3,725,122	$ 2,823,855	$ 2,350,855	$ 2,821,271	$ 3,743,042	$ 4,219,025	$ 800,833	$ 1,099,500	$ 1,215,266	$ 33,303,026
2 Less Loan Repayments	$ (812,996)	$ (859,468)	$ (910,723)	$ (957,177)	$ (994,338)	$ (1,026,604)	$ (1,063,917)	$ (1,110,811)	$ (1,162,639)	$ (1,175,140)	$ (1,192,406)	$ (1,211,632)	$ (12,477,849)
3													
4 Net Monthly Investment	$ 1,794,670	$ 2,856,147	$ 3,270,254	$ 2,767,945	$ 1,829,517	$ 1,324,251	$ 1,757,354	$ 2,632,231	$ 3,056,386	$ (374,307)	$ (92,905)	$ 3,634	$ 20,825,177
5													
6 Cumulative Investment	$ 55,679,702	$ 58,535,849	$ 61,806,103	$ 64,574,048	$ 66,403,566	$ 67,727,817	$ 69,485,170	$ 72,117,402	$ 75,173,788	$ 74,799,480	$ 74,706,575	$ 74,710,208	$ 74,710,208
7													
8 Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9													
10 Required Net Operating Income	$ 416,397	$ 437,756	$ 462,212	$ 482,912	$ 496,594	$ 506,498	$ 519,640	$ 539,325	$ 562,182	$ 559,382	$ 558,688	$ 558,715	$ 6,100,300
11													
12 Revenue Requirement	$ 416,397	$ 854,153	$ 1,316,365	$ 1,799,277	$ 2,295,872	$ 2,802,369	$ 3,322,009	$ 3,861,334	$ 4,423,515	$ 4,982,898	$ 5,541,586	$ 6,100,300	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-24	Projected November-24	Projected December-24	Projected January-25	Projected February-25	Projected March-25	Projected April-25	Projected May-25	Projected June-25	Projected July-25	Projected August-25	Projected September-25	Projected Total
1 Monthly Investment	$ 744,444	$ 625,499	$ 568,741	$ 647,919	$ 807,582	$ 855,038	$ 770,820	$ 604,042	$ 579,417	$ 638,455	$ 699,113	$ 769,390	$ 8,310,459
2 Less Loan Repayments	$ (1,223,732)	$ (1,233,793)	$ (1,242,767)	$ (1,252,983)	$ (1,265,880)	$ (1,279,724)	$ (1,292,266)	$ (1,302,013)	$ (1,311,152)	$ (1,321,185)	$ (1,332,442)	$ (1,345,000)	$ (15,402,938)
3 Net Monthly Investment	$ (479,288)	$ (608,294)	$ (674,026)	$ (605,064)	$ (458,298)	$ (424,687)	$ (521,446)	$ (697,971)	$ (731,735)	$ (682,731)	$ (633,329)	$ (575,610)	$ (7,092,478)
4													
5 Cumulative Investment	$ 74,230,920	$ 73,622,627	$ 72,948,600	$ 72,343,536	$ 71,885,238	$ 71,460,552	$ 70,939,105	$ 70,241,135	$ 69,509,400	$ 68,826,669	$ 68,193,340	$ 67,617,730	$ 67,617,730
6													
7 Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
8													
9 Required Net Operating Income	$ 555,131	$ 550,581	$ 545,541	$ 541,016	$ 537,589	$ 534,413	$ 530,513	$ 525,293	$ 519,821	$ 514,715	$ 509,979	$ 505,674	$ 6,370,265
10													
11 Revenue Requirement	$ 555,131	$ 1,105,712	$ 1,651,253	$ 2,192,269	$ 2,729,857	$ 3,264,270	$ 3,794,783	$ 4,320,076	$ 4,839,897	$ 5,354,612	$ 5,864,591	$ 6,370,265	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-25	Projected November-25	Projected December-25	Projected January-26	Projected February-26	Projected March-26	Projected April-26	Projected May-26	Projected June-26	Projected July-26	Projected August-26	Projected September-26	Projected Total
1	Monthly Investment	$ 480,374	$ 428,448	$ 395,068	$ 434,325	$ 382,644	$ 461,789	$ 267,281	$ 257,432	$ 187,082	$ 174,409	$ 102,775	$ 176,851	$ 3,748,479
2	Less Loan Repayments	$ (1,352,851)	$ (1,359,746)	$ (1,365,949)	$ (1,372,752)	$ (1,378,970)	$ (1,386,566)	$ (1,390,935)	$ (1,395,089)	$ (1,398,061)	$ (1,390,844)	$ (1,386,594)	$ (1,385,571)	$ (16,563,926)
3														
4	Net Monthly Investment	$ (872,476)	$ (931,299)	$ (970,881)	$ (938,427)	$ (996,326)	$ (924,776)	$ (1,123,654)	$ (1,137,657)	$ (1,210,980)	$ (1,216,435)	$ (1,283,818)	$ (1,208,720)	$ (12,815,448)
5														
6	Cumulative Investment	$ 66,745,254	$ 65,813,955	$ 64,843,074	$ 63,904,648	$ 62,908,322	$ 61,983,546	$ 60,859,892	$ 59,722,235	$ 58,511,255	$ 57,294,820	$ 56,011,002	$ 54,802,282	$ 54,802,282
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 499,150	$ 492,185	$ 484,924	$ 477,906	$ 470,455	$ 463,539	$ 455,136	$ 446,628	$ 437,572	$ 428,475	$ 418,874	$ 409,835	$ 5,484,681
11														
12	Revenue Requirement	$ 499,150	$ 991,334	$ 1,476,259	$ 1,954,165	$ 2,424,620	$ 2,888,160	$ 3,343,296	$ 3,789,924	$ 4,227,496	$ 4,655,972	$ 5,074,846	$ 5,484,681	$ -

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-26	Projected November-26	Projected December-26	Projected January-27	Projected February-27	Projected March-27	Projected April-27	Projected May-27	Projected June-27	Projected July-27	Projected August-27	Projected September-27	Projected Total
1	Monthly Investment	$ 213,888	$ (3,127)	$ (5,211)	$ (6,253)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 199,298
2	Less Loan Repayments	$ (1,381,335)	$ (1,370,231)	$ (1,357,472)	$ (1,346,315)	$ (1,338,505)	$ (1,332,316)	$ (1,324,469)	$ (1,313,089)	$ (1,300,218)	$ (1,287,618)	$ (1,277,956)	$ (1,270,383)	$ (15,899,908)
3														
4	Net Monthly Investment	$ (1,167,447)	$ (1,373,358)	$ (1,362,682)	$ (1,352,569)	$ (1,338,505)	$ (1,332,316)	$ (1,324,469)	$ (1,313,089)	$ (1,300,218)	$ (1,287,618)	$ (1,277,956)	$ (1,270,383)	$ (15,700,610)
5														
6	Cumulative Investment	$ 53,634,836	$ 52,261,478	$ 50,898,795	$ 49,546,227	$ 48,207,721	$ 46,875,405	$ 45,550,936	$ 44,237,847	$ 42,937,629	$ 41,650,012	$ 40,372,055	$ 39,101,673	$ 39,101,673
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 401,104	$ 390,834	$ 380,643	$ 370,528	$ 360,518	$ 350,554	$ 340,649	$ 330,830	$ 321,106	$ 311,477	$ 301,919	$ 292,419	$ 4,152,581
11														
12	Revenue Requirement	$ 401,104	$ 791,938	$ 1,172,581	$ 1,543,109	$ 1,903,627	$ 2,254,181	$ 2,594,830	$ 2,925,660	$ 3,246,766	$ 3,558,242	$ 3,860,162	$ 4,152,581	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-27	Projected November-27	Projected December-27	Projected January-28	Projected February-28	Projected March-28	Projected April-28	Projected May-28	Projected June-28	Projected June-28	Projected June-28	Projected June-28	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (1,257,329)	$ (1,241,907)	$ (1,225,117)	$ (1,209,455)	$ (1,195,268)	$ (1,182,800)	$ (1,166,773)	$ (1,149,221)	$ (1,130,394)	$ (1,099,400)	$ (1,073,923)	$ (1,052,497)	$ (13,984,083)
3														
4	Net Monthly Investment	$ (1,257,329)	$ (1,241,907)	$ (1,225,117)	$ (1,209,455)	$ (1,195,268)	$ (1,182,800)	$ (1,166,773)	$ (1,149,221)	$ (1,130,394)	$ (1,099,400)	$ (1,073,923)	$ (1,052,497)	$ (13,984,083)
5														
6	Cumulative Investment	$ 37,844,343	$ 36,602,436	$ 35,377,319	$ 34,167,864	$ 32,972,597	$ 31,789,796	$ 30,623,023	$ 29,473,802	$ 28,343,409	$ 27,244,009	$ 26,170,086	$ 25,117,589	$ 25,117,589
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 283,016	$ 273,729	$ 264,567	$ 255,522	$ 246,583	$ 237,738	$ 229,012	$ 220,418	$ 211,964	$ 203,742	$ 195,711	$ 187,840	$ 2,809,842
11														
12	Revenue Requirement	$ 283,016	$ 556,745	$ 821,312	$ 1,076,833	$ 1,323,417	$ 1,561,154	$ 1,790,166	$ 2,010,584	$ 2,222,548	$ 2,426,290	$ 2,622,002	$ 2,809,842	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-28	Projected November-28	Projected December-28	Projected January-29	Projected February-29	Projected March-29	Projected April-29	Projected May-29	Projected June-29	Projected July-29	Projected August-29	Projected September-29	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (1,026,270)	$ (991,563)	$ (954,276)	$ (919,763)	$ (890,356)	$ (863,621)	$ (833,860)	$ (798,769)	$ (760,982)	$ (736,377)	$ (712,461)	$ (689,173)	$ (10,177,471)
3														
4	Net Monthly Investment	$ (1,026,270)	$ (991,563)	$ (954,276)	$ (919,763)	$ (890,356)	$ (863,621)	$ (833,860)	$ (798,769)	$ (760,982)	$ (736,377)	$ (712,461)	$ (689,173)	$ (10,177,471)
5														
6	Cumulative Investment	$ 24,091,319	$ 23,099,756	$ 22,145,480	$ 21,225,717	$ 20,335,361	$ 19,471,740	$ 18,637,880	$ 17,839,111	$ 17,078,129	$ 16,341,752	$ 15,629,291	$ 14,940,118	$ 14,940,118
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 180,165	$ 172,750	$ 165,613	$ 158,735	$ 152,077	$ 145,618	$ 139,382	$ 133,408	$ 127,718	$ 122,211	$ 116,883	$ 111,729	$ 1,726,288
11														
12	Revenue Requirement	$ 180,165	$ 352,915	$ 518,528	$ 677,263	$ 829,340	$ 974,958	$ 1,114,340	$ 1,247,748	$ 1,375,466	$ 1,497,677	$ 1,614,559	$ 1,726,288	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-29	Projected November-29	Projected December-29	Projected January-30	Projected February-30	Projected March-30	Projected April-30	Projected May-30	Projected June-30	Projected June-30	Projected June-30	Projected June-30	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (669,404)	$ (646,598)	$ (622,451)	$ (599,709)	$ (579,394)	$ (560,545)	$ (540,321)	$ (517,778)	$ (493,470)	$ (470,322)	$ (451,110)	$ (433,152)	$ (6,584,253)
3														
4	Net Monthly Investment	$ (669,404)	$ (646,598)	$ (622,451)	$ (599,709)	$ (579,394)	$ (560,545)	$ (540,321)	$ (517,778)	$ (493,470)	$ (470,322)	$ (451,110)	$ (433,152)	$ (6,584,253)
5														
6	Cumulative Investment	$ 14,270,715	$ 13,624,117	$ 13,001,666	$ 12,401,957	$ 11,822,564	$ 11,262,019	$ 10,721,698	$ 10,203,919	$ 9,710,449	$ 9,240,127	$ 8,789,018	$ 8,355,865	$ 8,355,865
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 106,723	$ 101,887	$ 97,232	$ 92,747	$ 88,414	$ 84,222	$ 80,181	$ 76,309	$ 72,619	$ 69,102	$ 65,728	$ 62,489	$ 997,653
11														
12	Revenue Requirement	$ 106,723	$ 208,609	$ 305,841	$ 398,589	$ 487,003	$ 571,225	$ 651,406	$ 727,716	$ 800,335	$ 869,436	$ 935,164	$ 997,653	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-30	Projected November-30	Projected December-30	Projected January-31	Projected February-31	Projected March-31	Projected April-31	Projected May-31	Projected June-31	Projected July-31	Projected August-31	Projected September-31	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (416,949)	$ (396,482)	$ (374,189)	$ (354,005)	$ (339,413)	$ (326,051)	$ (313,246)	$ (295,394)	$ (276,045)	$ (265,873)	$ (259,351)	$ (252,998)	$ (3,869,996)
3														
4	Net Monthly Investment	$ (416,949)	$ (396,482)	$ (374,189)	$ (354,005)	$ (339,413)	$ (326,051)	$ (313,246)	$ (295,394)	$ (276,045)	$ (265,873)	$ (259,351)	$ (252,998)	$ (3,869,996)
5														
6	Cumulative Investment	$ 7,938,916	$ 7,542,434	$ 7,168,245	$ 6,814,240	$ 6,474,827	$ 6,148,776	$ 5,835,530	$ 5,540,136	$ 5,264,092	$ 4,998,219	$ 4,738,868	$ 4,485,870	$ 4,485,870
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 59,371	$ 56,406	$ 53,607	$ 50,960	$ 48,422	$ 45,983	$ 43,641	$ 41,432	$ 39,367	$ 37,379	$ 35,439	$ 33,547	$ 545,552
11														
12	Revenue Requirement	$ 59,371	$ 115,776	$ 169,383	$ 220,343	$ 268,765	$ 314,748	$ 358,388	$ 399,820	$ 439,187	$ 476,566	$ 512,005	$ 545,552	$ -

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-31	Projected November-31	Projected December-31	Projected January-32	Projected February-32	Projected March-32	Projected April-32	Projected May-32	Projected June-32	Projected July-32	Projected August-32	Projected September-32	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (244,752)	$ (237,267)	$ (228,379)	$ (220,946)	$ (216,275)	$ (213,047)	$ (208,388)	$ (200,810)	$ (191,796)	$ (183,240)	$ (177,856)	$ (174,135)	$ (2,496,891)
3														
4	Net Monthly Investment	$ (244,752)	$ (237,267)	$ (228,379)	$ (220,946)	$ (216,275)	$ (213,047)	$ (208,388)	$ (200,810)	$ (191,796)	$ (183,240)	$ (177,856)	$ (174,135)	$ (2,496,891)
5														
6	Cumulative Investment	$ 4,241,118	$ 4,003,851	$ 3,775,472	$ 3,554,527	$ 3,338,251	$ 3,125,204	$ 2,916,817	$ 2,716,007	$ 2,524,211	$ 2,340,971	$ 2,163,114	$ 1,988,979	$ 1,988,979
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 31,717	$ 29,943	$ 28,235	$ 26,582	$ 24,965	$ 23,372	$ 21,813	$ 20,311	$ 18,877	$ 17,507	$ 16,177	$ 14,874	$ 274,372
11														
12	Revenue Requirement	$ 31,717	$ 61,659	$ 89,894	$ 116,476	$ 141,441	$ 164,813	$ 186,626	$ 206,937	$ 225,815	$ 243,321	$ 259,498	$ 274,372	$ -

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-32	Projected November-32	Projected December-32	Projected January-33	Projected February-33	Projected March-33	Projected April-33	Projected May-33	Projected June-33	Projected July-33	Projected August-33	Projected September-33	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (168,714)	$ (160,037)	$ (149,710)	$ (140,994)	$ (135,455)	$ (131,599)	$ (126,146)	$ (117,412)	$ (107,012)	$ (97,170)	$ (90,887)	$ (86,546)	$ (1,511,684)
3														
4	Net Monthly Investment	$ (168,714)	$ (160,037)	$ (149,710)	$ (140,994)	$ (135,455)	$ (131,599)	$ (126,146)	$ (117,412)	$ (107,012)	$ (97,170)	$ (90,887)	$ (86,546)	$ (1,511,684)
5														
6	Cumulative Investment	$ 1,820,265	$ 1,660,228	$ 1,510,517	$ 1,369,523	$ 1,234,069	$ 1,102,469	$ 976,323	$ 858,910	$ 751,898	$ 654,728	$ 563,841	$ 477,295	$ 477,295
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 13,613	$ 12,416	$ 11,296	$ 10,242	$ 9,229	$ 8,245	$ 7,301	$ 6,423	$ 5,623	$ 4,896	$ 4,217	$ 3,569	$ 97,070
11														
12	Revenue Requirement	$ 13,613	$ 26,029	$ 37,325	$ 47,567	$ 56,796	$ 65,040	$ 72,342	$ 78,765	$ 84,388	$ 89,284	$ 93,501	$ 97,070	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-33	Projected November-33	Projected December-33	Projected January-34	Projected February-34	Projected March-34	Projected April-34	Projected May-34	Projected June-34	Projected July-34	Projected August-34	Projected September-34	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (80,263)	$ (70,346)	$ (58,520)	$ (48,427)	$ (41,940)	$ (37,376)	$ (31,083)	$ (21,134)	$ (9,254)	$ (8,504)	$ (7,593)	$ (6,740)	$ (421,180)
3														
4	Net Monthly Investment	$ (80,263)	$ (70,346)	$ (58,520)	$ (48,427)	$ (41,940)	$ (37,376)	$ (31,083)	$ (21,134)	$ (9,254)	$ (8,504)	$ (7,593)	$ (6,740)	$ (421,180)
5														
6	Cumulative Investment	$ 397,032	$ 326,686	$ 268,165	$ 219,738	$ 177,798	$ 140,423	$ 109,340	$ 88,206	$ 78,952	$ 70,448	$ 62,855	$ 56,115	$ 56,115
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 2,969	$ 2,443	$ 2,005	$ 1,643	$ 1,330	$ 1,050	$ 818	$ 660	$ 590	$ 527	$ 470	$ 420	$ 14,925
11														
12	Revenue Requirement	$ 2,969	$ 5,412	$ 7,418	$ 9,061	$ 10,391	$ 11,441	$ 12,258	$ 12,918	$ 13,509	$ 14,035	$ 14,505	$ 14,925	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-34	Projected November-34	Projected December-34	Projected January-35	Projected February-35	Projected March-35	Projected April-35	Projected May-35	Projected June-35	Projected July-35	Projected August-35	Projected September-35	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (6,457)	$ (6,114)	$ (5,630)	$ (5,068)	$ (4,534)	$ (4,155)	$ (3,873)	$ (3,574)	$ (3,081)	$ (2,500)	$ (2,130)	$ (1,891)	$ (49,008)
3														
4	Net Monthly Investment	$ (6,457)	$ (6,114)	$ (5,630)	$ (5,068)	$ (4,534)	$ (4,155)	$ (3,873)	$ (3,574)	$ (3,081)	$ (2,500)	$ (2,130)	$ (1,891)	$ (49,008)
5														
6	Cumulative Investment	$ 49,658	$ 43,544	$ 37,914	$ 32,846	$ 28,312	$ 24,156	$ 20,283	$ 16,710	$ 13,629	$ 11,129	$ 8,999	$ 7,108	$ 7,108
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 371	$ 326	$ 284	$ 246	$ 212	$ 181	$ 152	$ 125	$ 102	$ 83	$ 67	$ 53	$ 2,201
11														
12	Revenue Requirement	$ 371	$ 697	$ 981	$ 1,226	$ 1,438	$ 1,619	$ 1,770	$ 1,895	$ 1,997	$ 2,080	$ 2,148	$ 2,201	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-35	Projected November-35	Projected December-35	Projected January-36	Projected February-36	Projected March-36	Projected April-36	Projected May-36	Projected June-36	Projected July-36	Projected August-36	Projected September-36	Projected Total
Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less Loan Repayments	$ (1,750)	$ (1,525)	$ (1,165)	$ (748)	$ (593)	$ (499)	$ (424)	$ (301)	$ (155)	$ 23	$ 18	$ 10	$ (7,108)
Net Monthly Investment	$ (1,750)	$ (1,525)	$ (1,165)	$ (748)	$ (593)	$ (499)	$ (424)	$ (301)	$ (155)	$ 23	$ 18	$ 10	$ (7,108)
Cumulative Investment	$ 5,357	$ 3,833	$ 2,668	$ 1,920	$ 1,327	$ 829	$ 405	$ 104	$ (51)	$ (28)	$ (10)	$ 0	$ (662)
Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%
Required Net Operating Income	$ 40	$ 29	$ 20	$ 14	$ 10	$ 6	$ 3	$ 1	$ (0)	$ (0)	$ (0)	$ 0	$ 122
Revenue Requirement	$ 40	$ 69	$ 89	$ 103	$ 113	$ 119	$ 122	$ 123	$ 123	$ 122	$ 122	$ 122	

	Projected July-21	Projected August-21	Projected September-21	Projected October-21	Projected November-21	Projected December-21	Projected January-22	Projected February-22	Projected March-22	Projected April-22	Projected May-22	Projected June-22	Projected July-22	Projected August-22	Projected September-22	Projected Total
Incremental O&M Pre Tax	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 640,764	$ 640,764	$ 640,764	$ 9,831,983

	Projected October-22	Projected November-22	Projected December-22	Projected January-23	Projected February-23	Projected March-23	Projected April-23	Projected May-23	Projected June-23	Projected July-23	Projected August-23	Projected September-23	Projected Total
Incremental O&M Pre Tax	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 654,830	$ 654,830	$ 654,830	$ 7,731,459

	Projected October-23	Projected November-23	Projected December-23	Projected January-24	Projected February-24	Projected March-24	Projected April-24	Projected May-24	Projected June-24	Projected July-24	Projected August-24	Projected September-24	Projected Total
Incremental O&M Pre Tax	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ -	$ -	$ -	$ 5,893,386

Program Total	**$ 23,456,828**

New Jersey Natural Gas

February 18, 2021

VIA ELECTRONIC MAIL

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: 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.
BPU Docket Nos. QO19010040 AND GO20090622

Dear Secretary Camacho-Welch:

Enclosed with this letter is a fully executed Stipulation of Settlement ("Stipulation") in the above captioned matter.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Please do not hesitate to contact me at adembia@njng.com if you need any additional information.

Respectfully submitted,

Andrew K Dembia

Andrew K. Dembia
Regulatory Affairs Counsel

AKD:sf

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.
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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.
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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.
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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.
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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.
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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.
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Basking Ridge, NJ 07920

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

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.	))))))))	**STIPULATION OF SETTLEMENT** **BPU DOCKET NOS. QO19010040 AND GO20090622**

APPEARANCES:

Andrew Dembia, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, and Kurt S. Lewandowski, Esq., Sarah H. Steindel, Esq., and Maura Caroselli, Esq., Assistant Deputies Rate Counsel, New Jersey Division of Rate Counsel (**Stefanie Brand, Esq**., Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

Nathan Howe, Esq., Counsel for Energy Efficiency Alliance of New Jersey

Eric Miller, Esq., Counsel for Natural Resources Defense Council

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On January 13, 2008, L. 2007, c. 340 ("RGGI Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency ("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. The

Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies.

2. Pursuant to Section 13 of the RGGI Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility ("Utility" or collectively "Utilities") may provide and invest in EE and conservation programs in its service territory on a regulated basis. Upon petition, such investment in EE and conservation programs may be eligible for rate treatment approval by the New Jersey Board of Public Utilities ("Board" or "BPU"), including a return on equity, or other incentives or rate mechanisms that decouple Utility revenue from sales of electricity and gas. Ratemaking treatment may include placing appropriate technology and program costs investments in the Utility's rate base or recovering the Utility's technology and program costs through another ratemaking methodology approved by the Board.

3. On May 23, 2018, the Clean Energy Act ("CEA"), L. 2018, c. 17, codified at N.J.S.A. 48:3-87.8 et al., was signed into law. Sections 3(a) and (e)(1) of the CEA, codified at N.J.S.A. 48:3-87.9(a) and (e)(1), required New Jersey's electric distribution companies to achieve annual reductions in their customers' electricity usage of at least 2% of the average annual usage in the prior three (3) years and required New Jersey's natural gas companies to achieve annual reductions in their customers' gas usage of at least 0.75% of the average annual usage in the prior three (3) years. Such usage reductions are required to be achieved within five years of the utility companies' implementation of energy efficiency programs in accordance with the CEA. By Order dated June 10, 2020, the Board approved an EE transition framework for EE programs to be 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.[1] In the June 2020 Order, the Board directed the Utilities to file three-year program petitions by September 25, 2020 for approval by the Board by May 1, 2021 and implementation beginning July 1, 2021.

NJNG SAVEGREEN 2020 FILING

4. On September 25, 2020, New Jersey Natural Gas Company ("NJNG" or "Company") filed the requisite petition with the Board ("Petition"). In the originally filed Petition, the Company proposed to spend approximately $258.23 million (investment and expenses)[2] in its EE Program ("SAVEGREEN 2020 Program") over a three (3) year period (July 1, 2021 through June 30, 2024). This amount excluded the allocations to and from the electric distribution companies within the Company's service territory. The proposed programs and associated costs as originally proposed are summarized in the table below:

Program	**Proposed Budget (3-Year Program)**
Behavioral	$5,275,086
EE Products	56,768,985
Existing Homes	41,993,503
Multi-Family	25,542,959
Direct Install	48,911,127
Energy Solutions for Business	70,699,388
Hybrid Heat	5,573,851
Portfolio	3,468,666
TOTAL NJNG Expenditures	$258,233,566

[1] 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").

[2] Paragraph 42 of the Petition stated that the requested budget was 249.12 million. However, the budget detail shown on Schedule NJNG-12 to the Petition reflects a total three-year budget of $258.23 million.

5. In addition to approval of the plan to implement the SAVEGREEN 2020 Program, the Company requested approval of a cost recovery mechanism. Specifically, NJNG requested authority to recover the revenue requirement associated with the costs to implement the SAVEGREEN 2020 Program, including incentives, outside services, inspections and quality control, information technology costs, and operations and maintenance ("O&M") costs. The Company proposed to recover SAVEGREEN 2020 Program costs through a separate surcharge to be included in Rider F of its tariff. The revenue requirement recovered through Rider F would be designed to recover the annual costs of the SAVEGREEN 2020 Program, as well as true-up for any prior period over/under recovery. The Company proposed to recover lost revenues from reduced natural gas sales associated with the SAVEGREEN 2020 Program through its current Conservation Incentive Program ("CIP") mechanism.

6. The Company proposed a change to the EE rate effective July 1, 2021, coincident with the beginning of the effective date of the proposed SAVEGREEN 2020 Program. Additionally, pursuant to Rider F, NJNG would submit annual filings for changes to the SAVEGREEN 2020 Program rate. NJNG estimated that the initial annual bill impact for a typical residential customer using 1,000 therms annually would be an increase of $21.00 or 1.8% for the first year of the SAVEGREEN 2020 Program.

7. On October 20, 2020, NJNG filed revisions to the proposed SAVEGREEN 2020 Program budget and associated revenue requirement, which increased the proposed requested budget from $258.23 million to $264.02 million, including the allocations to and from the electric distribution companies in the Company's service territory. Based on these revisions, the estimated revised initial annual bill impact for a typical residential customer

using 1,000 therms annually would be an increase of $21.40 or 1.9% for the first year of the SAVEGREEN 2020 Program.

The revised proposed SAVEGREEN 2020 programs and associated costs are summarized in the table below:

Program	Proposed Budget (3-Year Program)
Behavioral	$5,275,086
EE Products	56,658,967
Existing Homes	41,999,184
Multi-Family	25,546,236
Direct Install	47,560,103
Energy Solutions for Business	72,013,594
Hybrid Heat	5,573,851
Portfolio	3,468,667
TOTAL NJNG Expenditures	$258,095,688
Net Transfers in from electric distribution companies ("EDCs") and out to EDCs	5,924,158
GRAND TOTAL	$264,019,846

PROCEDURAL HISTORY

8. On August 20, 2020, the Company met with BPU staff ("Staff"), the Division of Law within the Department of Law and Public Safety, and the New Jersey Division of Rate Counsel ("Rate Counsel") at least 30 days in advance of submitting a filing to provide an overview of the elements of the filing and cost recovery mechanism proposed pursuant to the Board's May 2008 Order and June 2020 Order.[3]

[3] In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1, BPU Docket. No. EO08030164, Order dated May 12, 2008 ("May 2008 Order").

9. By Order dated September 23, 2020, the Board determined that NJNG's Petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, designated Commissioner Chivukula as the presiding commissioner authorized to rule on all motions that arise during the pendency of the proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.[4] The September 23, 2020 Order also directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by October 2, 2020 and that entities file with the Board any responses to those motions by October 9, 2020.

10. On October 2, 2020, Public Service Electric and Gas Company ("PSE&G"), the Energy Efficiency Alliance of New Jersey ("EEANJ"), and the Natural Resources Defense Council ("NRDC") filed motions to intervene in this matter. Atlantic City Electric Company ("ACE"), the Building Performance Association ("BPA"), Google, LLC ("Google"), Jersey Central Power and Light Company ("JCP&L"), Rockland Electric Company ("RECO"), South Jersey Gas Company ("SJG"), and Elizabethtown Gas Company ("ETG") each submitted motions to participate.[5]

11. On October 8, 2020, NJNG submitted a letter indicating that it had no opposition to the motions to intervene or participate. By way of a supplemental letter, NJNG indicated that it did not oppose the participation of BPA. By letter dated October 16, 2020, the BPA withdrew its motion to participate.

[4] In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040, Order dated September 23, 2020 ("September 23, 2020 Order").

[5] SJG and ETG submitted a joint motion to participate.

12. On October 16, 2020, Staff notified the Company that the Petition was deemed administratively complete. Accordingly, pursuant to the Board's May 2008 Order, the 180-day review period commenced on September 25, 2020.

13. On October 27, 2020, Commissioner Chivukula issued a Prehearing Order Setting the Procedural Schedule and Ruling on Motions to Participate and Intervene. The motions for interventions of EEANJ and NRDC were granted. PSE&G's motion for intervention was denied, but, in the alternative, PSE&G was granted participant status. The motions to participate filed on behalf of ACE, JCP&L, ETG, SJG, RECO, and Google were granted. Notice of the Company's Petition, including the date, time, and place of public hearings, was placed in newspapers having a circulation within the Company's service territory and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's service territory. As a result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor, and based upon further guidance from Staff, the public hearings were conducted telephonically in lieu of in-person hearings.

14. In accordance with that notice, telephonic public hearings on the Company's Petition were held at 4:30 p.m. and 5:30 p.m. on January 13, 2021. One member of the public provided oral comment during the 4:30 p.m. hearing in support of the Company's Petition, and no members of the public attended the 5:30 p.m. hearing. The Board's Secretary received one written comment in support of the Company's Petition. No written comments were received by NJNG or Rate Counsel.

15. NJNG has received and responded to all discovery requests that have been propounded in this proceeding by Rate Counsel, EEANJ, and Staff.

16. On December 15, 2020, pursuant to the schedule in the Prehearing Order, Rate Counsel filed the Direct Testimonies of David E. Dismukes, PhD., Consulting Economist, Acadian Consulting Group, LLC; Ezra Hausman, PhD., President, Ezra Hausman Consulting; and Robert J. Henkes, Principal, Henkes Consulting.

17. Based upon further discussions, NJNG, Rate Counsel, Staff, NRDC, and EEANJ (collectively, the "Parties") have reached an agreement to enter into this stipulation of settlement ("Stipulation') finalizing the SAVEGREEN 2020 Program and resolving all issues raised in or related to the Petition.

18. Specifically, based upon and subject to the terms and conditions set forth herein, the Parties STIPULATE AND AGREE as follows:

<u>STIPULATED ISSUES</u>

19. The Company withdraws its request to include the Hybrid Heat Pump Pilot as part of the SAVEGREEN 2020 Program.

20. The Parties agree that, subject to the final consensus of the Energy Efficiency Working Groups as outlined in paragraph 40, the Company may offer the following approved programs/sub-programs for a term of three (3) years commencing July 1, 2021 and ending June 30, 2024:

- Behavioral
- Energy Efficiency Products
- Existing Homes
    - Quick Home Energy Check Up ("QHEC")
    - Moderate Income Weatherization
    - Home Performance with Energy Star ("HPwES")
- Multi-family

- Prescriptive and Custom
- HPwES
- Engineered Solutions

- Direct Install
- Energy Solutions for Business
  - Prescriptive and Custom Measures
  - Energy Management
  - Engineered Solutions

21. The Parties agree that the SAVEGREEN 2020 Program budget shall not exceed $258.94 million, as illustrated below.

PROGRAM	REBATES	OBRP	O&M	TOTAL PROGRAM
BEHAVIORAL	4,619,058		656,028	5,275,086
ENERGY EFFICIENCY PRODUCTS	26,495,838	26,082,195	4,272,769	56,850,802
EXISTING HOMES	23,054,297	13,365,030	5,861,125	42,280,452
MULTI-FAMILY	12,950,459	0,655,272	1,937,228	25,542,959
DIRECT INSTALL	31,775,177	13,409,628	3,735,115	48,919,920
ENERGY SOLUTIONS FOR BUSINESS	28,763,619	38,388,369	3,540,259	70,692,247
PORTFOLIO			3,454,304	3,454,304
TOTAL NJNG EXPENDITURES	127,658,448	101,900,494	23,456,828	253,015,770
EDCs IN	32,653,426	9,698,215		42,351,641
EDCs OUT	(34,234,035)	(2,193,448)		(36,427,483)
NET TRANSFERS TO/FROM EDCS	(1,580,609)	7,504,767		5,924,158
GRAND TOTAL	**126,077,839**	**109,405,261**	**23,456,828**	**258,939,928**

22. The estimated initial annual bill impact for a typical residential customer using 1,000 therms annually would be an increase of $21.30 or 1.9% for the first year of the SAVEGREEN 2020 Program.

23. The O&M expenses for the SAVEGREEN 2020 Program, including Administration and Program Development, Sales and Marketing, Training, Audit and Quality Control, and

Evaluation and Related Research, shall not exceed $23.46 million. To facilitate the startup of the SAVEGREEN 2020 Program, the Company may incur costs upon the effective date of the Board Order, which will be reviewed for prudency in the Company's subsequent SAVEGREEN cost recovery filing.

24. Based on market response, the Company may shift the timing of investment spending between Program Years (July 1 – June 30) in any sub-program as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of Program targets during the term of the Program, in accordance with the procedure outlined in the June 2020 Order.

25. During implementation, certain sub-programs may be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process, in accordance with the June 2020 Order, shall be as follows:

- NJNG can 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.
- NJNG can shift budgets out of the Residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), 5–10% with Staff approval, and over 10% with Board approval. Such budgets may be added to any sub-program(s) within

the sector to which it is being transferred without limitation when the budget shift does not exceed 5%.

- All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. Requests for budget adjustments within the three-year Program filing necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, which will trigger Staff review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of NJNG's request, those requests will be automatically granted.

26. Customer information shall be used by the Company to deliver an effective customer experience in compliance with any applicable BPU regulations and statutory obligations. The Company shall adopt privacy and data handling policies and procedures for the SAVEGREEN 2020 Program that are consistent with NJNG's customer data security protections, the June 2020 Order, and any applicable BPU regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, NJNG shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the SAVEGREEN 2020 Program or to evaluate the sub-programs, the Company commits to enforcing the contractual confidentiality requirement to the extent allowed by the law. Any "breach of security" with respect to customers' "personal information," as those terms are defined in N.J.S.A. 56:8-161, shall be treated in accordance with the New Jersey Identity Theft Prevention Act,

N.J.S.A. 56:8-161 et seq., and Section 3b of the BPU's Cybersecurity Order of March 18, 2016 in Docket No. AO16030196.

27. NJNG agrees that customer-specific data belongs to the customer, who may request or authorize NJNG to share it with suppliers, and that data gathered during the operation of these sub-programs not specific to any particular customer belongs to the Company and will be used solely to support current or future regulated utility programs. Such data may not be used for other purposes without Board approval. Any financial benefits derived from the data will be offset against the costs of the program. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board.

28. The Parties agree that the design for all Programs and sub-programs will be as described in Attachment A, The SAVEGREEN 2020 Program Plan, subject to modification consistent with the June 2020 Order and in cooperation with the BPU's Utility Working Group and the Energy Efficiency Working Groups as further addressed in Paragraph 40. The Company commits to complying with all Board Orders regarding the programs and program details it is required to offer.

29. The Company will continue to coordinate regarding transition of programs (including program delivery, program data, and marketing) with the current NJCEP program administrator and other utilities with whom the Company has overlapping service territories. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement, as permissible under law, consistent elements of the core programs concurrently with all electric and gas utilities in the state. This consistency will include the following elements:

- Common forms for use by customers and contractors;
- Contractor requirements, open and competitive procurement protocols where feasible, and training; procurement protocols should include policies and practices (e.g., scoring systems) developed in collaboration with the Equity Working Group and Workforce Development Working Group that encourage supplier diversity (including contractors and subcontractors) and contractor coaching/mentoring of diverse business enterprises;
- Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for low- to moderate-income customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);
- Eligible measures;
- Incentive ranges;
- Incentive payment processes and timeframes;
- Customer and contractor engagement platforms;
- Data platforms and database sharing among program administrators, where appropriate; and
- Quality control standards and remediation policies.

30. The Parties agree that the Company is and shall be authorized to defer and seek recovery of all reasonable and prudent SAVEGREEN 2020 program costs, including grant costs, customer incentives, and associated reasonable and prudent O&M expenses as limited in Paragraph 23 above. These costs shall be subject to recovery through rates in future periods pursuant to the terms of NJNG's Rider F and separately tracked through a sub-component of Rider F called SAVEGREEN 2020. Annual true-up filings will separately break out the

expenses, investments, unamortized investments, and revenue requirement calculations for the Program. The SAVEGREEN 2020 Program costs shall be subject to the terms set forth in Rider F and shall be recovered through a per-therm EE charge relative to all applicable jurisdictional throughput on the NJNG distribution system as provided in Rider F. Proposed Tariff sheets are provided as Attachment B hereto.

31. The calculation of the carrying costs on the average monthly balances of under-recovery or over-recovery of deferred costs shall be subject to the terms under Rider F (see Attachment B to the Stipulation) and as described in more detail in the Board's Order in BPU Docket Nos. EO09010056 and EO09010057, dated July 17, 2009. The Company shall accrue interest at a rate equal to the Company's monthly commercial paper rate. In the event that commercial paper was not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest rate shall not exceed the overall rate of return as authorized by the Board in NJNG's most recent base rate case, pre-tax Weighted Average Cost of Capital ("WACC") as identified in Paragraph 32 of the Stipulation or as authorized in NJNG's subsequent base rate case.[6]

32. NJNG agrees that the SAVEGREEN 2020 Program investments shall be amortized over a 10 year period, on a straight-line basis, with the return of the investment and return on the unamortized investments based upon a rate of 6.95%, as shown in the capital structure below.

[6] In re the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in Its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, and the Petition of New Jersey Natural Gas Company's Request for Deferred Accounting Authority for Costs Related to New Information Technology Systems, BPU Docket Nos. GR19030420 and GR18101096, and OAL Docket No. 06769-2019S, Order dated November 13, 2019.

	Percent	Embedded Cost	Weighted Cost
Long-Term Debt	46.00%	3.83%	1.76%
Common Equity	54.00%	9.60%	5.18%
Total	100.00%		6.95%

33. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case shall be reflected in the subsequent monthly revenue requirement calculations as of the date of the next scheduled annual true-up.

34. As currently structured, the customer repayment periods for the On-Bill Repayment Plan ("OBRP") offers shall be five (5), seven (7), and ten (10) years, depending on the program/sub-program and total OBRP funds made available. In computing the return component of its costs, NJNG shall, in addition to a reduction for the accumulated amortization of its investments, deduct the applicable deferred income taxes related to the amortization of SAVEGREEN 2020 Program costs over a five (5)-year, seven (7)-year, and ten (10)-year period for book purposes and over one (1) year for tax purposes. NJNG shall continue to calculate the monthly net investment balances by subtracting from the monthly net investment balances the current month-end accumulated amortization balances.

35. The SAVEGREEN 2020 Program investments and operating costs shall be reconciled to actual recoveries from the EE rate in the SAVEGREEN 2020 Rate Recovery filings to be submitted in June of each year, for which the Company may seek recovery. Any federal or state benefits, if applicable, received by the Company and associated with these programs shall be used to reduce the revenue requirement to be collected from ratepayers.

36. The Company shall include in its annual SAVEGREEN 2020 Rate Recovery filings the Minimum Filing Requirements ("MFRs") as set forth in the June 2020 Order and Attachment C.

37. The Company shall also provide the following information on a quarterly/annual basis as required after consideration and recommendation of the Evaluation, Measurement, and Verification ("EM&V") Working Group. This information may include:

a. Estimated free ridership and spillover with any Cost-Benefit Analysis required;
b. Participant costs (net of utility incentives), including a breakdown by sub-program with any Cost-Benefit Analysis required;
c. Results of program evaluations, including a breakdown by sub-program when required by the June 2020 Order.

38. The Company shall provide in all future SAVEGREEN 2020 Rate Recovery filings the Rate Base/ROR/Expense presentation set forth in discovery response RCR-NJNG-INF-2, which is set forth in Attachment D and, reflects the settlement revenue requirement. The settlement revenue requirement does not include the Hybrid Heat Pilot Program.

39. The Parties agree to revisit the specific SAVEGREEN 2020 Program incentive levels agreed to herein before the conclusion of the first triennial period in time to support consideration of revised Program incentive levels in the next triennial.

40. The Parties recognize that the Energy Efficiency Working Groups referenced in the June 2020 Order have not completed their work as of the time of this settlement. The Parties recognize that these Energy Efficiency Working Groups will be addressing many long-term issues that will impact planning for future triennials. However, the Parties recognize that the Energy Efficiency Working Groups may issue recommendations for the current triennial that are inconsistent with any programs and/or sub-programs set forth in

Attachment A and/or have the potential to increase or decrease the level of investment beyond the amount agreed to herein. To the extent that any particular aspect of this Stipulation concerning establishment of core sub-programs and coordinated elements (such as incentives, marketplace, marketing, workforce development, and contractor procurement), or sub-program structure in overlapping territories are not consistent with the final consensus reached by the Energy Efficiency Working Groups and approved by the Board with regard to the current triennial, the Parties agree that they will meet to address any inconsistencies and define a path for resolution of these items.

41. The Parties recognize that, while the Board established the New Jersey Cost Test ("NJCT") on an interim basis through the August 24, 2020 BPU Order, (Order Adopting the First New Jersey Cost Test, Docket Nos. QO19010040 & QO020060389) ("NJ Cost Test Order"), the Parties are not in agreement regarding the inputs and calculations used to implement the NJCT. Further, the NJ Cost Test Order already noted that the interim NJCT may not include the full range of possible benefits and costs and committed to further review of the NJCT with the guidance of the EM&V Working Group. The Company's proposal passes the NJCT under both their calculation submitted in the filing and under a modified version developed by Rate Counsel through the Initial Pre-Filed Direct Testimony of its witness, David Dismukes. All parties agree that further deliberation of both the underlying elements included within the NJCT and the proper approach to calculating those elements is critical to accurately evaluating the cost effectiveness of energy efficiency program offerings for future triennials. To support that effort, the Parties agree, through the EM&V Working Group, to work through these issues regarding the

NJCT in support of establishing a consistent and transparent approach to implementing this test.

42. The Parties agree that recoverable non-weather CIP amounts shall not exceed 4.0% of the aggregate variable margin revenues under the Variable Margin Revenue test in the first year of the SAVEGREEN 2020 Program, specifically the deferral period commencing July 1, 2021 and ending June 30, 2022.

43. No later than January 31, 2022, NJNG agrees to hold at least one (1) non-confidential collaborative meeting with interested parties to receive input on additional "non-core" program design. The non-core programs subject to discussion in the collaborative include, but are not limited to, demand response, non-pipes alternatives, building electrification, and other programs that further the clean energy goals of the State of New Jersey.

44. NJNG shall continue to submit data regarding all of the SAVEGREEN programs and related expenses in accordance with the content, format and timing dictated by both the June 2020 Order and subsequent directives from either the Board, based on recommendations from the Statewide Evaluator procured by the Board or the EM&V Working Group.

45. The Parties stipulate and agree that this Stipulation fully disposes of all issues in controversy in this proceeding, is consistent with law, and is in the public interest. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event that any provision of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the

event that the Board, in any applicable order, does not adopt this Stipulation in its entirety, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

46. The Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.

47. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. All rates are subject to audit by the Board. The Parties further acknowledge that a Board Order approving, rejecting, or modifying this Stipulation shall become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

48. **WHEREFORE**, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible in order to ensure the commencement of these programs and the implementation of the SAVEGREEN 2020 rate effective July 1, 2021.

NEW JERSEY NATURAL GAS
PETITIONER

By: ______________________________

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New Jersey Natural Gas

NEW JERSEY DIVISION OF RATE COUNSEL

By: */s/Stefanie A. Brand/shs*

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By: ______________________________ February 18, 2021

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ENERGY EFFICIENCY ALLIANCE OF NEW JERSEY

By: Nathan Howe

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2/18/21

NATURAL RESOURCES DEFENSE COUNCIL

By: ______________________________

ERIC MILLER, ESQ.

COUNSEL FOR NATURAL RESOURCES DEFENSE COUNCIL

Date: February 17, 2021

ENERGY EFFICIENCY ALLIANCE OF NEW JERSEY

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NATURAL RESOURCES DEFENSE COUNCIL

Eric Miller

By: ________________________________

ERIC MILLER, ESQ.

COUNSEL FOR NATURAL RESOURCES DEFENSE COUNCIL

Date: February 17, 2021

The SAVEGREEN Project Program Plan

New Jersey Natural Gas

Updated for Settlement 12/21/2020

1. Core Programs

The Utilities will administer the following core programs and subprogram to engage customers and encourage the pursuit of energy efficient solutions from single transactions to comprehensive upgrades. The Utilities will strive to provide customized guidance wherever possible and provide supporting resources to make energy-efficient retrofits more accessible for all customers. Core Programs and subprograms include:

1.1 Residential Core

Efficient Products: This program provides incentives for Efficient Products, including retail products, appliance rebates, HVAC equipment, and appliance recycling.

Existing Homes: Home Performance with Energy Star: This subprogram provides incentives to encourage customers to pursue comprehensive upgrades to their home.

1.2 Multifamily Core

Multifamily Program: This program recognizes the variation in property types of multifamily housing and takes a collaborative approach, working in conjunction with customers, to identify the most important efficiency projects with a focus on encouraging more comprehensive projects wherever possible and offering incentives to encourage the investment in energy efficiency.

1.3 Commercial Core

C&I Direct Install: This program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations ("eligible customers") that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. Incentives will be offered to encourage these customers to invest in energy efficiency

Energy Solutions for Business - Prescriptive and Custom Measures: This subprogram promotes the installation of high-efficiency electric and/or natural gas equipment to NJNG customers, either via the installation of prescriptive or custom measures or projects to commercial and industrial customers. Incentives will be offered to encourage these customers to invest in energy efficiency

Note: Comfort Partners, the comprehensive energy efficiency solution for low income customers in New Jersey, is not addressed within this filing since it is intended to be run as a Co-Managed Program under Societal Benefits Clause funding which is not the subject of this proceeding.

1.1 Residential Core Programs

1.1.1 ENERGY EFFICIENT PRODUCTS

Program Description (MFR II.a.i)

This program will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, including an online marketplace, downstream rebates to customers (including but not limited to in-store or online), up-front rebates, reduced point of sale costs, a midstream or upstream component and a network of trade allies and in collaboration with local foodbank and non-profit organizations serving customers in need. The program will provide incentives for energy efficient lighting, appliances, electronics, and heating and cooling equipment, as well as other energy efficiency products (e.g. smart thermostats, water saving measures, weatherization items, and prepackaged kits). Measures range in type and price, but include both electric and natural gas technologies that improve energy efficiency in the home. The program may include customer opportunities at no up-front cost to engage and introduce customers to energy savings opportunities and achieve energy savings. Up-front rebates will also be offered to reduce initial costs on some purchases, and on-bill repayment or access to financing with similar terms will be available to further reduce first cost barriers for select products. The program is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels and also provide a means to encourage customers to take the first steps toward energy-efficiency.

The program is designed to:

- Provide incentives for products that reduce energy use in the home and information about other programs that encourage the installation of high efficiency equipment, such as lighting, HVAC units, other heating and cooling equipment, electronics and appliances.
- Provide midstream incentives to retailers and/or distributors to increase sales of ENERGY STAR or other energy efficient products.
- Continue to support and/or provide downstream approaches for certain measures to ensure market is properly supported.
- Provide a marketing mechanism for retailer and high efficiency product suppliers to promote energy efficient equipment and products to end users.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Provide online or other channels for customers that include but are not limited to online and in-store eligibility options to acquire select ENERGY STAR products, as well as low and moderately priced energy-saving products.
- Recognize unique barriers that low- and moderate-income customers face and employ strategies to address those barriers, including no cost measures and/or enhanced incentives where appropriate.

- Utilize energy efficiency kits to introduce and promote energy efficiency technologies that can be easily installed in the home. The kits will serve as a gateway to other programs by including energy efficiency and conservation educational materials and promotional materials for other program opportunities, including the utility, Comfort Partners and NJCEP programs.
- Provide energy efficiency kits to local foodbank and non-profit organizations and at energy assistance outreach events to reach low- to moderate-income customers, with schools to promote energy efficiency education in classrooms, to new movers, customers upon request, and within utility marketplaces to support customer engagement.

This program will increase adoption of energy efficient equipment and products by harnessing the unique utility customer relationship to positively impact the entire sales process surrounding efficient equipment, from education and awareness of customers, engagement with trade ally contractors and equipment distributors and retailers, to on-bill repayment or access to financing with similar terms for select products.

The utilities will use their brand and customer outreach infrastructure to increase the availability, awareness, and customer uptake of energy efficient products. On-bill repayments or access to financing with similar terms will be available to customers to cover the remaining cost (after applying the rebate discount) for the balance of the efficient product cost for select products and services.

Utility staff and/or a third-party implementation contractor(s) will be selected to assist with the administration, oversight, and delivery of the program. Activities will include in the launch of a statewide online marketplace with utility-specific interfaces, efforts to raise awareness of the program, on-going refinements to the list of eligible measures, validating customer eligibility and processing incentives and conducting outreach to and securing partnerships with retailers, wholesalers, distributors, manufacturers and trade allies to assure all customers are able to easily purchase energy efficient products and equipment through the program. Customer engagement and sales channels may include:

- **Post Purchase (Downstream) Rebates**: Rebates will be made available to customers after they have made their purchase. Applications may be available online or in stores to submit either electronically or in hard copy with proof-of-purchase.
- **Online Marketplace:** This online marketplace is an easy to use source for the online purchase of efficient products and services. Participants will be able to browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant rebates and may offer the option for on-bill repayments or access to financing with similar terms for select products.
- **Point of Sale Rebates**: Prescriptive rebates will be made available at the point of sale for selected products. The utilities will also explore the viability of using a digital, smartphone-based application platform, to enable customers to purchase efficient equipment at traditional consumer retail outlets and instantly redeem rebates at point-of-sale in both physical

stores and online. Allowing easy access to rebates encourages customers to purchase qualifying efficient products.

- **Appliance Recycling:** Rebates will be provided to customers for recycling qualifying, inefficient, operating appliances. Offering an incentive for the drop off or pick-up and removal of an appliance prevents the appliance from being maintained as a second unit or transferred to another customer.
- **Midstream or Upstream Rebates:** The utilities will pursue a midstream or upstream rebate component to encourage purchase of certain efficient equipment. The utilities will work with retail partners (such as Home Depot, Lowes, etc.), distributors or manufacturers to assure that measures are available throughout the state. Midstream or upstream rebates encourage market transformation and wider availability of efficient equipment. Efficient products that are rebated via a midstream or upstream approach may be passed on or discounted to the customer at the retail level. Utilities may also offer downstream rebate programs to ensure customers and trade allies are properly supported.
- **Trade Allies:** The utilities will establish a network of trade allies to promote certain components of the program with a consistent experience to the customer where applicable. The trade ally network will consist of qualified installation contractors, plumbers, electricians, and other trade service professionals who meet all applicable statewide requirements for performing the respective service (e.g. HVAC license, insurance requirements). Trade allies will be able to leverage the program and offer customers rebates through their normal course of business.
- **Community Partners:** The utilities will partner with foodbanks and other community organizations serving customers in need to help reduce the energy burden of those customers with no-cost energy efficient products and to raise the awareness of other energy efficiency and energy assistance programs available to help.

By developing relationships with both program and trade allies, the program will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Targeted program and trade allies may include:

- Efficient equipment retailers, distributors and manufacturers;
- HVAC & appliance contractors; and
- General contractors, plumbers, electricians, and other trade service professionals.

Regardless of the delivery mechanism, the utilities will take steps to ensure customers are made aware of utility engagement in helping to off-set up-front costs of the efficient products.

Target Market or Segment (MFR II.a.ii)

The target market for this program will be all electric and/or natural gas customers served by at least one investor-owned utility in New Jersey. The program is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major residential end-use categories, and can be easily promoted to program allies, trade allies and customers via straightforward prescriptive rebates. Technologies incentivized through this program include lighting, HVAC, other heating/cooling equipment, electronics, appliances, smart thermostats, water saving measures, weatherization items, pre-packaged kits, and other efficient products. The program will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances.

The utilities may offer enhanced incentives for Low-to-Moderate income ("LMI") customers (up to 400% of federal poverty level) for certain products to assure that the program reaches all customer types. Eligibility for these enhanced incentives can be determined based on screening an individual customer however the utilities will also explore implementing automatic eligibility for enhanced incentives based upon a physical location (e.g. census tract, environmental justice community, Urban Enterprise Zone) to encourage more activity in LMI communities.

Marketing Plan (MFR II.a.xiv)

The utilities will implement both multi-pronged direct and indirect marketing campaigns to promote this program. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, social media and hard-copy materials to promote awareness, as well as tie-ins with other programs. Retailers, wholesalers, distributors, manufacturers and trade allies will be contacted directly and through trade associations to develop networks and promote involvement in the program where applicable. The utilities will also look to leverage the behavior program for 'warm leads' into this program through both the home energy reports and online audit tool. In addition, the kits provided through this Program will include pamphlets and literature recommending customers visit utilities online portals and marketplace, further increasing engagement.

Targeting and promotion within this program will be enabled through intelligence gained through other residential programs or offerings, primarily Behavioral Home Energy Reports, Existing Homes, and other activity in the Efficient Products program. The utilities will explore opportunities to provide customized information to customers with prioritized action items, to maximize availability and uptake.

A combination of strategies will be used to train and support retailers, distributors and other program allies, including media advertising, outreach community forums, events, and direct outreach to customers. Marketing activities may include:

- Point of purchase displays and materials, joint advertising, coupons, and special "instant sales events;
- Public relations materials;
- Brochures that describe the benefits and features of the program including application forms and processes. The brochures will be available for various public awareness events (community events, presentations, seminars etc.);
- Bill inserts, bill messages, email, Facebook, Twitter and other social media platforms, pop-up stores;

- NJNG website content providing program information resources, contact information, online application forms, online retail store and links to other relevant service and information resources;
- Customer representatives trained to promote the program to their customers; and
- Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.

The primary market barriers that impact this program include:

- **Initial Cost of Efficient Equipment:** Relative to the market baseline, efficient equipment often carries a higher upfront cost but a lower lifetime operating cost. Customers often may not fully value the lifetime operating cost advantage of efficient equipment and, as a result, higher upfront cost is a barrier to purchasing efficient equipment. To address this barrier, incentives are provided to the customer to reduce the initial cost. On-bill repayment or access to financing with similar terms will also help mitigate the up-front cost barrier.
- **Customer Awareness and Engagement:** Residential customers may not be aware of the benefits of installing efficient equipment and/or lack the time and resources to pursue efficient equipment when replacing existing equipment. To address this barrier, the utilities will educate customers on the benefits of installing efficient equipment through targeted marketing, ensure that incentives are easily accessible, and encourage market transformation and stocking of efficient equipment through midstream incentives. Through outreach efforts, the utilities will seek to partner with retail and wholesale entities to promote program offerings, and also focus marketing, education, and outreach efforts on the trade ally community to ensure that trade allies are aware of available incentives and prepared to serve customers. To increase awareness among customers with English as a second language, utilities may develop and provide outreach materials in Spanish. The utilities intend to be active participants in both the Equity or Marketing Working groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.
- **Landlord/Tenant Arrangements:** Split incentives between landlord/tenants with respect to who pays for energy use vs. who owns the energy-using equipment challenge investment decisions. To address this barrier, the program will be marketed to both landlords and tenants to assure that those exposed to energy costs are able to participate in the program. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties to attract tenants.
- **Sufficient Stocking and Availability of Efficient Products:** The utilities will look for opportunities to develop and promote a midstream component for specific equipment to encourage high levels of participation via incenting midstream market actors and/or directly discounting the cost of the efficient equipment at the point of sale.

The utilities will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. The utilities established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis. To the extent possible, the utilities will cross-promote programs to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The utilities and/or third-party implementation contractors will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the program vision, eligible efficient products, rebates, and ways to participate. Additionally, the utility and/or third-party implementation contractors will engage trade allies, including local HVAC, electrical, plumbing, and other contractors to educate them on program benefits and build a trade ally network which will reliably install energy efficient equipment for participating customers. The utility and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and both program ally and trade ally availability to provide suggestions to assure that the program is continually providing customers with their needs. The utility and/or third-party implementation contractors will be responsible for the management of the online marketplace. The utilities will oversee the build-out of the online marketplace as well as the retail and Trade Ally network, which may be administered by third-party implementation contractors. The utility and/or third-party implementation contractors will also process the online instant rebates, verify eligibility of customers and manage the delivery of items purchased on the website.

To select qualified third-party implementation contractors, the utilities will prioritize criteria including but not limited to:

- Experience delivering similar programs or initiatives;
- Resources and marketing strength;
- Cost; and
- The amount of business placed with minority, women, veteran and service-disabled veteran owned businesses.

By allowing participants to select a trade ally they are comfortable with for select products, the program reduces barriers to entry related to knowledge of energy efficiency confidence in assessments, and measure installation. The utilities will perform customer satisfaction and other quality assurance and quality control activities to monitor, ensure program and verify quality standards are met.

NJNG existing staff is familiar with many of the programs managed by the New Jersey Clean Energy Program ("NJCEP") [1] NJNG is also committed to a competitive solicitation process for our online marketplace but may consider extending the current contract with our existing vendor to ensure there is no disruption to marketplace availability given the tight timeframe between program approval

[1] While NJNG was not the primary QC inspector for WARMAdvantage, all of our BPI certified auditors occasionally noted issues as part of their audit work.

and launch. If NJNG decides to extend that contract, it would conduct a competitive solicitation for those services in late Fiscal 2022. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. NJNG intends to hire additional staff to help support the residential sector programs. We expect to be operational with most program components by July 1, 2021 but newer elements may be launched later in the year.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The utilities propose to provide a range of incentives depending on the measure type, subject to changes based upon customer response and marketplace changes over the plan period. Incentives will vary depending on the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace. Refer to Exhibit P-2, Schedule AMP-1, for the Summary of Existing and Proposed Incentive Ranges for this program.

Incentives will be available in several ways and are adapted to the retail partner needs and market response. Strategies may include:

- Mail-in applications available from the retailer and the program website or directly from contractors;
- Online rebate forms;
- Point of Sale or In-store "Instant Reward" coupons that are redeemed in-store at the time of purchase;
- Special sale events in retail stores;
- Manufacturer buy down to Retailer;
- Midstream or upstream incentives to retailers, distributors or manufacturers to encourage them to stock and promote efficient products or to provide product incentives at time of purchase; and
- Partnerships with community groups, schools, and/or non-profit organizations.

Incentives may change based on market prices, as well as manufacturer and distributor co-funding. Other incentive alternatives may be used as the market evolves and new and innovative customer, program ally and trade ally engagement opportunities become apparent.

In instances where incentives are not immediate, the utilities will complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this program.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Energy Savings (MFR II.a.x, II.a.ix)

The table below summarizes the projected participation and savings associated with this program. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Participation estimates are calculated as the sum of forecasted measure-level participation units, and each unit of participation is based on a measure-specific forecasted savings unit of measure. Savings estimates are based on projected participation during each year of the forecast period.

Table 1: Products Program Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (products)	93,820	93,886	93,922
Projected Net Annual Natural Gas Savings (therms)	1,245,514	1,320,538	1,354,803
Projected Net Lifetime Natural Gas Savings (therms)	15,973,600	17,229,615	17,842,702
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	1,145,506	1,145,506	1,145,506
Projected Net Annual Electric Savings (kWh)	2,923,269	2,928,544	2,930,127
Projected Net Lifetime Electric Savings (kWh)	28,714,468	28,777,769	28,796,759
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	13,541,616	13,541,616	13,541,616
Projected Net Annual Peak Demand Savings (kW)	9	9	9
Projected Net Lifetime Peak Demand Savings (kW)	127	128	128

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings for shared measures. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 2: Products Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost[2]	146,825	0	0
Utility Administration	1,166,838	1,199,486	1,233,113
Marketing	269,460	271,544	273,690
Outside Services	637,687	637,250	633,994
Incentives	15,046,500	16,533,930	17,229,517
Inspections and Quality Control	41,253	42,491	43,766
Evaluation	485,944	520,079	537,406
Total	17,794,508	19,204,780	19,951,487

[2] Capital Cost reflects start-up costs so only reflected in budgets for Program Year 1.

1.1.2 EXISTING HOMES-HOME PERFORMANCE WITH ENERGY STAR

Program Description (MFR II.a.i)

Home Performance with ENERGY STAR ("HPwES") will provide a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. All participants in this subprogram must have an initial energy audit performed directly by a qualified HPwES contractor or auditor. That audit will develop an energy efficiency action-plan that includes recommendations for upgrades and available incentives. To ensure the upgrades are accessible to customers, there will be financing available through either an On-Bill Repayment Program ("OBRP") or access to financing with similar terms.

This subprogram is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy savings. The subprogram will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency HPwES program subject to as-needed enhancements to maximize participation and cost-effective energy savings opportunities. The utilities will also seek to increase the number of contractors certified to offer customers the U.S. Department of Energy Home Energy Score ("HES") to help customers understand how HPwES improvements can improve the efficiency and comfort of their home.

Target Market or Segment (MFR II.a.ii)

HPwES will be available to all single-family and single-family attached (1 to 4 unit properties) electric and/or natural gas customers served by at least one of the investor owned utilities in New Jersey.

As noted, all customers will start with a comprehensive energy audit or through upgrading from a Quick Home Energy Check-up. Potential measures incentivized through this subprogram include but are not limited to insulation, air sealing, smart thermostats, and HVAC. All HPwES projects must include air sealing and insulation.

Marketing Plan (MFR II.a.xiv)

The utilities will utilize many marketing avenues to assure subprogram awareness and participation is maximized. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, media advertising, and hard-copy materials to promote awareness among trade allies and customers. The utilities will also cross promote this subprogram to participants in other energy efficiency program offerings. Information garnered from other programs, such as the Residential Behavioral and Residential Efficient Products could also be used to identify prime candidates for participation in this HPwES subprogram. For example, a review of usage data contained in Home Energy Reports from the Residential Behavioral program could allow the utilities to identify customers who are particularly susceptible to changes in weather and would be ideal candidates for an audit. Likewise, the

Residential Efficient Products program could provide leads to customers interested in energy efficiency. Most importantly, the QHEC subprogram was specifically designed to educate, engage and provide immediate energy savings to customers and identify strong leads for candidates that would benefit from participating in this HPwES subprogram.

Consistent with current New Jersey HPwES subprogram practices, the utilities may offer Cooperative Marketing funding to encourage contactors to promote this subprogram.

The Primary Market Barriers that Impact this subprogram include:

- **Initial Cost of Comprehensive Home Retrofits:** Home retrofits are more expensive and involved than purchasing efficient equipment and therefore, require more participant investment and commitment. Customers must be willing and able to invest in more expensive energy-efficiency projects. The utilities address this barrier by offering incentives and On-Bill Repayment Programs or access to financing with similar terms.
- **Traditional Credit Screening:** Many customers interested in pursuing comprehensive projects may not be able to pass traditional credit screening (e.g. requirements for debt to equity ratio) despite having a proven track record for paying their utility bills on time. The utilities will explore solutions to help more customers access this incentive through either an OBRP approach or access to financing with similar terms that relies on a review of utility payment history and bankruptcy check to ensure customers who have a proven track record have the opportunity to participate or through innovative approaches.
- **Customer Awareness and Engagement:** Many customers are unaware of the "whole house" approach to energy-efficiency or the fact that building science exists. The utilities will work to address this by:
    - Continuing to educate customers about the HPwES subprogram and how both the structure and equipment work together;
    - Highlighting the extra training that participating contractors must have;
    - Identifying how the shell measure improvements can improve their comfort within the home;
    - Noting that an audit includes health and safety testing; and
    - Reinforcing that the investments in equipment and shell measures may increase the value of their home.

  To increase awareness among customers with English as a second language, utilities may develop and provide outreach materials in Spanish. The utilities intend to be active participants in both the Equity or Marketing Working groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.

- **Trade Ally Awareness and Training:** To meet the participation goals, sufficient HPwES contractors must be available to undertake the work. The utilities will address this barrier by trying to recruit more contractors to secure the additional certification necessary to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, underrepresented, and disadvantaged workers.

The utilities will seek to manage all barriers to program success through a commitment to applying best practices in program design, deliver, outreach, and marketing/advertising. The utilities established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The utilities will administer this HPwES subprogram and may also choose to select third-party implementation contractors to manage delivery of this subprogram.

Utility staff and/or third-party implementation contractors will oversee all aspects of the subprogram, including training and engagement, quality assurance ("QA") / quality control ("QC"), and rebate processing. There will be a significant focus on developing, training, and growing a qualified trade ally network. This will include trade ally training sessions, workshops, and market development events to grow and develop the trade ally network, with a priority placed on encouraging them to integrate home efficiency performance into their business and become Building Performance Institute ("BPI") certified contractors. Utility staff and/or third-party implementation contractors will maintain a close relationship with trade allies to ensure consistent subprogram delivery experience and high customer satisfaction. Utility staff and/or third-party implementation contractors will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of trade ally installation work.

Trade allies will consist of companies employing BPI-certified professionals to complete HPwES audits and energy-saving projects. In order to facilitate trade ally access to participants, utilities or the third-party implementation contractor will maintain a list of companies and professional services where customers can find local trade allies based on geography and other criteria.

Selection of third-party implementation contractors will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Ability to educate and train contractors;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran and service-disabled veteran owned businesses.

The utilities will encourage all participating contractors to also look for opportunities to promote measures from the Residential Efficient Products program, such as home appliances (e.g. clothes washers) to increase energy savings and leverage those incentives.

NJNG existing staff is familiar with the NJCEP HPwES program that will be transitioned to this program. Our team has experience answering customer inquiries, and screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions that will have not addressed under our prior programs like field inspections for QC. NJNG intends to hire additional staff to help support the residential sector programs. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. We expect to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR.II.a.iii) (MFR II.a.iv)

The utilities will provide incentives to encourage customers to implement the measures recommended during their audit. Incentives will be calculated based on modeled savings through a sliding scale up to an overall project cap. Modeled savings will be based upon software that will use consistent calculations across territories. As the utilities work to launch midstream incentives for HVAC measures through the EE Products program, there is a recognition that a baseline incentive may be provided when a participating contractor secures the equipment from a participating distributor or retailer. The utilities intend to adjust the calculation of the incentive when an incentive has already been provided through a midstream path. However, the utilities have a shared intention to have the value of an HVAC measure being installed through this subprogram be higher than a standalone HVAC equipment installation to ensure that customers are encouraged to pursue comprehensive upgrades and to recognize additional energy savings associated with improving the building shell.

Consistent with current practices for the New Jersey HPwES subprogram, the utilities are proposing an incentive range for a Contractor Production incentive and separate scale for incentives for multifamily properties.

Refer to Schedule Exhibit P-2, AMP-1, for the Summary of Existing and Proposed Incentive Ranges for this subprogram.

The utilities and/or third-party implementation contractors will complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this subprogram.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 3: HPwES Residential Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	670	737	774
Projected Net Annual Natural Gas Savings (therms)	206,938	227,631	239,013
Projected Net Lifetime Natural Gas Savings (therms)	3,517,940	3,869,734	4,063,220
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	647,013	711,714	747,300
Projected Net Lifetime Electric Savings (kWh)	10,999,220	12,099,142	12,704,099
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	22	24	25
Projected Net Lifetime Peak Demand Savings (kW)	373	411	431

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Subprogram Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 4: HPwES Residential Subprogram Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	182,540	0	0
Utility Administration	630,366	644,562	659,185
Marketing	247,869	249,305	250,784
Outside Services	205,799	204,865	204,061
Incentives	7,886,000	8,674,600	9,108,330
Inspections and Quality Control	35,177	36,233	37,320
Evaluation	267,461	278,577	290,382
Total	9,455,211	10,088,142	10,550,060

1.2.1 MULTIFAMILY PROGRAM

Program Description (MFR II.a.i)

This Program addresses multifamily structures with three or more units. As such, there can be significant variation in the types of structures served under this Program ranging from residential type dwelling with three units to large garden apartment complexes to multi-story high rise buildings. In order to meet the specific needs of each customer, the Multifamily Program will provide, in conjunction with the customer, a structured screening review to identify and develop the project plan for the customer. Potential program services include customer engagement with energy efficiency education through energy assessments, installation of standard energy savings measures, comprehensive energy savings opportunities including prescriptive equipment replacement, custom retrofit projects and engineered solutions and emergency equipment replacement. In addition, the Multifamily Program will provide On-Bill Repayment or access to financing with similar terms and enhanced incentives for low income/affordable housing properties.

The Multifamily Program will seek to work with each customer to determine and package the best energy savings opportunities based on NJNG's current program offerings (e.g. direct installation of standard energy savings measures, prescriptive equipment replacement, custom retrofit or engineered solutions), with an emphasis to encourage more comprehensive projects wherever possible. Customers will begin participation in the Multifamily Program with a screening to identify and develop a project plan. The initial screening may include an energy assessment and installation of standard energy savings measures to help encourage program participation. The assessment will also identify additional energy savings opportunities and develop the project plan that is the best fit for each specific customer and building.

Applications to this program will be reviewed to determine the project plan depending on the type of housing stock and ownership structure. The screening process will consider various factors to create a project plan that will deliver a high level of energy savings in the most cost-effective manner. Examples of these factors include, but are not limited to:

- Building size;
- Number of units;
- If the facility is being served by a central plant;
- If there are individual heating and cooling units;
- If there are building envelope/weatherization opportunities;
- Application review with a potential virtual site inspection;
- Application review with potential telephone interview with property management; and
- An on-site pre-scoping audit may be performed.

Depending upon the screening results and the customer's interests, a customer's project plan could include direct installation of standard energy saving measures, incentives for prescriptive equipment replacement, custom retrofit opportunities, or a comprehensive Engineered

Solutions project. The measures within the project plan will be consistent with the terms and conditions of the NJNG's applicable residential and/or commercial & industrial program offerings (e.g. Existing Homes, Efficient Products, Energy Solutions for Business). Therefore, the project plan can include prescriptive measures with set energy-savings and/or custom projects with savings on a project basis. Please refer to these program descriptions for more information on these program offerings and the associated terms and conditions, including delivery methods and contractor roles.

Target Market or Segment (MFR II.a.ii)

All multifamily buildings with three or more units that are served by at least one investor owned utility are eligible to participate. The Program targets multifamily property owners, property managers, and residents, who, because of the building owner – tenant relationship, have always had difficulty investing in energy efficiency equipment. The utilities will also target outreach to economically-qualified occupants and owners of multifamily buildings who are eligible for enhanced incentives. Eligibility for these enhanced incentives can be automatic based upon the type of property that has a Low or Moderate-Income designation (e.g. New Jersey Housing and Mortgage Financing Agency qualified, Housing Authorities) or by a physical location (e.g. census tract, environmental justice community, Urban Enterprise Zone). The program may refer prospective customers to Comfort Partners as appropriate.

Marketing Plan (MFR II.a.xiv)

The marketing strategy will focus on informing property owners, managers, associations, tenant groups, municipalities, and community organizations about the availability and benefits of the program and how to participate. Marketing activities will also target lower and moderate-income multifamily sector. Key elements of the marketing strategy may include:

- Targeted outreach through direct mailings and presentations to inform property owners, managers, apartment associations, tenant groups, municipalities and community organizations about the benefits of the program and participation processes;
- Brochures highlighting the benefits and features of the program as well as the enrollment and participation processes;
- Website content providing program information resources and contact information;
- In-person visits by program representatives to properties with three or more units; and
- Energy assessments of properties may include the direct installation of standard energy savings measures to engage, educate and promote the building owners or facility managers to participate in the other program offerings targeting deeper savings.

The primary market barriers that impact this program include:

- **Business/Operational Constraints:** Multifamily properties often have unique operations and time constraints that act as a barrier to implement energy-efficiency projects. This barrier will be addressed by ensuring the program operates cooperatively with participants, provides program participation and technical assistance, and offers timely incentives and financing support.

- **Customer Awareness and Engagement:** Eligible participants may be unaware of energy-efficiency opportunities and programs because the segment has historically not been well served by traditional energy-efficiency programs. To address this barrier, this program was designed specifically to support the multifamily segment. The utilities will execute targeted outreach strategies to ensure that relevant customers are aware of program opportunities and consider energy efficiency in equipment investments and long-term planning. The program will also prepare and distribute successful case studies of prior participants and their experiences and energy savings. To increase awareness among customers with English as a second language, utilities may develop and provide outreach materials in Spanish. The utilities intend to be active participation in both the Equity or Marketing Working groups and expect to address the need and cost for developing materials in a broader range of languages as part of those discussions.
- **Cost Effectiveness:** Efficiency upgrades require an initial investment that is recovered by lower long-run operating costs and non-energy benefits. Multifamily projects may carry longer payback periods than traditional energy-efficiency projects due to the unique needs of the segment. To address this barrier, incentives and access to OBRP or similar financing options will be provided to the customer to reduce the initial cost. The utilities will also communicate the non-energy benefits offered by many efficiency upgrades that may not be captured in the cost/benefit analysis to further promote efficiency upgrades to customers.

Additionally, the utilities considered the following market barriers identified in the Utility Demographic and Firmographic Profile 2020 Study.[3]

- **Split Incentives:** Multifamily properties can face challenges for energy efficiency improvements since the owner generally does not pay the utility bills and may not reap the full benefit of any energy efficiency investment. To address this barrier, the utilities will market to both landlords and tenants to assure that those exposed to energy costs are able to participate in the program, provide low- and no-cost measures at no cost to the tenant or the landlord, and offer comprehensive approaches for multifamily, including application, technical and engineering support to design cost-effective projects with benefits for owners and renters. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties.

- **Complex Buying Process:** There can be a broad range of potential energy efficiency investments but it can be challenging to identify which strategies may be the most beneficial for owners and/or tenants. To address this barrier, the program will provide

[3] The purpose of this study was to examine the demographics and firmographics of all customers in the service territories of each of the electric and gas public utilities in New Jersey. This is to comply with P.L. 2018, c. 17, codified at N.J.S.A. 48:3-51-87 et seq., commonly known as the Clean Energy Act of 2018 ("Clean Energy Act" or "CEA"), as well as in response to the New Jersey Board of Public Utilities (NJBPU) Order Docket Nos. QO19010040 and QO19060748 (dated October 7, 2019), which directed the utilities to complete a demographic analysis pursuant to the Clean Energy Act. The study was released on April 30, 2020 and can be found here.

customized screening and on-going support to help find the best solution for the customer and include incentives to encourage the customer to implement the recommended solutions.

The utilities will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. The utilities will leverage their established customer communication channels, data, and brand in the marketplace to identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The Multifamily Program will be delivered in coordination between both the Lead Utility and the Partner Utility (where applicable) and/or qualified third-party implementation contractor(s) with experience delivering similar programs. Because of the unique and varied nature of the multifamily market Program representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the Program. The Program will assist customers as necessary to coordinate scheduling of the Energy Assessment and direct installations and will provide program and technical support to complete program and rebate application requirements.

Delivery of energy-saving measures will be dependent on the project plan and may include direct install of standard energy savings measures, installation of prescriptive measures, and/or custom projects. It may be necessary to schedule appointments for the installation of energy saving measures in the individual living units and common areas. In-unit HVAC tune-ups may also be offered to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the energy saving devices installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.

While there is no comparable existing NJCEP program, NJNG's existing staff is familiar with many of required functions for this program - answering customer inquiries, processing rebates, screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions, including the direct installation of measures in individual units, field inspections for QC for projects that do not have a built-in commissioning approach, and the potential to bring on additional engineering firms that may specialize in multifamily programs for Engineered Solutions. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. NJNG expects to hire additional staff to support this program but they will work across the other program sectors. We hope to launch the HPwES Multifamily path by July 1, 2021 to avoid disrupting the market, but other program paths may be launched later in the year.

<u>Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)</u>

The following table provides a summary of the existing and proposed incentives for each of the potential components of the project plan for each building under the Multifamily Program.

Program Component/Service	Existing Incentive[4]	Proposed Incentive
Energy Assessment with installation of standard energy savings measures	• N/A	• Energy Assessment with the equipment and installation costs for the standard energy savings measures will be provided to eligible properties with "Up to 100%" of the cost provided by the program.
Prescriptive Equipment replacement and custom retrofit projects	• See the list of existing incentives in the descriptions of the Residential and Commercial & Industrial programs currently available for the prescriptive equipment replacement and custom retrofits	• Same value as incentives offered through the Residential and Commercial & Industrial programs applicable for the prescriptive equipment replacement and custom retrofits. • Includes enhanced incentives offered for properties that are located in qualifying target areas or for LMI[5] qualified customers.
Engineered Solutions	• No cost ASHRAE[6] Level I, II, or III audit. • Program will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years.	• No cost ASHRAE Level I, II, or III audit. • Program will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years.

[4] Existing incentives generally represent currently available NJCEP incentives. For Engineered Solutions, they would represent the incentives currently approved for the New Jersey utilities that currently run this program.
[5] Low to Moderate Income
[6] American Society of Heating, Refrigerating and Air-Conditioning Engineers

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges.

Customer Financing Options (MFR II.a.vi)

Program Component/Service	Existing Incentive
Prescriptive Equipment replacement and custom retrofit projects	Same financing option as available through the Residential and Commercial & Industrial programs applicable for select prescriptive equipment replacement and custom retrofit projects
Engineered Solutions	After the project incentive buy-down, the remaining project costs may be repaid by participants at no to low interest financing through an OBRP or other financing option with similar terms. Properties eligible for the Enhanced Low to Moderate Income incentive will be eligible for up to a 10-year repayment term.

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this Program. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 5: Multifamily Program Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	1,153	1,273	1,331
Projected Net Annual Natural Gas Savings (therms)	92,477	109,362	124,599
Projected Net Lifetime Natural Gas Savings (therms)	1,625,080	1,942,800	2,236,183
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	203,392	254,240	305,088
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	3,714,529	4,570,485	5,404,637
Projected Net Lifetime Electric Savings (kWh)	70,258,453	86,974,351	103,435,635
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	11,356,544	14,195,680	17,034,816
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	62	77	92
Projected Net Lifetime Peak Demand Savings (kW)	1,202	1,494	1,784

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 6: Multifamily Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	111,111	0	0
Utility Administration	1,011,828	1,022,683	1,033,863
Marketing	116,390	116,881	117,388
Outside Services	100,597	106,383	113,377
Incentives	5,835,937	7,001,314	8,100,773
Inspections and Quality Control	3,251	3,349	3,449
Evaluation	220,042	246,716	277,627
Total	7,399,156	8,497,326	9,646,477

1.3 Commercial & Industrial Core Programs

1.3.1 C&I DIRECT INSTALL

Program Description (MFR II.a.i)

The C&I Direct Install Program is focused on installation of efficiency measures for small businesses, non-profit organizations, municipalities, schools and faith-based organizations ("eligible customers") that typically lack the time, knowledge, or financial resources necessary to investigate and pursue energy efficiency. The program is designed to provide eligible customers with easy investment decisions for the direct installation of energy efficiency projects. The program will pay a percentage of the up-front cost to install the recommended energy efficiency measures, with the participating customer contributing the balance of the project not covered by the incentive. The program will also provide a repayment option to the customer for their required contribution. The no-cost energy assessment mitigates the time constraints and knowledge barriers while the reduced overall costs and repayment options mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The C&I Direct Install program plays an important role in the marketplace because private providers of energy efficiency services typically do not target smaller customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small businesses, non-profit organizations, municipalities, schools, and faith-based organizations are often hard to reach, and the program fills an important gap by targeting, promoting, and delivering efficiency services to these customers directly.

The energy assessment will be provided to customers free of charge and will offer recommendations on energy efficiency measures to reduce energy usage and costs. Standard basic energy savings measures may also be provided or installed at no cost at the time of the energy assessment to support customer engagement, participation, and energy savings.

The program will also focus on the smallest customers within the eligible customer segment. NJNG anticipates portions of the program to be directed at restaurants, small offices, convenience stores and other small independent businesses that often are left behind in less-comprehensive energy efficiency programs. Through a number of delivery mechanisms, NJNG will assure that all eligible business types are able to participate in this program.

Target Market or Segment (MFR II.a.ii)

The Utilities will seek to address the most cost-effective measures (e.g. LED lighting retrofits) but will also address all measure retrofits that would comprise a cost-effective project. Examples of end-use categories covered by the program include lighting, HVAC, controls, refrigeration, food service, motors, low-flow devices, pipe wrap and domestic hot water equipment. The program will be divided into two tiers of eligibility, determined by the customer's individual facility peak electrical demand over the last 12 months. Tier 1 will serve the smallest of the eligible customer base, specifically focusing on customers with an average individual facility peak electrical demand of up to 100 kW. Tier 1 will also include customers up to 200 kW within an Urban Enterprise Zone ("UEZ"), Opportunity Zone, and owned or operated by a local government, K-12 public schools. Additionally, customers with an average peak demand from 101 – 200 kW that are located within designated opportunity zones or UEZ may also qualify for Tier 1 status. Tier 2 will serve the larger segment of small non-residential customers, with an average individual facility peak electrical demand of 101 - 200 kW. This figure may be increased by the electric utility to ensure the program is properly addressing the market in the electric utility's service territory.

Marketing Plan (MFR II.a.xiv)

The C&I Direct Install Program will be marketed to customers through a combination of direct outreach by program staff, and/or the third-party implementation contractor, web-based engagement and customer information analytics, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Direct outreach may include visits to customer premises to distribute hard-copy program materials, inform customers about the program directly, and solicit participation. Additionally, NJNG may engage community partners, including Chambers of Commerce and other local organizations including those comprised of underrepresented and socially or economically disadvantaged individuals. NJNG will also consider the potential to utilize customer information analytics or other targeted energy education outreach to identify and target customers best suited for participation in the program. The collective marketing plan strategy is useful for enrolling eligible customers that may be interested in participating but have not heard of the program and do not have the time or resources to prioritize investigating energy efficiency opportunities or reaching out to NJNG.

The primary market barriers that impact this program include:

- **Customer Awareness and Engagement:** Small businesses, non-profit organizations, schools and faith-based organizations typically have limited resources and time to consider or prioritize energy efficiency and may have efficiency needs not well aligned with traditional commercial demand side management ("DSM") programs targeted at larger customers. This program is intended to confront these market barriers by providing turnkey, direct installation of efficiency measures tailored to these eligible customers at no cost, while identifying additional efficiency opportunities directly on-site, and through directly soliciting eligible customers for participation. This personalized approach builds trust and achieves results while increasing the likelihood of further participation referrals. To increase participation rates among a diverse demographic, utilities may include focused outreach efforts to reach minority- and women-owned small businesses, and start-ups by engaging with business groups and organizations that support these customers. Partner business groups might include the Chamber of Commerce, and the Small Business Administration. Utilities may also explore providing outreach materials in Spanish to reach Spanish-speaking business owners.

- **Initial Cost of Efficiency Investments:** Recommended energy efficiency projects that go beyond direct-install measures will require more participant investment and commitment. This barrier will be addressed through offering incentives and a repayment option, as well as through operating a program that is flexible and easy for small business customers to utilize.
- **Landlord/Tenant Arrangements:** Split incentives between landlord/tenants with respect to who pays for energy use versus who owns the energy-using equipment presents a unique challenge because the investor in the equipment does not experience an immediate benefit. The subprogram will employ strategies to help the landlord understand the long-term benefits of participating. This subprogram will be marketed to both landlords and tenants to assure that those exposed to energy costs and investments are able to participate in the program. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties.

NJNG will seek to manage barriers to program success through a commitment to monitoring program performance and feedback channels for assessing effective program design, delivery, outreach, and marketing/advertising, and improvement opportunities. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis. To the extent possible, NJNG will cross-promote program offerings to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

The C&I Direct Install Program interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site energy assessment to identify energy efficiency retrofit opportunities. Standard basic energy savings measures may also be provided at no cost at the time of the energy assessment for eligible Tier 1 customers, to support customer engagement, participation, and energy savings. Following the energy assessment, participants are provided with a report assessing the site and recommending investments that could further improve the energy efficiency of the facility.

Based on the results of the energy assessment report, the program will offer to initially pay a percentage of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord). The program will also provide a payment option to the customer (and/or landlord) for their portion of the project cost. NJNG will provide for the installation of all work and assure it is completed on time and to specifications. This approach frees up the participant, who may not have the time or resources to dedicate to project implementation. The distinction between Tier 1 and Tier 2 eligibility criteria will ensure that eligible customers, even those that are the smallest and often overlooked, receive ample focus. The simple, turnkey solution provides eligible customers with the initial site visit, energy assessment, and installation of recommended efficiency measures at no initial cost to participants.

NJNG will administer and manage the program with the support of third-party implementation contractor(s) and/or utility staff. The third-party implementation contractor or Utility Staff will have responsibility for most delivery tasks and customer outreach on behalf of NJNG. If used, the third-party implementation contractor will work closely with NJNG to optimize the program offering, including, but not limited to:

- Initial participant recruitment, energy assessment, and equipment installation;
- Program data tracking;
- Direct customer outreach/program delivery strategy;
- Development of measure mix;
- Marketing;
- Promotion of emerging technology; and
- Customer satisfaction.

The third-party implementation contractor or utility staff will take on the responsibility of implementing the program, directing the qualification and enrollment of participating contractors, and will work to assure that ample participating contractors are available to complete all work derived from the program. The participating contractors will perform the energy assessments and installations, working with NJNG and/or the third-party implementation contractors oversight to undertake all construction and installation work identified in the energy assessment process.

NJNG existing staff is familiar with the NJCEP Direct Install program that will be transitioned to this program. Our team has experience answering customer inquiries, and screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions that have not been addressed under our prior programs like field inspections for QC. NJNG expects to hire additional staff to support this program but they will work across the commercial sector programs NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. We expect to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

Both tiers of the program will encompass many of the same benefits, including a simple, turnkey solution for eligible customers, which requires no up-front investment. The initial site visit, energy assessment, and installation of recommended energy efficiency measures are provided at no initial cost to participants. The utilities propose to provide an incentive level of up to 70-80% of the project costs, and to continue discussions to determine the appropriate level and at what level the incentive is applied to best promote the completion of comprehensive projects while maintaining overall program cost effectiveness. Additionally, the utilities plan to coordinate on the methodologies and calculations used to determine energy savings and program incentives.

For Tier 1 customers, standard basic energy savings measures may be installed at no cost during the time of the energy assessment. The program will offer to pay up to 80% of the project cost to install the recommended energy efficiency measures with the participating customer (and/or landlord) repaying the balance not covered through the incentive either in a lump sum or through an available repayment option. Customers located in an Urban Enterprise Zone, Opportunity Zone, owned or operated by a local government or K-12 public schools will also qualify for Tier 1 status, up to an average individual facility peak electrical demand of 200 kW.

Tier 2 will serve the larger segment of eligible customers, with an average individual facility peak electrical demand of 101 - 200 kW over the past 12 months. Incentives up to 70% of the total project cost will be offered.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of Existing and Proposed Incentives for this program.

Customer Financing Options (MFR II.a.vi)

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a financing option. Refer to Exhibit P-2, Schedule AMP-2 for the Summary of Proposed Financing for this program.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this program. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Participation estimates are calculated as the sum of expected number of small businesses participating in the program. Savings estimates are based on projected participation during each year of the forecast period.

Table 7: C&I Direct Install Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (projects)	225	248	260
Projected Net Annual Natural Gas Savings (therms)	309,350	340,285	357,299
Projected Net Lifetime Natural Gas Savings (therms)	4,640,250	5,104,275	5,359,489
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	4,640,250	5,104,275	5,359,489
Projected Net Annual Electric Savings (kWh)	10,122,965	11,135,261	11,692,024
Projected Net Lifetime Electric Savings (kWh)	151,844,472	167,028,919	175,380,365
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	151,844,472	167,028,919	175,380,365
Projected Net Annual Peak Demand Savings (kW)	1,322	1,454	1,527
Projected Net Lifetime Peak Demand Savings (kW)	19,833	21,816	22,907

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 8: C&I Direct Install Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	404,982	414,774	424,860
Marketing	216,390	216,881	217,388
Outside Services	268,921	266,572	264,548
Incentives	13,626,704	14,989,375	15,738,843
Inspections and Quality Control	0	0	0
Evaluation	554,954	597,681	625,652
Total	15,218,776	16,485,283	17,271,291

1.3.2 ENERGY SOLUTIONS FOR BUSINESS: PRESCRIPTIVE AND CUSTOM MEASURES (MFR II.a.i)

The C&I Prescriptive and Custom Measures subprogram will promote the installation of high-efficiency electric and/or natural gas equipment by NJNG C&I customers, either via the installation of prescriptive or custom measures or projects. The subprogram provides prescriptive-based incentives to commercial and industrial customers to purchase and install energy efficient products. The subprogram will continue to support and/or provide downstream approaches to ensure the market is properly supported. The subprogram may also provide midstream or upstream incentives or buydowns and support to manufacturers, distributors, contractors, and retailers that sell select energy efficient products. These measures will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Type and value of incentive provided will range and will include electric and/or natural gas technologies that improve energy efficiency. Up-front rebates will be offered to reduce initial costs and some purchases may qualify for low to no-interest financing to further reduce first cost barriers. Prescriptive measures are designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

Prescriptive rebates are designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls;
- Promote the marketing of high efficiency measures by trade allies such as electrical contractors, mechanical contractors, and their distributors to increase market demand; and
- Ensure the participation process is clear and simple.

Prescriptive incentives will increase adoption of energy efficient equipment by harnessing NJNG's unique customer relationships to positively impact the entire sales process surrounding efficient equipment, from education and awareness with customers, engagement with trade ally contractors and equipment distributors, to financing opportunities for the high efficiency equipment.

The subprogram also includes custom measures that provide calculated or performance-based incentives for electric and/or natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by prescriptive equipment. Calculated or performance-based incentives are designed to reduce the customer's capital investment for qualifying energy efficient equipment, to retrofit specialized processes and applications and/or to implement qualifying high efficiency building shell or systems improvements. Typical custom measures that are eligible for incentives are either less common measures or efficiency opportunities in specialized applications that may include manufacturing or industry-specific processes, or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Potential participants are required to submit an application for pre-approval to confirm project eligibility and reserve funding. The Utility and/or implementation contractors will develop electronic rebate application forms that will guide applicants through eligibility guidelines, subprogram requirements, terms and conditions, and general information. In addition, the Utility and/or implementation contractors will provide applications in web ready formats to ensure participants have easy access to the forms. The pre-approval process provides for the review of the customer's proposed project to confirm measure eligibility and incentive budget availability. This also supports the Company's subprogram management because it communicates projects that are in the pipeline. If accepted and pre-approved by NJNG a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days but can be longer depending on the complexity of the project. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects may also be eligible for low to no cost financing to further reduce first-cost barriers.

Target Market or Segment (MFR II.a.ii)

The C&I Prescriptive and Custom Measures subprogram will be available to all commercial, industrial, and other non-residential customers located within NJNG's service territory. This subprogram is focused on promoting the sale and installation of efficient electric and/or natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates, or more complex custom rebates. Potential technologies incentivized through prescriptive measures include energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. Customers pursuing custom incentives will generally be customers with more complex needs and non-standard efficiency opportunities and typically include building types such as light/heavy industrial, manufacturing, data centers, and distribution centers, among others.

Marketing Plan (MFR II.a.xiv)

The C&I Prescriptive and Custom Measures subprogram will engage with customers and trade allies at multiple levels, including broad-based energy efficiency awareness campaigns, direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. In some cases, subprogram staff and representatives will reach out directly to large customers. Use of appropriate types of media are anticipated to be included in the marketing plan, such as direct mail, email, print, and digital media. Engagement with trade associations (e.g. builders, architects, engineers, equipment distributors, professional and contractor associations, etc.) will also be important venues for NJNG to present information about the subprogram, raise awareness and encourage participation.

Marketing will be used to target specific customer sectors to ensure awareness in the subprogram and enhance participation. The Utility and/or implementation contractor will target various market sectors (i.e. education, medical/health care, manufacturing, retail, food service) to enhance participation and promote a cross-section of measures applicable to each market. Since prescriptive retrofits are generally one-for-one replacements, measure-specific collateral pieces will be developed for new measures or enhanced for continuing measures. These will be delivered to sectors most likely to utilize the specific technology. Fact sheets, mailings, post cards, e-blasts, and on-location seminars will also be used to promote specific measures. Custom marketing efforts require a consistent and directed outreach to trade allies and associations, The Utility and/or implementation contractors will be required to develop and implement a marketing plan to identify and target customers to connect them to appropriate measures using e-blasts, webinars, on-site seminars, and large customer publications, among other marketing and outreach initiatives. Further, in order to attract multiple measure participation, the Utility and/or implementation contractor will outreach via sectors, as well as to trade allies and associations such as architects, engineers and professional associations. Targeted advertisements in industry/trade publications will also be required to bring awareness to the opportunities and savings available through the Custom offering.

The primary market barriers that impact this subprogram include:

- **Initial Cost of Efficient Equipment:** Relative to the market baseline, efficient equipment often carries a higher upfront premium but a lower lifetime operating cost. Purchasers often may not fully value the lifetime operating cost advantage of efficient equipment and as a result, higher upfront cost is a barrier to purchasing efficient equipment. To address this barrier, incentives are provided to the customer to reduce the initial cost through a variety of channels including at midstream and downstream points. Access to financing for certain measures will also help address this barrier.
- **Customer Awareness and Engagement:** Commercial and Industrial customers may not be aware of the benefits of installing efficient equipment and/or lack the time and resources to pursue efficient equipment when replacing existing equipment. To address this barrier, NJNG will educate customers on the benefits of installing efficient equipment through targeted marketing, ensure that incentives are easily accessible, and encourage market transformation and stocking of efficient equipment through midstream incentives. Through outreach efforts, NJNG will seek to partner with retail and wholesale entities to promote subprogram offerings, and also focus marketing, education, and outreach efforts on the trade ally community to ensure that trade allies are aware of available incentives and prepared to serve customers. To increase participation rates among a diverse demographic, NJNG will include focused outreach efforts to reach minority- and women-owned small businesses, and start-ups by engaging with business groups and organizations that support these customers. Partner business groups might include the Chamber of Commerce, and the Small Business Administration. Utilities may also explore providing outreach materials in Spanish to reach Spanish-speaking business owners.

- **Landlord/Tenant Arrangements:** Split incentives between landlords, who own the energy-using equipment, and tenants, who pay for energy use, present a unique challenge because the investor in the equipment does not experience an immediate benefit. The subprogram will employ strategies to help the landlord understand the long-term benefits of participating. This subprogram will be marketed to both landlords and tenants to assure those exposed to energy costs are able to participate in the subprogram. Utilities may also provide technical and outreach assistance to property owners and managers in developing and marketing green properties.
- **Sufficient Stocking and Availability of Efficient Products:** To support a robust marketplace for efficient equipment, the Utilities may promote midstream incentives for specific equipment types to encourage participation via incentives for distributors or retailers to stock and promote the purchase of or for directly marking down the cost of the efficient equipment at the point of sale

NJNG will seek to manage barriers to subprogram success through a commitment to monitoring program performance and feedback channels for assessing effective program design, delivery, outreach, and marketing/advertising, and improvement opportunities. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis. NJNG will cross-promote programs and subprograms to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method, and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR II. a. xiii)

The Utilities may outsource some, or all, of the implementation of this subprogram to an implementation contractor who would be responsible for defined functions, which could include administration, marketing, application processing and documentation regarding purchased products and processing incentives and rebates. NJNG will perform overall administration and oversight of the subprogram. To maximize customer participation and streamline the customer experience, NJNG will use its strong customer and marketplace relationships to support multiple implementation strategies to achieve subprogram goals.

- **Trade Allies:** NJNG and/or the implementation contractor will target trade allies (e.g. electricians, HVAC contractors, lighting retailers and distributors, building energy managers, etc.) to promote the efficiency opportunities and incentives to their clients. Preserving this downstream approach will ensure that customers and trade allies are properly supported. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace and solicit feedback to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms include:

- Design, engineering, and controls firms;
- HVAC distributors, contractors, and retail providers;
- Food service retailers and service providers; and
- Commercial lighting distributors and wholesalers.

- **Retail:** NJNG subprogram staff and/or the implementation contractor field representatives will work with retailers and distributors that directly target C&I customers to inform them of the participation process and available equipment incentives. The Utility and/or implementation contractor will also provide support and assistance to retailers or distributors to support identification and promotion of qualifying energy efficient products. This will also include training and instruction to participating retailers and distributors about the NJNG application forms.
- **Midstream:** The Utilities and/or the implementation contractors may promote a midstream component for specific equipment types to encourage purchase of efficient equipment via directly marking down the cost of the efficient equipment at the point of sale. Midstream rebates encourage market transformation and wider availability of efficient equipment. The Utilities anticipate offering midstream point of sale discounts across numerous equipment types, including, but not limited to: LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream approach will not be eligible for rebates in any other utility rebate program. The Utility and/or implementation contractor will also provide support and assistance to distributors to support identification and promotion of qualifying energy efficient products. This will also include training and instruction to participating distributors as well as enrollment of distributors to participate in midstream subprogram offerings
- **Digital:** The subprogram will be marketed directly to C&I customers on the NJNG website, where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, and incentives across all efficient equipment types and end-uses.
- **Targeted Customer Outreach:** NJNG staff may choose to reach out directly to large business and commercial customers to develop relationships with energy and facilities managers, operations staff, and procurement personnel. Subprogram staff can help facilitate completion of rebate applications and serve as a direct resource to these customers, providing technical support and helping to assist customers in identifying efficiency opportunities.
- **Technical Customer Assistance:** An important element of the C&I Prescriptive and Custom Measures subprogram is the availability of technical support. The Utility and/or implementation contractor will provide technical support to customers on the application

of the energy efficiency measures and technologies included in this subprogram, including supporting project identification, developing energy savings calculations, and assessing project economics as required.

Measurement & Verification ("M&V") for projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after project implementation to determine savings and incentive amounts.

If used, it is anticipated that any third-party implementation contractor will work closely with the utility to optimize the subprogram's strategic direction, including, but not limited to, the following activities:

- Offered incentive levels and strategies;
- Customer satisfaction;
- Measurement and verification during on-site visits;
- Subprogram data tracking; and
- Rebate payments.

NJNG may select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach;
- Organizational and Management Capability;
- Experience;
- Cost; and
- The amount of business placed with minority, women, veteran and service-disabled veteran owned businesses.

A comprehensive contractor agreement, containing information about equipment certification (such as DLC lighting, etc.), licensing, insurance requirements and more, will be developed and provided to all participating contractors.

Some of NJNG's existing staff is familiar with the NJCEP SmartStart program that will be transitioned to this subprogram. Our team has experience answering customer inquiries, and screening for and issuing On Bill Repayment Programs. NJNG anticipates using a competitive solicitation process to secure a third-party implementer for some functions that will have not addressed under our prior programs like field inspections for QC. NJNG expects to hire additional staff to support this subprogram but they will work across the commercial sector programs. NJNG will also continue to work closely with the other utilities on elements that are required to be consistent or coordinated. We expect to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The utilities propose to provide a range of incentives depending on the measure type, subject to changes based upon customer response and market conditions over the plan period. Incentives will vary depending on factors including but not limited to the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

In instances where incentives are not immediate, the utilities will complete consumer or contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

The participating customer will repay the balance not covered through the incentive either in a lump sum or through a financing option. Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this subprogram.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 9: C&I Prescriptive and Custom Measures Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (measures)	981	1,080	1,135
Projected Net Annual Natural Gas Savings (therms)	422,080	464,521	489,546
Projected Net Lifetime Natural Gas Savings (therms)	3,566,177	3,926,276	4,149,576
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers [7](therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	824,076	923,626	1,102,666
Projected Net Lifetime Electric Savings (kWh)	12,338,057	13,829,008	16,513,331
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)[8]	0	0	0
Projected Net Annual Peak Demand Savings (kW)	13	15	18
Projected Net Lifetime Peak Demand Savings (kW)	203	228	278

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings for shared measures and for certain comprehensive projects. Refer to Exhibit P-1, NJNG-Schedule 19, for a description of the role of the Statewide Coordinator.

[7] Small commercial customers will participate in this program. However, it is not possible to estimate participation levels at this time based upon available data.

[8] Small commercial customers will participate in this program. However, it is not possible to estimate participation levels at this time based upon available data.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 10: C&I Prescriptive and Custom Measures Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	111,111	0	0
Utility Administration	233,903	240,920	248,147
Marketing	216,390	216,881	217,388
Outside Services	60,837	60,823	61,303
Incentives	6,305,912	7,230,625	8,324,944
Inspections and Quality Control	2,825	2,910	2,997
Evaluation	52,172	48,847	51,877
Total	6,983,149	7,801,006	8,906,656

2.0-Additional Utility Led Programs

In addition to core programming, utilities will also administer utility-run program and subprograms to further engage customers and promote energy efficiency projects. Utility-run programs and subprograms will compliment and expand upon core programs to ensure that utilities reach a diverse customer base and that customers receive adequate support in applying for and completing energy efficiency upgrades.

Utility-run programs and subprograms include:

2.1 Residential Additional Utility Led Programs

Behavioral: This program initially includes Behavioral initiatives and energy education. This program can reach a significant portion of the NJNG customer base, including low- to moderate-income segment and share personalized education, including guidance on low and no-cost energy saving strategies.

Existing Homes: Quick Home Energy Check-Up: This subprogram helps customers understand their best opportunities to save energy through an in-home consultation and secure energy savings during that visit through the direct installation of energy saving measures. It will be designed to help renters as well as homeowners and promotes additional energy savings opportunities and upgrades available to the customer. NJNG will also offer a QHEC+ option that provides a complete home energy assessment for a fee.

Existing Homes: Moderate Income Weatherization: This subprogram provides an opportunity for moderate-income customers to receive no cost energy efficiency measures and upgrades.

2.2 Commercial and Industrial Additional Utility Led Programs

Engineered Solutions: This subprogram will provide tailored energy-efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals ("MUSH"), and non-profit entities. Incentives will be offered to encourage these customers to invest in energy efficiency

Energy Management: This subprogram targets energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance. Incentives will be offered to encourage these customers to invest in energy efficiency

2.1 Residential Additional Utility Led Programs

2.1.1 BEHAVIORAL

Program Description (MFR II.a.i)

The Residential Behavior subprogram educates and provides customers with granular and easy-to-understand information about their energy use, the usage of their peers, and suggested actionable steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other energy-efficiency programs. Direct mailed and/or electronic home energy reports ("HERs" and "eHERs" collectively) will be the cornerstone of the program and will provide participants with customized, easy to implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. NJNG will also continue to issue high usage alerts by email to customers when weather patterns and other data indicate their next bill is trending higher and provide the customer with tips to manage their usage.

The program will also offer an internet-based home energy self-audit to all residential customers. This audit will allow customers to better understand their energy usage and opportunities for energy savings.

An online portal will be used to provide customers with usage information, recommendations, tips and links to energy-efficiency programs provided by NJNG. NJNG will utilize the information gathered from the HERs and online audits to not only gain a better understanding of the residential customer base, but also assist in making smart decisions moving forward with the energy-efficiency programs.

NJNG will share participation information with the Behavioral vendor to ensure that customers get messages that properly target their remaining efficiency opportunities (e.g. avoid sending a furnace replacement message to a customer that has recently installed a high-efficiency furnace). Incorporating participation feedback into the program on a prospective basis can improve the customer experience and potentially lead to higher engagement (e.g. build higher confidence in relevance of energy saving advice) and participation in other energy saving programs.

Target Market or Segment (MFR II.a.ii)

The program will provide HERs to the maximum number of customers to whom the vendor can cost effectively provide the service and maintain an appropriate control group. This number will be reviewed periodically and modified as needed to maximize cost-effective energy savings. The online energy audit will be available to all NJNG residential customers. The HERs and online audit will offer tailored recommendations to reduce their energy consumption.

The program primarily targets single-family homes, and NJNG will maintain a subset of HERs for its income-eligible markets. These customers receive customized low- to no-cost energy saving tips and other program opportunities available to them including income-qualified programs.

Marketing Plan (MFR II.a.xiv)

The recipients of the HERs and the related control group will be selected by NJNG and its selected Behavioral vendor. Accordingly, there is no marketing for the program itself. However, this program will influence residential customers to be more aware of other NJNG energy-efficiency programs and drive participation in those programs as well.

The online audit will be marketed through bill-insert mailers, digital advertising, community partners and other means to assure that all customers are aware of the availability of these resources. Participants in other NJNG energy-efficiency programs will be referred to the online audit tool and online portal where appropriate. The audit will highlight additional NJNG energy-efficiency programs, as well as relevant NJCEP programs, and drive participation in those programs.

The primary market barriers that this program addresses include:

- **Lack of Understanding:** Many customers have no sense of how their energy usage for any particular period compares to their prior usage or to that of similar homes. In the absence of the HER reports, customers don't have an inherent sense of how much energy they use or the extent to which they might be able to reduce energy usage by utilizing their own historical usage in addition to similar homes. This program addresses this barrier by providing this information to customers through the HERs. Customers who are not selected to receive HERs, but are interested in learning more, can take advantage of the self-service online audit.
- **Lack of Customer Effort:** While many utilities have offered self-service online audits for years, the traditional participation rate is very low. This program addresses this barrier by sending the HER reports directly to the customer several times throughout the year. To increase customer engagement, the program will continue to use an opt-out model where customers automatically receive reports unless they specify otherwise.
- **Insufficient Data:** Customers may delay participating in energy programming because they lack sufficient data, or the ability to interpret data, related to their own energy use, as well as financial and other benefits of energy efficiency projects. To address this barrier, utilities will ensure that HERs reports include important information to guide customers on how to interpret their energy use and how to measure the potential impact of efficiency measures. For example, as indicated above, HERs will compare customers' energy use to their peers and indicate if monthly usage is trending up or down.
- **Lack of Motivation:** Customers may lack the motivation to pursue energy efficiency measures. To account for this, utilities will incorporate behavior change messaging into HERs reports that has proven to increase customer adoption of energy measures. For instance, HERs will indicate whether customers use more or less energy than their neighbors, and may include messaging on how other community members are already reducing energy use through efficiency measures. This type of messaging motivates energy efficiency program participation by making the reader feel that they are joining a wider community effort by participating, and by instilling a sense of friendly competition with their peers.

NJNG will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will utilize a third-party contractor to provide the services under this program. NJNG is committed to a competitive procurement process to ensure we secure competitive pricing and superior features for our customers. However, NJNG may consider extending the contract with our existing vendor for the first year of the triennial due to the tight timeline between program approval and launch.

NJNG's HER vendor will identify and distribute HERs to residential customers at no charge to the participant. The online audit will be available for all NJNG residential customers free of charge. Customers will also have access to online functionality provided under the program that all customer can easily utilize to see additional tips on how to save energy, complete the online audit tool, and review their usage over a period of time.

NJNG expects to have a program operational as of July 1, 2021 but typically HERs are not issued until closer to the start of the heating season. Customers in the treatment group would be eligible to receive eHERs and all customers would have access to the online portal and online audit.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

There is no additional cost to participating customers for participation in this program. The program provides customized Home Energy Reports and access to an Online Audit tool to assist and drive customers to develop goals and strategies to reduce their energy usage as incentive for participation.

Customer Financing Options (MFR II.a.vi)

Since there is no additional cost for participating customers, there is no need for a financing component.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this program. All values are annual incremental totals and do not incorporate savings achieved in prior years. Savings per participant are based on savings per measure and an assumed mix of measures per participant. Total savings estimates are based on projected program participation during each year of the forecast period. Estimates of participants and related energy savings are based upon industry assumptions, but actual results will reflect the outcome of the competitive solicitation process.

Table 11: Residential Behavioral Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	256,000	242,000	229,000
Projected Net Annual Natural Gas Savings (therms)	1,083,826	1,232,718	1,035,177
Projected Net Lifetime Natural Gas Savings (therms)	2,311,189	2,628,691	2,207,447
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)[9]	Not available at this time	Not available at this time	Not available at this time
Projected Net Annual Electric Savings (kWh)	0	0	0
Projected Net Lifetime Electric Savings (kWh)	0	0	0
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	0	0	0
Projected Net Lifetime Peak Demand Savings (kW)	0	0	0

Since this program is grounded in NJNG specific usage data, there is no interaction with the Statewide Coordinator for this program.

[9] NJNG intends to maintain a dedicate pool of low income participants that receive customized messaging promoting special energy efficiency and energy assistance program available to them. Savings estimates for this separate pool is not available at this time.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected program expenditures for the program.

Table 12: Residential Behavioral Program Budget

Cost Category	PY1	PY2	PY3
Capital Cost	0	0	0
Utility Administration	34,871	35,917	36,995
Marketing	31,479	32,423	33,396
Outside Services	87,500	87,500	87,500
Incentives	1,600,000	1,512,500	1,431,250
Inspections and Quality Control	0	0	0
Evaluation	92,308	87,807	83,639
Total	1,846,158	1,756,148	1,672,780

2.1.2 EXISTING HOMES-QUICK HOME ENERGY CHECK-UP

Program Description (MFR II.a.i)

The Quick Home Energy Check-Up ("QHEC") subprogram is an Additional Utility Led Initiative intended to provide residential customers with an understanding of opportunities to save energy and help them start saving energy immediately by providing some standard energy saving measures at no additional cost to participants. Interested customers will sign up for a QHEC to be performed by a qualified energy auditor. NJNG intends to launch the subprogram using our own Building Performance Institute Certified auditors but reserves the right to consider using a participating contractor. During the visit, the auditor will perform a walk-through of the customer's home with the customer to provide education about the opportunities to save energy. The auditor may also identify any health and safety issues observed as well as larger opportunities for energy savings, including making referrals to other energy efficiency programs and program opportunities based on the needs for that premise and the customer's interest in pursuing additional upgrades. This may include sharing information about the products and incentives available under the Energy Efficient Products program, the potential for comprehensive upgrades through either the HPwES subprogram, the Moderate-Income Weatherization subprogram, or the Comfort Partners program. This no-risk subprogram addresses all customer demographics and is intended to appeal to and provide benefits to both renters and homeowners.

Utility-specific Enhancement: NJNG also intends to offer QHEC+ for customers which will include the performance of a blower door test and the provision of U.S. Department of Energy Home Energy Score for fee and option to have our auditors install a smart thermostat[10] during the visit. This QHEC+ option would be comparable to our current Home Energy Assessment program and would provide an independent option for customers that wanted a comprehensive assessment of their building shell and mechanical systems. The QHEC+ option will also provide an overview of the opportunities to save by upgrading to high-efficiency equipment and or installing insulation and seal-up measures.

Target Market or Segment (MFR II.a.ii)

The QHEC subprogram will be available to all single-family and single-family attached (1 to 4 unit properties)[11] electric and/or natural gas customers served by at least one of the participating investor owned utilities in New Jersey. Standard energy efficiency measures installed during that visit may include but not be limited to LED bulbs, energy and water saving showerheads, kitchen faucet aerators, bathroom faucet aerators, gaskets, power strips and other energy saving measures. All participants will receive a QHEC report that confirms the findings during the appointment and summarizes the measures received and the recommendations made. The QHEC report will also highlight incentives available to support the implementation of those recommendations, including educating customers about how to pursue the recommendations through other program and subprogram opportunities as well as the availability of enhanced incentives. There are also

[10] Additional Fee Applies
[11] Properties larger than 4 units will be referred for consideration in the Multifamily Program.

additional options through other program and subprogram offerings for Low-to-Moderate income ("LMI") customers (up to 400% of Federal Poverty Level or potential automatic eligibility based on physical location) and access to OBRP or financing with similar terms. Eligibility for these enhanced incentives can be determined based on screening an individual customer but the utilities also intend to explore implementing automatic eligibility for enhanced incentives based upon a physical location (e.g. census tract, environmental justice community, UEZ) to encourage more activity in LMI communities.

QHEC+ participants will receive a more detailed audit report that summarizes the results of the diagnostic tests performed at their home and their DOE Home Energy Score. Auditors are able to answer questions and provide information to customers on available rebates and incentives to assist with upfront costs of efficiency upgrades. In addition, should the customer choose, their audit can be posted on NJNG's contractor bidding portal. This portal allows up to three contractors to view customers' audits and provide an estimate on recommended upgrades and, provides customers easy access to participating contractors.

Similar to our current treatment for our Home Energy Assessment Program, NJNG will offer a QHEC+ with the installation of free smart thermostat to customers who receive a benefit from the moderate-income energy assistance programs (e.g. PAGE). NJNG may also offer the QHEC+ at no cost to customers within their first year of being at a new address to take advantage of prime periods on home upgrades.

Marketing Plan (MFR II.a.xiv)

NJNG will utilize various marketing channels to assure subprogram awareness and participation is maximized. These may include traditional marketing channels, such as web-based engagement and information, digital advertising, media advertising, and printed materials. NJNG also plan to cross promote this subprogram to participants in other energy efficiency program offerings. Information garnered from other program and subprogram offerings, such as the Residential Behavioral and Residential Efficient Products could also be used to identify prime candidates for participation in this QHEC subprogram. For example, a review of usage data contained in Home Energy Reports from the Residential Behavioral Subprogram would allow the NJNG to identify customers who are particularly susceptible to changes in weather and would be ideal candidates for a QHEC. Likewise, the Residential Efficient Products program would provide leads to customers interested in energy efficiency. Most importantly, the QHEC subprogram was specifically designed to engage and provide immediate energy savings to customers and identify strong leads for candidates that would benefit from participating in other programs.

The primary market barriers that impact this subprogram include:

- **Customer Awareness and Engagement:** Residential customers may not be fully aware of energy-efficiency opportunities for their home. This subprogram addresses this barrier by providing an independent professional assessment. NJNG will focus on promoting the subprogram to underrepresented demographics. NJNG will also provide outreach materials in Spanish and can reach younger demographics through a robust digital marketing plan. NJNG will also focus outreach efforts on reaching the highest gas users.

- **Up-front Cost of a Home Energy Assessment:** Many customers would not be interested or have the ability to pay the cost for an assessment. This subprogram addresses this barrier by offering the QHEC at no additional cost to the customer.
- **Split Incentives:** Many renters may not consider participating in energy efficiency programs because they don't own the premise and don't have a role in decisions regarding equipment replacement or structural improvements. This subprogram addresses this barrier by providing simple energy efficiency measures that provide immediate energy savings and don't require landlord approval to install or use (e.g. smart strips, LEDs).
- **Customer Skepticism of Contractor Proposals:** Some customers are skeptical that contractors don't have their best interests at heart since contractors are interested in performing the work. This subprogram addresses this barrier by ensuring the entity performing the assessment would not be performing the installation work for the EE Products or HPwES program that may be recommended as potential next steps in QHEC reports. NJNG will seek to mitigate skepticism by reaching consumers through trusted market influencers, such as Sustainable New Jersey and large employers in the state, and provide outreach and messaging from credible sources, including community groups, and local leaders.

NJNG will seek to manage all barriers to program success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will administer and oversee this QHEC subprogram and intends to select a third-party implementation contractor to manage delivery of this subprogram.

NJNG staff will oversee all aspects of the subprogram, including training and engagement, and QA/QC. NJNG staff will ensure a consistent subprogram delivery experience and high customer satisfaction. NJNG staff will also be responsible for customer support as needed and conducting selective verification of installation work. All QHEC+ projects will be subject to the quality verification requirements for the DOE Home Energy Score Program.

NJNG has more than a decade of experience performing in-home energy audits. Our BPI certified auditors have issued more than 25,000 DOE Home Energy Scores. We have been offering a proactive home energy assessment with an optional smart thermostat installation, which maps closely to the QHEC+ since January of 2020. We expect to be operational with this subprogram by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

NJNG will provide the QHEC to their interested customers at no additional cost, including the installation of standard energy efficiency measures that are appropriate for their home. Participating customers will also benefit from receiving energy efficiency conservation tips, recommendations and referrals to other energy efficiency programs based upon the opportunities identified for their home. Customers interested in the QHEC+ option will be charged a $49 fee although NJNG reserves the right to discount this fee for certain promotional periods to drive activity.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

Customer Financing Options (MFR II.a.vi)

Since there is no cost for participating customers for QHEC, there is no need for a financing component. Fee will be applied for QHEC+, but it will be provided at no cost for moderate income customers.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 13: Residential QHEC Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	1,500	1,650	1,733
Projected Net Annual Natural Gas Savings (therms)	19,636	21,600	22,680
Projected Net Lifetime Natural Gas Savings (therms)	161,056	177,162	186,020
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	72,552	79,807	83,797
Projected Net Annual Electric Savings (kWh)	795,749	875,324	919,091
Projected Net Lifetime Electric Savings (kWh)	8,969,389	9,866,328	10,359,644
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	133,547	146,902	154,247
Projected Net Annual Peak Demand Savings (kW)	9	10	10
Projected Net Lifetime Peak Demand Savings (kW)	96	106	111

For customers in areas where gas and electric service territories overlap, the utilities will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19 for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 14: Residential QHEC Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	1,095,158	1,125,656	1,157,068
Marketing	137,981	139,121	140,294
Outside Services	92,313	92,261	92,216
Incentives	211,430	232,573	244,202
Inspections and Quality Control	32,511	33,487	34,491
Evaluation	90,327	85,426	87,804
Total	1,806,547	1,708,523	1,756,075

2.1.3 EXISTING HOMES-MODERATE INCOME WEATHERIZATION

Subprogram Description (MFR II.a.i)

The Moderate-Income Weatherization subprogram provides an opportunity for low- to moderate-income customers to receive energy efficiency measures and upgrades at no additional cost. Income eligible customers will undergo an audit and then receive direct install measures (such as showerheads, faucet aerators, and LED bulbs) and weatherization measures (insulation, air sealing, and duct sealing). Homeowners with nonfunctional heating and/or cooling systems may also be eligible to receive repairs or replacement at no additional cost. The subprogram will include a cap on each project with additional funding for health and safety expenses.

During the audit, customers will receive installation of low-cost measures such as LED lighting, energy-saving aerators, showerheads, smart thermostats and smart power strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat and water heating setpoints. Based on the in-home audit recommendations, the participant may also be given the opportunity for additional building envelope measures to be installed at no additional cost. These measures include air sealing and building insulation. Also, customers with nonfunctional heating and cooling equipment may receive repairs or new equipment.

Target Market or Segment (MFR II.a.ii)

The Moderate-Income Weatherization subprogram will be available to all income-qualified single-family homes served by at least one investor-owned utility in New Jersey. To qualify for this subprogram, the customer's household income must be above the Comfort Partners program eligibility and up to 400% of Federal Poverty Income Guidelines. Eligibility for these enhanced incentives can be determined based on screening an individual customer but NJNG also intends to explore implementing automatic eligibility for enhanced incentives based upon a physical location (e.g. census tract, environmental justice community, Urban Enterprise Zone) or based upon participation in a qualifying program (e.g. PAGE assistance program) to encourage more activity in LMI communities.

Marketing Plan (MFR II.a.xiv)

NJNG will utilize many marketing avenues to educate potential eligible customers about the subprogram. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, and hard-copy materials to promote customer awareness. NJNG intends to cross market this subprogram and pursue additional marketing opportunities through other program offerings, such as through Home Energy Reports, where information garnered could be used to identify potential participants for this subprogram. For example, a review of usage data contained in Home Energy Reports could allow NJNG to identify customers who are particularly susceptible to changes in weather and would be ideal candidates for an audit and comprehensive weatherization. NJNG will also look at customers that did not qualify for the Comfort Partners program that might be eligible for this subprogram. Finally, NJNG customer service personnel will work to promote the subprogram and educate customers on energy efficiency and the programs available to assist them.

The primary market barriers that impact this subprogram include:

- **Initial Cost of Comprehensive Home Retrofits:** Comprehensive home retrofits are more expensive and require more participant investment and commitment. Customers must be willing and able to invest in more expensive energy-efficiency projects. NJNG addresses this barrier by offering all subprogram services at no additional cost to income- qualified customers.
- **Customer Awareness and Engagement:** Many customers are unaware of the "whole house" approach to energy-efficiency or the fact that building science exists. NJNG will work to address this by:
    - Continuing to educate customers about the subprogram and how both the structure and equipment work together;
    - Highlighting the extra training and BPI certification that contractors must have;
    - Identifying how the shell measure improvements can improve their comfort within the home;
    - Noting that the subprogram includes health and safety testing and repairs to allow Energy-saving measures to be installed; and
    - Reinforcing that the installation of equipment and shell measures may increase the value of their home.

  To increase subprogram participation among historically underrepresented demographics, NJNG will provide outreach materials in Spanish, and reach younger demographics through a robust digital marketing plan.
- **Awareness and Training:** To meet the participation goals, sufficient qualified contractors must be available to undertake the work. NJNG and/or their third-party implementation contractors will address this barrier by trying to recruit qualified contractors to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, under-represented and disadvantaged workers.
- **Customer Skepticism:** Customers may be skeptical of the motivation behind energy efficiency programs. To address this skepticism, NJNG will provide outreach and messaging from credible sources, including community groups, and local leaders in low to moderate income areas.
- **Complex Buying Process:** There can be a broad range of potential energy efficiency investments, but it can be challenging to identify which strategies may be the most beneficial. This subprogram addresses this barrier by providing free installation of low hanging fruit measures, and technical guidance and support in implementing more extensive and costly measures.

NJNG will seek to manage all barriers to success through a commitment to applying best practices in program design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice programs that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG staff and/or third-party implementation contractors will oversee all aspects of the subprogram, including contractor training and engagement, quality assurance and fulfillment of subprogram services. The in-home energy audit and efficiency improvements will be conducted by third- party implementation contractors and/or program contractors. There will be a significant focus on developing and training qualified contractors. NJNG and/or third-party implementation contractors will oversee their staff and subcontractors and engage contractors to educate them on the subprogram benefits to reliably complete the in-home audits and install energy efficient equipment and improvements for participating customers. NJNG and/or third-party implementation contractors will also verify eligibility of customers and will maintain a close relationship with contractors to ensure consistent subprogram delivery experience and high customer satisfaction. NJNG and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts and that the subprogram is effectively achieving participation and serving customers. NJNG staff and/or third-party contractors will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of contractor installation work.

Contractors will consist of companies employing BPI-certified professionals to complete audits and energy-saving projects.

Selection of third-party implementation contractors will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Ability to educate and train contractors;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran, and service-disabled veteran owned businesses.

NJNG intends to issue a competition solicitation for a third-party implementer to run this subprogram. While we have no direct experience with this subprogram model, South Jersey Utilities has been running a similar program for more than 3 years. Similar to our approach when we launched Engineered Solutions in early 2019, we expect to be able to quickly launch this subprogram because of the cooperation and collaboration between utilities. Given the prioritization of existing programs, NJNG expects to launch this subprogram later in 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The customer may receive no-cost energy efficiency measures and upgrades with a per project cap for weatherization measures and an additional cap on health and safety expenses.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of Proposed Incentive Ranges for this subprogram.

NJNG and/or the third-party implementation contractors will complete contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

All services provided under this subprogram are at no additional cost or financing to the customer.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 15: Residential Weatherization Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (customers)	100	110	116
Projected Net Annual Natural Gas Savings (therms)	34,272	37,699	39,584
Projected Net Lifetime Natural Gas Savings (therms)	629,987	692,986	727,635
Projected Net Lifetime Natural Gas Savings from Qualifying Low-Income Customers (therms)	623,687	686,056	720,359
Projected Net Annual Electric Savings (kWh)	173,864	191,250	200,812
Projected Net Lifetime Electric Savings (kWh)	2,291,984	2,521,182	2,647,241
Projected Net Lifetime Electric Savings from Qualifying Low-Income Customers (kWh)	1,955,216	2,150,737	2,258,274
Projected Net Annual Peak Demand Savings (kW)	5	5	6
Projected Net Lifetime Peak Demand Savings (kW)	88	97	102

For customers in areas where gas and electric service territories overlap, NJNG will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19 for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 16: Residential Weatherization Subprogram Estimated Participation and Savings

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	310,378	317,332	324,495
Marketing	40,066	41,268	42,506
Outside Services	241,415	241,064	240,760
Incentives	1,423,954	1,566,349	1,644,667
Inspections and Quality Control	6,502	6,697	6,898
Evaluation	114,165	114,353	118,912
Total	2,283,306	2,287,063	2,378,238

2.2 Commercial and Industrial Additional Utility Led Programs

2.2.1 ENERGY SOLUTIONS FOR BUSINESS-ENGINEERED SOLUTIONS

Program Description (MFR II.a.i)

The Energy Solutions for Business-Engineered Solutions subprogram will provide tailored energy-efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and healthcare facilities, ("MUSH"), and non-profit entities. The subprogram will provide guided consultative service throughout delivery to assist customers in identifying and undertaking large energy-efficiency projects, while requiring no up-front funding from the customer.

Through this subprogram, customers will be provided with an in-depth audit of their facilities as well as a detailed assessment and recommendation of energy-efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis. Selection of trade allies will be subject to a competitive solicitation process. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through on-bill repayments or access to financing with similar terms. Through this subprogram design, participants in market segments that have typically been underserved are able to achieve greater energy savings.

Target Market or Segment (MFR II.a.ii)

C&I MUSH and non-profit entities and other businesses who are seeking comprehensive solutions that can't be served by either the Direct Install or Prescriptive and Custom Measures subprograms located within NJNG's service territory are eligible to participate in this subprogram. The subprogram will provide energy audits and incentives to entities that directly serve the public, but often have difficultly investigating and investing in energy-efficiency. The measures included in this subprogram may include HVAC, building envelope, motors, lighting, controls, and other building systems, energy efficiency and energy consuming equipment.

Marketing Plan (MFR II.a.xiv)

NJNG will leverage existing relationships with municipalities, universities, schools and other public agencies to promote the subprogram, and will conduct further outreach through school, university and municipal associations. The subprogram will leverage NJNG's existing relationships and communication channels with customers through subprogram staff and account management/customer service personnel. In addition, the subprogram will work with hospitals, healthcare facilities, and non-profits to increase awareness of the subprogram.

The primary market barriers that impact this subprogram include:

- **Business/Operational Constraints:** These facilities often have unique operational constraints that act as a barrier to implement energy-efficiency projects. This barrier will be addressed by ensuring the subprogram operates cooperatively with participants by accommodating operational and capital investment cycles. NJNG will offer timely incentive and financing support and provide technical assistance from specialized professionals who understand each facility's core production processes and operating issues.
- **Risk and Uncertainty, Hidden Costs:** These market segments may be particularly averse to risk and the potential for hidden costs in efficiency upgrades. To mitigate risk and uncertainty concerns NJNG will publicly communicate cycles of energy efficiency funding to serve as an investment signal for customers and trade allies.
- **Customer Awareness and Engagement:** Eligible participants may be unaware of energy-efficiency opportunities and programs because the segment has historically not been well served by traditional energy-efficiency programs. To address this barrier, this subprogram was designed specifically to support the segment. The subprogram will include a targeted outreach strategy to ensure that relevant customers are aware of subprogram opportunities and consider energy-efficiency in equipment investments and long-term planning. The subprogram will prepare and distribute successful case studies of prior participants and their experiences and energy savings.
- **Cost Effectiveness:** Efficiency upgrades require an initial investment that is recovered by lower long-run operating costs and non-energy benefits. These projects often carry longer payback periods than traditional energy-efficiency projects due to the unique needs of the segment (e.g. hospital & health buildings). To address this barrier, incentives and on-bill repayment or access to financing with similar terms is provided to the customer to reduce the initial cost, and subprogram will endeavor to communicate the non-energy benefits offered by many efficiency upgrades that are not well captured in traditional cost/benefit analysis.
- **Complex Buying Process:** This program is designed to simplify the buying process by providing direct engagement with these market segments to facilitate completion of project applications. NJNG will serve as a direct resource to these customers, providing technical support and assisting customers in identifying efficiency opportunities.
- **Awareness and Training:** To meet participation goals of the program, sufficient qualified contractors must be available to undertake the work. NJNG and/or their third-party implementation contractors will address this barrier by trying to recruit qualified contractors to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, under-represented and disadvantaged workers.

NJNG will seek to manage all barriers to subprogram success through a commitment to applying best practices in subprogram design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver best-practice subprograms that identify and confront market barriers on an ongoing basis.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will administer this subprogram and may also choose to select a third-party to manage delivery of this subprogram. NJNG will oversee all aspects of the subprogram in coordination with our Partner utilities. NJNG will utilize qualified trade allies to undertake the audit and engineering services required to deliver this subprogram. NJNG may also utilize the qualified trade allies to assist in the outreach, marketing, and trade ally coordination. Participants will contract with the installation trade allies selected through a competitive solicitation process to install the measures included in projects.

The subprogram delivery will typically occur in four steps:

- **Audit:** NJNG shall assess the required level of an American Society of Heating, Refrigerating, and Air Conditioning Engineers ("ASHRAE") audit to perform, based on the complexity of the facility and the potential energy efficiency measures; an investment grade audit may not be required for all facilities. NJNG will then select a subprogram trade ally to perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. NJNG and our Partner Utility will then review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project.
- **Engineering Analysis of Project:** Based on the audit results and customer feedback, an engineering analysis may be required. NJNG, as the Lead Utility, will conduct a screening of the payback and project cost effectiveness and recommend the selected energy-efficiency measures for the project. NJNG will review the project with the Customer for customer agreement on the approved project and coordinate with the Partner Utility as necessary. NJNG and a subprogram engineering trade ally will work with the customer to prepare a Scope of Work and other project documents, which will be used by the customer to obtain installation cost estimates for the approved project.
- **Scope of Work/Contractor Bids:** The customer will issue a Scope of Work to obtain competitive bids to complete the identified and approved project. NJNG and the subprogram engineering trade ally and the customer will review and evaluate the bids/costs received, and the customer will make the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness.

- **Measures Installation and Inspections:** NJNG and the subprogram engineering trade ally, acting as construction administration agent, will monitor project progress and will release project funds based on the following payment structure:

  - Stage 1: Project Contracting Stage - The first progress payment of up to 30% of the installation cost can be issued to the customer to initiate the project.
  - Stage 2: Construction Stage - A pre-defined series of progress payments totaling up to 50% of total project commitment can be issued.
  - Stage 3: Project Completion and Commissioning - When the project is 100% complete, a final inspection and final project true-up will be performed; remaining progress payments will be issued.

The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.

The progress payment schedule described above is designed to ensure that customers can pay their installation contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by the NJNG and the trade ally engineering firm with updates to the Partner Utility as appropriate.

NJNG will select qualified subprogram trade allies to undertake all auditing and engineering work associated with the subprogram. NJNG will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and subprogram trade ally and installation contractor availability and provide suggestions for improvement. The installation contractor(s) will adhere to the project specifications recommended by NJNG and the subprogram engineering trade ally and set forth between the installation contractor and the customer.

Selection of subprogram trade allies will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Resources and marketing strength;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran and service disabled veteran owned businesses.

NJNG has been implementing an Engineered Solutions program since January of 2019. There are more than a dozen projects currently underway. NJNG existing staff is familiar with all aspects of implementing this program and the process for securing additional Engineering Firms as trade allies. NJNG intends to hire additional staff to help support the commercial sector programs. The program is expected to be operational by July 1, 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

The subprogram will provide a 100% incentive for an up-front ASHRAE audit, the specific audit level will be determined on a project by project basis based on the complexity of the facility and the potential energy efficiency measures. In addition, NJNG will buy-down the simple payback of the recommended energy-efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the subprogram with participants repaying the balance of the project costs through OBRP or access to financing with similar terms.

Refer to Exhibit P-2, Schedule AMP-1 for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

NJNG will complete customer contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of program requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2 for the Summary of Proposed Financing for this program.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4 for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 19: Engineered Solutions Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (projects)	42	46	49
Projected Net Annual Natural Gas Savings (therms)	306,091	336,700	353,535
Projected Net Lifetime Natural Gas Savings (therms)	6,121,818	6,734,000	7,070,700
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	4,089,374	4,498,311	4,723,227
Projected Net Lifetime Electric Savings (kWh)	81,787,477	89,966,225	94,464,536
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	112	123	129
Projected Net Lifetime Peak Demand Savings (kW)	2,234	2,458	2,581

For customers in areas where gas and electric service territories overlap, NJNG will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19, for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 20: Engineered Solutions Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	146,825	0	0
Utility Administration	370,637	380,756	391,179
Marketing	0	0	0
Outside Services	172,193	170,324	168,713
Incentives	12,410,880	13,651,968	14,334,566
Inspections and Quality Control	0	0	0
Evaluation	434,410	466,927	489,287
Total	13,534,945	14,669,975	15,383,745

2.2.2 C&I ENERGY MANAGEMENT SUBPROGRAM

Program Description (MFR II.a.i)

The C&I Energy Management subprogram targets energy savings for existing commercial and industrial facilities by providing a holistic approach to improving building energy performance through maintenance, tune-up and retro-commissioning services for existing buildings and through the implementation of energy savings strategies that improve the overall operation and energy performance of buildings and building systems. This subprogram compliments the Prescriptive/Custom and Engineered Solutions subprograms which focus on capital equipment replacement or process improvement investments by improving the energy performance of a building by maintaining, adjusting and optimizing the systems within the building and the implementation of complimentary energy savings measures. The program also provides paths to track the ongoing building energy performance by using retro-commissioning and strategic energy management strategies, which ensures continued energy performance. By implementing these measures, customers also receive ancillary benefits including improved occupant comfort, lower maintenance costs, and extended equipment life.

This subprogram includes measures that focus on specific energy efficiency measures and management practices that can be categorized as follows:

Building Operations

Building Operations measures provide multiple paths for a customer to implement building tune-up and maintenance services. These measures are designed to focus on midsize commercial and industrial customers and include the following:

- HVAC Tune-Up: Provides for a tune-up of central HVAC systems, Mini-Splits and Packaged Terminal units, and include the following measures;
    - Refrigeration charge correction (if needed);
    - Cleaning evaporator and condenser coils;
    - Filter changes;
    - Verification of proper operation of fans and motors; and
    - Other minor repairs to refrigerant lines and coils.

- Building Tune-Up: Provides a path for customers to implement a Building Tune-Up that will focus on the adjustment and calibration of building systems and controls, diagnostic testing and the installation of other measures that enhance building energy performance and savings. Also includes application of controls to optimize operation of building systems, and includes the following measures:
    - Calibration of building systems and controls, including energy management systems, lighting and HVAC;
    - Diagnostic and function tests of applicable major systems and equipment;
    - HVAC controls to optimize Roof Top Units ("RTU")/Air Handling Units ("AHU");

- Refrigeration controls to optimize refrigeration equipment;
- Lighting upgrades including application of lighting controls and optimization;
- Chiller system controls to optimize chiller performance;
- Other program eligible energy saving measures identified through the building assessment; and
- Building Operations Training for qualified personnel to obtain Building Operations Certification ("BOC") through a certified training program or other training programs as related to the efficient design, operations and maintenance of buildings.

Retro-Commissioning

Retro-Commissioning ("RCx") measures provide a comprehensive assessment of a customer's commercial/industrial building by using a prescribed planning process that includes a building audit, development of an action plan for the building and development of a Measurement and Verification ("M&V") plan to ensure the optimum on-going performance of the building and building systems. A comprehensive assessment of a commercial/industrial building using a prescribed planning and implementation process, including:

1. Audit Phase – Customer confirms intent to participate in the subprogram and registers with NJNG. Customer and/or the customer's consultant completes the required level of an American Society of Heating, Refrigerating, and Air Conditioning Engineers ("ASHRAE") audit based on the complexity of the facility, develops a retro-commissioning implementation plan, including project timelines and plan to implement audit identified operation and maintenance measures. There may be opportunities to complete this Phase without a full ASHRAE level audit.
2. Setup Phase - Contracted services to implement the plan are verified, long-term monitoring and reporting is developed and initiated, and a project plan is implemented by the customer.
3. M &V Phase - Savings verification and rebate payment from implementation of the plan is completed.

Typical Retro-Commissioning measures include, but are not limited to:

- Optimizing chiller and boiler operations to better match building load conditions;
- Reducing ventilation in over-ventilated areas;
- Fixing ventilation dampers that are open when they should be closed or vice versa;
- Decreasing supply air pressure setpoint and system rebalancing;
- Aligning zone temperature setpoints to match the building's actual operating schedule; and
- Virtual Commissioning ("VCx").

As an option to performing an on-site audit to develop a retro-commissioning plan, VCx option provides eligible customers with an analysis of their building's energy performance by using meter usage data, other data and building modeling to identify and recommend energy efficiency measures and operational changes to improve a building's overall energy performance. The analysis will foster participation in the utility's other programs by identifying and encouraging customers to implement other energy efficiency improvements. The VCx process can also utilize benchmarking and peer comparison metrics to help determine energy performance to identify facilities that are underperforming. This offering can also use continuous engagement, monitoring and periodic reviews of customer's energy usage to ensure that implemented measures or changes have been successfully completed. The use of building analysis using remote analysis techniques will also help customers to participate in the programs because of limited access to customer's facilities due to concerns and restrictions such as COVID-19.

Strategic Energy Management

The Strategic Energy Management ("SEM") component of this subprogram is designed to optimize energy consumption for larger C&I customers through long term management of major energy using systems. SEM provides a holistic approach that is focused on management of existing systems and processes (including behavior), as well as tracking and benchmarking performance to identify and evaluate energy optimization efforts. SEM is a long-term effort typically focused on developing and executing an energy management strategy. This strategy is formulated through a series of site and/or remote visits and interviews with building owners and staff to specifically develop a Strategic Energy Management Plan ("SEMP") for the customer's facility. The SEMP will be reviewed with the customer by the utility and/or its third-party implementation contractor on a scheduled basis. This plan may include:

- Revisions or improvements to an existing Building Automation System or the addition and initiation of the use of a Building Automation System to monitor and control the buildings components and systems. The implementation or improvements to a system or the review of an existing system, can include the proper training for building operators to achieve maximum efficiency.
- Development of a maintenance plan for existing building components and or systems to identify best practices in building performance and an interactive monitoring of system components by both staff and sponsoring utilities.
- Ongoing engagement to track energy usage and performance, assist with planning energy efficiency projects, and interact with facility personnel to adopt energy efficiency strategies and behaviors.
- Utilizing other subprogram offerings, including: Prescriptive/Custom measures, Building Tune-Up, RCx, and VCx.

- Using building modeling and benchmarking to compare customer's usage and performance to cohort of similar facilities and VCx to track energy usage and performance over time.
- Application of whole building energy modeling tools that can model buildings for both operational and capital improvements.
- Scheduling of attendance of customer personnel to attend educational workshops, webinars and group/individual training sessions with cohorts of facility managers (e.g. Building Operations Training).

Customers can participate by application to the subprogram or will be contacted directly by subprogram personnel. The subprogram will retrieve customer demographics and obtain customer agreement for the services to be provided and handle on-going customer engagement. Incentives for improvements recommended by the subprogram will be issued after the retrofit is completed. NJNG and/or a third-party implementation contractor will develop rebate application forms for this subprogram that will guide applicants through eligibility guidelines, terms and conditions, and general program information requirements. In addition, the subprogram will provide applications in web-ready formats to ensure participants and potential customers have easy access to the forms.

Target Market or Segment (MFR II.a.ii)

The C&I Energy Management subprogram will be available to all commercial, industrial, and other non-residential customers located within NJNG's service territory with buildings and building systems.

Building Operations measures target existing commercial buildings and is particularly relevant for medium building types that utilize traditional building systems and controls.

Retro-commissioning targets existing commercial buildings and is particularly relevant for medium to large building types utilizing a building energy management system.

SEM targets existing large to very large commercial and industrial customers and building types and is particularly relevant to customers with significant energy use who commit to on-going participation and engagement across the organization including various levels of management and decision making.

Marketing Plan (MFR II.a.xiv)

Marketing will specifically target commercial, industrial and government entities within NJNG's service territory depending upon the subprogram offering. Given the subprogram's breadth of offerings, the subprogram can provide basic HVAC tune up services to medium sized commercial customers up to providing Retro-Commissioning services for the larger C&I customers that have building management technology that controls the daily operations of building lighting and HVAC systems. In many cases, customers do not maintain nor operate their existing building equipment or energy management systems, so the subprogram will focus on bringing those systems back to peak operating performance and/or implementing control schemes that will enhance the operations of those systems as well as implementing energy saving technologies that will focus on building energy savings.

NJNG will leverage existing relationships with commercial and industrial customers to promote the overall subprogram. The subprogram will be specifically marketed as a comprehensive solution for a customer to improve the energy performance of their building by utilizing many of the services that the subprogram offers. The subprogram will leverage the utility's existing relationships and communication channels with customers through subprogram staff and account management teams.

The primary market barriers that impact this subprogram include:

- **Business/Operational Constraints:** These facilities often have unique operational constraints that act as a barrier to implement energy-efficiency projects and the maintenance of equipment. This barrier will be addressed by ensuring the subprogram operates cooperatively with participants, provides technical assistance, maintenance services and offers timely incentives and financing support. NJNG may also engage directly with businesses to facilitate completion of subprogram applications and utility staff will serve as a direct resource to these customers.
- **Customer Awareness and Engagement:** Eligible participants may be unaware of energy-efficiency opportunities and programs because the segment has historically not been well served by traditional energy-efficiency programs. To address this barrier, this subprogram was designed specifically to support the segment. NJNG will execute a targeted outreach strategy to ensure that relevant customers are aware of subprogram opportunities and consider energy-efficiency in building tune-ups, retro-commissioning and strategic energy management opportunities that will cover both short term and longer planning needs in those facilities. The subprogram will also prepare and distribute successful case studies of prior participants and their experiences and energy savings.
- **Awareness and Training:** To meet participation goals to evaluate the effectiveness of the program, sufficient qualified contractors must be available to undertake the work. NJNG will address this barrier by trying to recruit qualified contractors to participate in this subprogram, including pursuing initiatives that align with the Workforce Development Working Group strategies to include more local, under-represented and disadvantaged workers.

NJNG will seek to manage all barriers to subprogram success through a commitment to applying best practices in subprogram design, delivery, outreach, and marketing/advertising. NJNG's established customer communication channels, data, and brand in the marketplace will all be leveraged to deliver a best-practice subprogram that identify and confront market barriers on an ongoing basis. To the extent possible, NJNG will cross-promote other programs and subprograms to spread awareness of the range of efficiency opportunities proposed in this plan.

Implementation Plan, Delivery Method and Contractor Roles (MFR II.a.v) (MFR II.a.viii) (MFR.II.a.xiii)

NJNG will perform overall administration and oversight of the subprogram and may also choose to select third-party implementation contractors to manage delivery of this subprogram. NJNG staff and/or third-party implementation contractors will oversee all aspects of the subprogram. NJNG and/or third-party implementation contractors will be responsible to administer, promote and provide the subprogram to customers including staffing, processes ensuring quality and other controls supporting successful subprogram implementation. NJNG staff and/or third-party implementation contractors will conduct the marketing, management, and implementation aspects of this subprogram. Marketing will target specific customer sectors, program allies and partners to ensure awareness in the subprogram and enhance customer participation. Additional target marketing will be completed to enhance participation among hard to reach customers.

NJNG staff and/or third-party implementation contractors will select qualified subprogram trade ally contractors to undertake all subprogram services. Installation and maintenance trade allies must adhere to the project specifications developed by the utility and/or third-party implementation contractors. NJNG will leverage its existing and or develop a network of engaged trade allies, including local construction, electrical, plumbing and other contractors, to educate them on subprogram benefits and assist with building an approved trade ally network which will reliably maintain and install energy-efficient equipment for participating customers.

NJNG staff and/or third-party implementation contractors will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and subprogram trade ally availability and provide suggestions for improvement.

Selection of third-party implementation contractors and subprogram trade allies will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives;
- Knowledge of the current marketplace;
- Resources and marketing strength;
- Local presence;
- Cost; and
- The amount of business placed with minority, women, veteran and service disabled veteran owned businesses.

NJNG's existing staff has experience answering with commercial customer outreach, addressing customer inquiries, and screening for and issuing On-Bill Repayment Programs. NJNG intends to hire additional staff to help support the commercial sector programs. Given the prioritization of existing programs, NJNG expects to launch this subprogram later in 2021.

Existing and Proposed Incentive Ranges (MFR II.a.iii) (MFR II.a.iv)

Incentives for this subprogram are structured around the measure categories that focus on specific energy efficiency measures and management practices as follows:

- **HVAC Tune-Up:** Fixed incentives for the implementation of the tune-up measures based on the size of the HVAC units.
- **Building Tune-Up:** Incentives that cover up to 70% of the project cost with a project cap of $75,000 and up to 70% of the cost to attend qualified BOC training up to $1000 per person.
- **Retro-Commissioning:** Incentives to cover up to 50% of the initial cost to perform the required ASHRAE level audit, and the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the audit. The customer will also be paid a custom incentive for the implementation of the energy efficiency measures determined through the audit. The total audit and project incentive will be capped at up to 70% of the project cost.
- **Strategic Energy Management**: A third-party implementation contractor may perform an engineering assessment of the Customer's facility to develop a SEMP or the Customer may choose to utilize a consultant of their choosing to perform an engineering assessment to develop the SEMP. Customers who utilize a consultant will receive an incentive to cover up to 50% of the initial cost of the engineering assessment, with the remaining cost upon the customer commitment to implementation of energy efficiency measures defined by the SEMP process. A tiered incentive structure for Customer engineering assessment will be utilized based upon square footage of Customer's facility. The SEMP will identify short, medium, and long-term goals for the customer and will set identifiable metrics for mapping to the plan. For the implementation of the energy efficiency measures determined by the SEMP, the customer will be paid an incentive that is commensurate with the applicable Commercial & Industrial Program offering that the measures are attributed.

Refer to Exhibit P-2, Schedule AMP-1, for the Summary of the Existing and Proposed Incentive Ranges for this subprogram.

NJNG will complete customer contractor payments within 60 days following completion of contractor work, submission of complete and required paperwork, and completion of subprogram requirements such as necessary field inspections (if required).

Customer Financing Options (MFR II.a.vi)

Refer to Exhibit P-2, Schedule AMP-2, for the Summary of Proposed Financing for this subprogram.

Customer Access to Current and Historic Energy Usage Data (MFR II.a.vii)

Refer to Exhibit P-2, Schedule AMP-4, for a description of how NJNG will provide for customers to access their energy data.

Projected Participants (MFR II.a.ix) and Energy Savings (MFR II.a.x)

The table below summarizes the projected participation and savings associated with this subprogram. All values are annual incremental totals, and do not incorporate savings achieved in prior years. Savings estimates are based on projected participation during each year of the forecast period.

Table 21: C&I Energy Management Subprogram Estimated Participation and Savings

Metric	PY1	PY2	PY3
Estimated Participants (projects)	10	12	13
Projected Net Annual Natural Gas Savings (therms)	24,078	27,690	31,843
Projected Net Lifetime Natural Gas Savings (therms)	120,390	138,449	159,216
Projected Net Lifetime Natural Gas Savings from Qualifying Small Commercial Customers (therms)	0	0	0
Projected Net Annual Electric Savings (kWh)	594,647	683,844	786,420
Projected Net Lifetime Electric Savings (kWh)	2,973,234	3,419,219	3,932,102
Projected Net Lifetime Electric Savings from Qualifying Small Commercial Customers (kWh)	0	0	0
Projected Net Annual Peak Demand Savings (kW)	14	16	19
Projected Net Lifetime Peak Demand Savings (kW)	71	82	94

For customers in areas where gas and electric service territories overlap, NJNG will use the Statewide Coordinator to allocate costs and energy savings. Refer to Exhibit P-1, Schedule NJNG-19 for a description of the role of the Statewide Coordinator.

Program Budget (MFR II a.xi) (MFR II.a.xii)

The table below illustrates the projected expenditures for this subprogram.

Table 22: C&I Energy Management Subprogram Budget

Cost Category	PY1	PY2	PY3
Capital Cost	111,111	0	0
Utility Administration	32,473	33,447	34,450
Marketing	0	0	0
Outside Services	10,238	10,459	11,029
Incentives	855,000	983,250	1,130,738
Inspections and Quality Control	0	0	0
Evaluation	23,096	19,561	22,231
Total	1,031,917	1,046,717	1,198,447

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

This service is available to any residential Customer in the territory served by the Company using gas for any domestic purpose. This rate is applicable to individually-metered apartments and to rooming and boarding houses where the number of rental bedrooms is not more than twice the number of bedrooms used by the Customer.

Gas delivered under this schedule may not be used for other than domestic purposes except when such use is incidental to domestic use.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$10.14

Delivery Charge:

Residential Heating

Delivery Charge per therm	$0.7189

Residential Non-Heating

Delivery Charge per therm	$0.6551

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

This service is available to any residential customer using distributed generation technologies including, but not limited to, microturbines and fuel cells to generate electricity for domestic purposes.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$10.14

Delivery Charge:

November - April	$0.3681
May - October	$0.3148

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses less than 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision I.2, the Company may, upon application by the Customer, meter the space heating and CAC use separately. Street Lighting Service also will be supplied under this schedule (Special Provision II.1).

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	\$34.85

Delivery Charge:

Delivery Charge per therm	\$0.6712

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

SPECIAL PROVISIONS

I. *Applicable to All Customers Under This Service Classification*

1. ***Annual Review***
The Company shall review, at least once a year, each GSS Customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service – Large ("GSL") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is greater than or equal to 5,500 therms, the customer will be switched to GSL.

2. ***Air Conditioning and Pool Heating***
Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.3862) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.2850 per therm, which includes $0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

Commercial Air Conditioning and Pool Heating ("CAC") customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

Where a CAC Customer uses gas under this service classification in a direct-fired chiller/heater and the heating load is metered through the same meter as the cooling, air conditioning or pool heating load, and further, where the gas used for heating is billed separately, the GSS Customer Charge shall be waived, provided the Customer pays the Customer Charge under its heating service in all twelve (12) months of the year.

3. ***Veterans' Organization Service***
Pursuant to N.J.S.A 48:2-21.41, when natural gas service is delivered to a customer that is a Veterans' Organization, serving the needs of veterans of the armed forces, the customer may apply and be eligible for billing under this Special Provision.

   a. Each customer shall be eligible for billing under this Special Provision upon submitting an Application for Veterans' Organization Service under this Service Classification and by qualifying as a "Veterans' Organization" as defined by N.J.S.A. 48:2-21.41 as "an organization dedicated to serving the needs of veterans of the armed forces that: is chartered under federal law, qualifies as a tax exempt organization under paragraph (19) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501 (c)(19), or that is organized as a corporation under the 'New Jersey Nonprofit Corporation Act,' N.J.S.15A:1-1 et seq." Under N.J.S.A. 48: 2-21.41, a qualified Veterans' Organization shall be charged the residential rate for service delivered to the property where the Veterans' Organization primarily operates, if the residential rate is lower than the commercial rate for service at that property.

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

The Customer shall furnish satisfactory proof of eligibility of service under this Special Provision to the Company. Once proof of eligibility is determined by the Company, service under this Special Provision shall begin with the next billing cycle following receipt of the Application.

b. The Customer will continue to be billed on this Service Classification. At least once annually, the Company shall review eligible customers' Customer Charges and Delivery Charges under this Special Provision for all relevant periods. If the comparable Customer Charges and Delivery Charges under Service Classification Residential Service (RS) are lower than the charges under their current Service Classification, a credit in the amount of the difference will be applied to the Customer's next bill.

II. *Applicable to All Customers Purchasing Gas Supply Under Rider "A" BGSS*

1. ***Street Lighting Service***
Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is $0.6312 per therm.

III. *Applicable to All Customers Purchasing Gas Supply from a Third Party Supplier*

1. ***Metering***
An Automated Meter Reading (AMR) device will not be required for this service.

2. ***Additional Requirements***
Service is subject to the terms and conditions of the Third Party Supplier Requirements section of this Tariff (Service Classification – TPS) and Section 10 of the Company's Standard Terms and Conditions.

TERMS AND CONDITIONS

Service is subject to the Company's Standard Terms and Conditions of this Tariff.

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses greater than or equal to 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision I.4, the Company may, upon application by the Customer, meter the space heating and CAC use separately.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$80.79

Demand Charge:

Demand Charge per therm applied to HMAD	$2.63

Delivery Charge:

Delivery Charge per therm	$0.5078

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE (continued)

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

SPECIAL PROVISIONS

I. *Applicable to All Customers in this Service Classification*

1. ***Determination of Demand***
The highest monthly average daily usage (HMAD) that occurs in any billing period will be used to calculate the Demand Charge. The HMAD shall be determined based upon the Customer's highest normalized average daily usage for a month in the most recent twenty-four (24) month period. Estimated data may be used when actual data is not available. At least once a year, the Company shall review and modify, if necessary, each GSL customer's HMAD based upon the most recent twenty-four (24) months of billing information. The Company reserves the right to determine the HMAD for any Customer by actually metering daily usage.

2. ***Metering***
An Automated Meter Reading (AMR) device with daily meter reads will not be required for this service. However, the Company reserves the right to install an AMR if it believes such a device will provide a more accurate HMAD than the Determination of Demand set forth above. Should the Company decide to install an AMR, the Customer shall furnish the necessary infrastructure to support the AMR, including, but not limited to, an electrical supply and phone line, or data plan, for the operation of the device, in an area acceptable to the Company.

3. ***Annual Review***
The Company shall review, at least once a year, each GSL customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service - Small ("GSS") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is less than or equal to 4,500 therms, the Customer will be switched to GSS.

4. ***Air Conditioning and Pool Heating***
Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of ($0.2228) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of $0.2850 per therm which includes $0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

   Commercial Air Conditioning and Pool Heating ("CAC") Customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

This service is available to any customer who would otherwise qualify for service under Service Classifications GSS, GSL, IS, or NGV. The Company may require the Customer to provide to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$271.28

Demand Charge:

Demand Charge per therm applied to MDQ	$1.98

Delivery Charge:

Delivery Charge per therm	$0.1656

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

This service is available to any commercial customer using distributed generation technologies including, but not limited to, microturbines and fuel cells.

CONDITIONS PRECEDENT

If the Customer is served by a Third Party Supplier, the Third Party Supplier assumes the responsibility for all delivery requirements. The Company may require the Customer to provide, to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems. The Customer is responsible for payment of any costs if additional facilities, exclusive of metering facilities, are necessary to provide service. The Company reserves the right to limit new customers served under this service, if it determines that service expansion is detrimental to existing firm customers. The Customer must demonstrate that qualifying electric generation equipment has been installed at its location.

MONTHLY RATES

	DGC-Balancing	DGC-FT
Customer Charge:		
Customer Charge per meter per month	$82.43	$82.43
Demand Charge:		
Demand Charge per therm applied to PBQ	$1.94	$1.94
Delivery Charge per therm:		
November - April	$0.2541	$0.1515
May - October	$0.2215	$0.1189
BGSS Charge:		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS. For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

SERVICE CLASSIFICATION - EGS

ELECTRIC GENERATION SERVICE

AVAILABILITY

This service is available to any existing or new customer who uses greater than or equal to 10,000 therms daily for the sole purpose of generating electricity.

MONTHLY RATES

Customer Charge:

	Without SUT	With SUT
Customer Charge per month	$877.26	$935.38

Demand Charge:

	Without SUT	With SUT
Demand Charge per therm applied to MDQ	$1.5132	$1.6134

Delivery Charge:

	Without SUT	With SUT
Delivery Charge per therm	$0.0851	$0.0908

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, applicable taxes, assessments or similar charges lawfully imposed by the Company. Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E and H and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY
This service is available to any residential or commercial customer for the purpose of fueling natural gas vehicles at Company owned and operated compressed natural gas ("CNG") re-fueling facilities ("Company facilities") and at separately metered Customer owned and operated CNG re-fueling facilities ("Customer owned facilities").

CONDITIONS PRECEDENT
The Customer must sign a service agreement which sets forth the vehicles to be served to be eligible for this service.

DEFINITION OF TERM USED HEREIN
"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE
Firm sales gas service where Customer who uses Company facilities purchases gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"). Firm sales or transportation gas service where Customer who uses Customer owned facilities purchases gas supply pursuant to the Company's Rider "A" for BGSS or from a Third Party Supplier, respectively.

LICENSING, PERMITS AND LEGAL REQUIREMENTS
Customers installing CNG re-fueling facilities on their premises must meet all applicable licensing, permitting and other legal requirements associated with owning and operating CNG refueling facilities. The failure of the customer to comply with this provision may result in the Company suspending or terminating gas service to such facilities without further liability.

MONTHLY RATES

	Gas Available at Company Facilities	Customer Owned Facilities
Customer Charge:		
Residential Customer Charge per meter per month	N/A	$10.14
Commercial Customer Charge per meter per month	N/A	$82.85
Delivery Charge:		
Delivery Charge per therm	$0.3044 ($0.381 per GGE)	$0.3044 ($0.381 per GGE)

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

This service is applicable to Commercial and Industrial Customers whose minimum connected load is not less than 150 therms per hour, provided that gas is used only at locations where the Company has 1) adequate distribution facilities and 2) an adequate supply of natural gas. Customers will be required to specify that they have alternate fuel facilities installed in operating condition with an adequate fuel supply, as discussed in Special Provision 1.

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	$572.98

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm	$0.1385

Customers without Alternate Fuel

Delivery Charge per therm	$0.3793

BGSS Charge:

BGSS Charge per therm for Sales Customers	See “Rate Summaries” at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge applicable shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

SERVICE CLASSIFICATION - CNG

COMPRESSED NATURAL GAS

AVAILABILITY
This service is available to any customer who would otherwise qualify for service under Service Classifications RS, GSS, GSL, FT, IS, or NGV and who will utilize natural gas for the purpose of fueling natural gas vehicles at Company owned compressed natural gas re-fueling facilities operated by the Customer on its property ("Host Customer").

Availability of this Service Classification is subject to the terms and conditions approved in BPU Docket No. GR11060361. This Service Classification is closed.

CONDITIONS PRECEDENT
The Host Customer must sign an Agreement with the Company. The Host Customer must provide assurance that it will use initially at least twenty (20) percent of the re-fueling facility's capacity. The Host Customer must agree to provide the general public with reasonable access to a re-fueling facility for purposes of fueling the general public's natural gas vehicles.

DEFINITION OF TERM USED HEREIN
"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE
Firm gas service where Host Customer may purchase gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"), from the Company through a contract, or from a Third Party Supplier.

MONTHLY RATES

Customer Charge:	
Customer Charge per meter per month	$82.85
Delivery Charge:	
Delivery Charge per therm	$0.5176 ($0.647 per GGE)
BGSS Charge:	
Monthly BGSS Charge per therm for Sales Customers without a gas supply contract	See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE
The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

RIDER "F"

ENERGY EFFICIENCY - EE

AVAILABILITY

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	EGS	Electric Generation Service
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial	CNG	Compressed Natural Gas

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Energy Efficiency ("*EE")* Rider and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

The EE rate is for recovering authorized expenditures related to the energy-efficiency programs as approved in BPU Docket Nos. GO10030225, GR11070425, GO12070640, GO14121412, and GO18030355, collectively referred to as "Energy Efficiency Programs Established 2010-2018," and GO20090622 ("Energy Efficiency Programs Established 2021-Present").

DETERMINATION OF THE EE

The Company shall file an annual request with the Board for implementation of an EE charge, which shall be applicable to customers on all service classifications to which Rider "F" applies. The EE recovery year is intended to run from October 1st to September 30th of each year.

RIDER "F"

ENERGY EFFICIENCY – EE (continued)

I. Determination of the Rate

The EE rate shall have two components, an Energy Efficiency Programs 2010-2018 rate and an Energy Efficiency Programs Established 2021-Present rate, which shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy-efficiency programs approved by the Board for Energy Efficiency Programs 2010-2018 and Energy Efficiency Programs Established 2021-Present unless modified further by Board Order.

2. An estimate shall be made of the total annual volume of prospective jurisdictional sales of gas (in therms) to NJNG's sales and transportation customers.

3. The prospective costs for Energy Efficiency Programs 2010-2018 and Energy Efficiency Programs Established 2021-Present (per paragraph (1)) shall separately be adjusted upward or downward to the extent of the amount of any prior under-recovery or over-recovery to determine the total costs to be recovered and then shall be divided by the estimated total volume of prospective sales (per paragraph (2)), to determine the per unit cost recovery rates. The result shall be carried for four (4) decimal places.

II. Tracking the Operation of the EE

The Company shall calculate carrying costs on the average monthly balances of under-or over-recovery of deferred costs based upon the Company's monthly commercial paper rate. The carrying cost calculation shall be based on the net of tax beginning and end average monthly balance. The carrying costs shall accrue on a monthly basis and shall be rolled into the balance at the end of each EE recovery year.

In accordance with P.L., 1997 c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT"), and when billed to customers exempt from this tax, as set forth in Rider "B", shall be reduced by the amount of such tax included therein.

The EE rate shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications to which Rider "F" applies. The EE rate is as set forth below:

Energy Efficiency Programs Established 2010-2018	$0.0171
Energy Efficiency Programs Established 2021-Present	$0.0213
EE	$0.0384

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		10.14	10.14	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4690	0.4690	
SUT		0.0311	0.0311	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		0.0304	0.0304	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.5689*	*0.5689*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.7189**	**0.7189**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

Third Revised Sheet No. 253
BPU No. 10 - Gas *Superseding Second Revised Sheet No. 253*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		10.14	10.14	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4690	0.4690	
SUT		0.0311	0.0311	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		(0.0334)	(0.0334)	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.5051*	*0.5051*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.6551**	**0.6551**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

Date of Issue: *Effective for service rendered on and after July 1, 2021*
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		10.14	10.14	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.1685	0.1185	
SUT		0.0112	0.0079	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.2181*	*0.1648*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	0.0474	0.0474	
Delivery Charge (DEL)	a+b+c=d	**0.3681**	**0.3148**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**0.3320**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

Date of Issue: ***Effective for service rendered on and after July 1, 2021***

Issued by: ***Mark G. Kahrer, Senior Vice President***
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		34.85	34.85	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.4153	0.4153	
SUT		0.0275	0.0275	Rider B
After-tax Base Rate		0.4428	0.4428	
CIP		0.0400	0.0400	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.5212*	*0.5212*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.6712**	**0.6712**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3320**	**x**	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		80.79	80.79	
Demand Charge				
Demand Charge per month applied to HMAD		2.63	2.63	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2711	0.2711	
SUT		0.0180	0.0180	Rider B
After-tax Base Rate		0.2891	0.2891	
CIP		0.0303	0.0303	Rider I
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.3578*	*0.3578*	
Balancing Charge	b	*0.1026*	*0.1026*	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	c	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b+c=d	**0.5078**	**0.5078**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3497**	**X**	Rider A

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, DEL, and BGS charges are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		Transport	Reference
Customer Charge			
Customer Charge per meter per month		271.28	
Demand Charge			
Demand Charge per therm per month applied to MDQ		1.98	
Delivery Charge ("DEL") per therm			
Pre-tax Base Rate		0.0748	
SUT		0.0050	Rider B
After-tax Base Rate		0.0798	
EE		0.0384	Rider F
Subtotal	a	*0.1182*	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0.0213	Rider E
RA		0.0145	Rider C
USF		0.0116	Rider H
Total SBC	b	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.1656**	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, and DEL, charges are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		82.43	82.43	
Demand Charge				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0616	0.0310	
SUT		0.0041	0.0021	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		0.0384	0.0384	Rider F
Subtotal	a	0.1041	0.0715	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Balancing Charge	c	*0.1026*	*0.1026*	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	**0.2541**	**0.2215**	
Basic Gas Supply Charge ("BGS")				
BGS	e	**0.3497**	**0.3497**	Rider A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Customer Charge, Demand Charge, DEL, and BGS charges are presented on customer bills.

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-FT

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter per month		82.43	82.43	
Demand Charge				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0616	0.0310	
SUT		0.0041	0.0021	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.1041*	*0.0715*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
DGC-FT Delivery Charge (DEL)	a+b=c	**0.1515**	**0.1189**	

For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Customer Charge, Demand Charge, and DEL rate are presented on customer bills

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Electric Generation Service (EGS)

		Without SUT	With SUT	Reference
Customer Charge				
Customer Charge per meter per month		877.26	935.38	
Demand Charge				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0047	0.0047	
SUT		0.0000	0.0003	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	0.0360	0.0384	Rider F
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0200	0.0213	Rider E
RA		0.0136	0.0145	Rider C
USF		0.0108	0.0116	Rider H
Total SBC	c	*0.0444*	*0.0474*	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	**0.0851**	**0.0908**	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, and DEL charges are presented on customer bills.

Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E, F, and H and shall not be billed for such charges subject to the Customer's submission of an Annual Certification form.

NEW JERSEY NATURAL GAS COMPANY

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0494	0.0494	
SUT		0.0033	0.0033	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.0911*	*0.0911*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.1385**	**0.1385**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.4523	X	Rider A
BGS	d	**0.4523**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

NEW JERSEY NATURAL GAS COMPANY

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2753	0.2753	
SUT		0.0182	0.0182	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.3319*	*0.3319*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.3793**	**0.3793**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.4523	X	Rider A
BGS	d	**0.4523**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

Date of Issue: *Effective for service rendered on and after July 1, 2021*
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GO20090622

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Compressed Natural Gas (CNG)

		Bundled Sales	Transport	Reference
Customer Charge				
Customer Charge per meter per month		82.85	82.85	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.2050	0.2050	
CNG Charge		0.2000	0.2000	
SUT		0.0268	0.0268	Rider B
After-tax Base Rate		0.4318	0.4318	
EE		0.0384	0.0384	Rider F
Subtotal	a	*0.4702*	*0.4702*	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		0.0116	0.0116	Rider H
Total SBC	b	*0.0474*	*0.0474*	
Delivery Charge (DEL)	a+b=c	**0.5176**	**0.5176**	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.4523	X	Rider A
BGS	d	**0.4523**	**X**	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer, DEL, and BGSS charges are presented on customer bills.

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				Reference
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2050		
SUT		0.0136		Rider B
After-tax Base Rate		0.2186		
EE		0.0384		Rider F
Subtotal	a	*0.2571*		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213		Rider E
RA		0.0145		Rider C
USF		0.0116		Rider H
Total SBC	b	*0.0474*		
Delivery Charge (DEL)	a+b=c	**0.3044**	**0.381**	
Compression Charge	d	**0.4958**	**0.620**	
Monthly Basic Gas Supply Charge ("BGS")	e	**0.4523**	**0.565**	Rider A
Total Variable Charge	c+d+e=f	**1.2525**	**1.566**	
New Jersey Motor Vehicle Fuel Tax	g		**0.000**	
Federal Excise Fuel Tax *	h		**0.185**	
Federal Excise Fuel Tax Credit *	i		**(0.517)**	
Total Price	f+g+h+i =j		**1.234**	

*Adjusted to reflect Internal Revenue Service GGE Conversion.

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Owned Facilities

				Reference
Customer Charge				
Residential Customer Charge per month		10.14		
Commercial Customer Charge per meter per month		82.85		
Delivery Charge ("DEL")		$ per therm	$ per GGE	
Pre-tax Base Rate		0.2050		
SUT		0.0136		Rider B
After-tax Base Rate		0.2186		
EE		0.0384		Rider F
Subtotal	a	0.2571		
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213		Rider E
RA		0.0145		Rider C
USF		0.0116		Rider H
Total SBC	b	*0.0474*		
Delivery Charge (DEL)	a+b=c	**0.3044**	**0.381**	
Monthly Basic Gas Supply Charge ("BGS")	d	**0.4523**	**0.565**	Rider A
Total Variable Charge	c+d=e	**0.7567**	**0.946**	

Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.
Customer and DEL charges are presented on customer bills for Firm Transport Gas Service
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NJNG Energy Efficiency Program
Minimum Filing Requirements for Rate Filing
Minimum Filing Requirements (MFRs)

1. Information on direct FTE employment impacts, including a breakdown by each of the Board approved NJNG EE programs. The Company will not be responsible for addressing the level of employment activity for HVAC and/or HPES contractors that are hired by customers unless those contractors are hired by NJNG.

2. A monthly revenue requirement calculation based on EE Program expenditures, including the investment and cost components showing the actual monthly revenue requirement for each of the past 12 months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.

3. For the review period, actual clause revenues, by month and by rate class recorded under the EE Program.

4. Monthly beginning and ending clause deferred balances related to the EE Program, as well as the average deferred balance, net of tax, for the actual 12-month period and forecast period.

5. The interest rate used each month for over/under deferred balance recoveries related to the EE Program, and all supporting documentation and calculations for the interest rate.

6. The interest expense to be charged or credited to ratepayers each month.

7. A schedule showing budgeted versus actual EE Program costs by the following categories: administrative (all utility costs); marketing/sales; training; rebates/incentives, including inspections and quality control; program implementation (all contract costs); evaluation; and any other costs. To the extent that the Board directs New Jersey's Clean Energy Program to report additional categories, the utility shall provide additional categories, as applicable.

8. A schedule showing budgeted versus actual EE Program revenues.

9. The monthly journal entries utilized (including the accounts and account numbers) relating to regulatory asset and deferred O&M expenses related to the EE Program for the actual 12-month review period.

10. Supporting details for all administrative costs related to the EE Program included in the revenue requirement.

11. Information supporting the carrying cost used for the unamortized costs of the EE program.

12. Number of program participants for each of the Board approved NJNG EE programs, including a breakdown by sub-program, if applicable.

13. Estimated demand and energy savings for each of the Board approved NJNG EE programs, including a breakdown by sub-program, if applicable.

14. Estimated emissions reductions for each of the Board approved NJNG EE programs, including a breakdown by sub-program, if applicable.

15. Testimony supporting the annual true-up petition.

16. If the Company is filing for an increase in rates, the Company shall include a draft public notice with the annual true-up petition and proposed publication dates.

17. For programs that provide incentives for conversion of energy utilization to natural gas from other energy sources (e.g., converting from electric to gas furnaces), the Company shall identify:
    i. the number of such projects;
    ii. an estimate of the increase in annual gas demand and energy associated with these projects; and
    iii. the avoided use of electricity and/or other fuels.

18. In areas where gas and electric service territories overlap, the Company shall provide:
    i. The number of projects in progress and completed.
        a. For each project, identify which utility is the lead utility providing the program services and the partner utility with whom the services were coordinated.

19. Tariff pages in clean and redline versions.

20. Net impact of the proposed rate changes.

New Jersey Natural Gas
SAVEGREEN 2020

($000)

Estimated Revenue Requirements	FY 2021-2022	2023	2024	2025	2026	2027	2028
Rebates	$ 4,095,535	$ 9,280,937	$ 15,752,790	$ 18,174,014	$ 18,215,210	$ 17,597,029	$ 16,773,702
On-Bill Repayment Program	1,692,711	3,809,132	6,100,300	6,370,265	5,484,681	4,152,581	2,809,842
Operation & Maintenance Expenses	9,831,983	7,731,459	5,893,386	-	-	-	-
Total Amount to be Recovered	**$ 15,620,228**	**$ 20,821,528**	**$ 27,746,476**	**$ 24,544,280**	**$ 23,699,891**	**$ 21,749,609**	**$ 19,583,544**
Per Therm Recovery							
Throughput (000 therms)	780,588,999	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254
Proposed Pre-tax EE Recovery Rate $ per Therm	$ 0.0200	$ 0.0288	$ 0.0384	$ 0.0340	$ 0.0328	$ 0.0301	$ 0.0271
Proposed After-tax EE Recovery Rate $ per Therm	**$ 0.0213**	**$ 0.0307**	**$ 0.0409**	**$ 0.0363**	**$ 0.0350**	**$ 0.0321**	**$ 0.0289**

<u>Typical Annual Bill Impacts</u>

	FY 2021-2022	2023	2024	2025	2026	2027	2028
Residential Non-Heat	200 Annual Therms						
Typical Annual Bill Impact	**$ 4.26**	**$ 6.14**	**$ 8.18**	**$ 7.26**	**$ 7.00**	**$ 6.42**	**$ 5.78**
% Impact	1.4%	2.0%	2.6%	2.3%	2.2%	2.0%	1.8%
Residential Heat	1,000 Annual Therms						
Typical Annual Bill Impact	**$ 21.30**	**$ 30.70**	**$ 40.90**	**$ 36.30**	**$ 35.00**	**$ 32.10**	**$ 28.90**
% Impact	1.9%	2.7%	3.6%	3.2%	3.0%	2.8%	2.5%
General Service Small	1,200 Annual Therms						
Typical Annual Bill Impact	**$ 25.56**	**$ 36.84**	**$ 49.08**	**$ 43.56**	**$ 42.00**	**$ 38.52**	**$ 34.68**
% Impact	1.6%	2.3%	3.1%	2.7%	2.6%	2.4%	2.2%
General Service Large	15,000 Annual Therms						
Typical Annual Bill Impact	**$ 319.50**	**$ 460.50**	**$ 613.50**	**$ 544.50**	**$ 525.00**	**$ 481.50**	**$ 433.50**
% Impact	2.0%	2.9%	3.9%	3.5%	3.3%	3.1%	2.8%

New Jersey Natural Gas
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($000)

Estimated Revenue Requirements	FY 2029	2030	2031	2032	2033	2034	2035	2036	
Rebates	$ 15,960,332	$ 15,146,961	$ 14,205,200	$ 11,380,172	$ 7,441,812	$ 2,942,474	$ 747,281	$ 148,690	
On-Bill Repayment Program	1,726,288	997,653	545,552	274,372	97,070	14,925	2,201	122	
Operation & Maintenance Expenses	-	-	-	-	-	-	-	-	
Total Amount to be Recovered	**$ 17,686,620**	**$ 16,144,614**	**$ 14,750,753**	**$ 11,654,545**	**$ 7,538,883**	**$ 2,957,400**	**$ 749,482**	**$ 148,813**	
Per Therm Recovery									
Throughput (000 therms)	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	
Proposed Pre-tax EE Recovery Rate $ per Therm	$ 0.0245	$ 0.0224	$ 0.0204	$ 0.0161	$ 0.0104	$ 0.0041	$ 0.0010	$ 0.0002	
Proposed After-tax EE Recovery Rate $ per Therm	**$ 0.0261**	**$ 0.0239**	**$ 0.0218**	**$ 0.0172**	**$ 0.0111**	**$ 0.0044**	**$ 0.0011**	**$ 0.0002**	
Typical Annual Bill Impacts									
Residential Non-Heat									
Typical Annual Bill Impact	**$ 5.22**	**$ 4.78**	**$ 4.36**	**$ 3.44**	**$ 2.22**	**$ 0.88**	**$ 0.22**	**$ 0.04**	
% Impact	1.7%	1.5%	1.4%	1.1%	0.7%	0.3%	0.1%	0.0%	
Residential Heat									Average
Typical Annual Bill Impact	**$ 26.10**	**$ 23.90**	**$ 21.80**	**$ 17.20**	**$ 11.10**	**$ 4.40**	**$ 1.10**	**$ 0.20**	$ 22.07
% Impact	2.3%	2.1%	1.9%	1.5%	1.0%	0.4%	0.1%	0.0%	1.9%
General Service Small									
Typical Annual Bill Impact	**$ 31.32**	**$ 28.68**	**$ 26.16**	**$ 20.64**	**$ 13.32**	**$ 5.28**	**$ 1.32**	**$ 0.24**	
% Impact	2.0%	1.8%	1.6%	1.3%	0.8%	0.3%	0.1%	0.0%	
General Service Large									
Typical Annual Bill Impact	**$ 391.50**	**$ 358.50**	**$ 327.00**	**$ 258.00**	**$ 166.50**	**$ 66.00**	**$ 16.50**	**$ 3.00**	
% Impact	2.5%	2.3%	2.1%	1.6%	1.1%	0.4%	0.1%	0.0%	

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Revenue Requirement Direct Investment Programs

	Projected July-21	Projected August-21	Projected September-21	Projected October-21	Projected November-21	Projected December-21	Projected January-22	Projected February-22	Projected March-22	Projected April-22	Projected May-22	Projected June-22	Projected July-22	Projected August-22	Projected September-22	Projected Total
1 Monthly Investment	$ 3,797,063	$ 1,504,916	$ 1,158,842	$ 2,052,813	$ 2,525,802	$ 2,783,331	$ 2,543,976	$ 2,064,559	$ 1,831,161	$ 2,081,196	$ 2,568,056	$ 2,797,031	$ 4,175,850	$ 2,128,861	$ 1,849,186	$ 35,862,643
2																
3 Net Monthly Investment	$ 3,797,063	$ 1,504,916	$ 1,158,842	$ 2,052,813	$ 2,525,802	$ 2,783,331	$ 2,543,976	$ 2,064,559	$ 1,831,161	$ 2,081,196	$ 2,568,056	$ 2,797,031	$ 4,175,850	$ 2,128,861	$ 1,849,186	$ 35,862,643
4																
5 Cumulative Investment	$ 3,797,063	$ 5,301,979	$ 6,460,821	$ 8,513,634	$ 11,039,435	$ 13,822,767	$ 16,366,743	$ 18,431,302	$ 20,262,463	$ 22,343,659	$ 24,911,715	$ 27,708,746	$ 31,884,596	$ 34,013,457	$ 35,862,643	$ 35,862,643
6																
7 Less Accumulated Amortization	$ (31,642)	$ (75,825)	$ (129,666)	$ (200,612)	$ (292,608)	$ (407,797)	$ (544,187)	$ (697,781)	$ (866,635)	$ (1,052,832)	$ (1,260,430)	$ (1,491,336)	$ (1,757,041)	$ (2,040,486)	$ (2,339,342)	$ (2,339,342)
8																
9 Less Accumulated Deferred Tax	$ (80,052)	$ (191,831)	$ (328,041)	$ (507,529)	$ (740,268)	$ (1,031,687)	$ (1,376,739)	$ (1,765,317)	$ (2,192,500)	$ (2,663,560)	$ (3,188,761)	$ (3,772,931)	$ (4,356,192)	$ (4,949,082)	$ (5,553,811)	$ (5,553,811)
10																
11 Net Investment	$ 3,685,369	$ 5,034,323	$ 6,003,114	$ 7,805,492	$ 10,006,559	$ 12,383,282	$ 14,445,817	$ 15,968,204	$ 17,203,328	$ 18,627,267	$ 20,462,524	$ 22,444,479	$ 25,771,363	$ 27,023,889	$ 27,969,490	$ 27,969,490
12																
13 Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
14																
15 Required Net Operating Income	$ 27,561	$ 37,649	$ 44,894	$ 58,373	$ 74,833	$ 92,607	$ 108,032	$ 119,417	$ 128,654	$ 139,303	$ 153,027	$ 167,849	$ 192,729	$ 202,096	$ 209,168	$ 1,756,193
16																
17 Pre Tax Amortization	$ 31,642	$ 44,183	$ 53,840	$ 70,947	$ 91,995	$ 115,190	$ 136,390	$ 153,594	$ 168,854	$ 186,197	$ 207,598	$ 230,906	$ 265,705	$ 283,445	$ 298,855	$ 2,339,342
18																
19 Revenue Requirement	$ 59,203	$ 81,832	$ 98,734	$ 129,320	$ 166,829	$ 207,797	$ 244,422	$ 273,011	$ 297,508	$ 325,500	$ 360,625	$ 398,756	$ 458,434	$ 485,542	$ 508,023	$ 4,095,535

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-22	Projected November-22	Projected December-22	Projected January-23	Projected February-23	Projected March-23	Projected April-23	Projected May-23	Projected June-23	Projected July-23	Projected August-23	Projected September-23	Projected Total
1	Monthly Investment	$ 2,803,390	$ 3,098,174	$ 3,245,796	$ 3,097,078	$ 2,837,024	$ 2,677,366	$ 2,989,573	$ 3,227,151	$ 3,363,978	$ 4,783,356	$ 3,107,148	$ 2,953,881	$ 38,183,916
2														
3	Net Monthly Investment	$ 2,803,390	$ 3,098,174	$ 3,245,796	$ 3,097,078	$ 2,837,024	$ 2,677,366	$ 2,989,573	$ 3,227,151	$ 3,363,978	$ 4,783,356	$ 3,107,148	$ 2,953,881	$ 38,183,916
4														
5	Cumulative Investment	$ 38,666,034	$ 41,764,208	$ 45,010,004	$ 48,107,082	$ 50,944,106	$ 53,621,472	$ 56,611,045	$ 59,838,196	$ 63,202,174	$ 67,985,529	$ 71,092,678	$ 74,046,559	$ 74,046,559
6														
7	Less Accumulated Amortization	$ (2,661,559)	$ (3,009,594)	$ (3,384,677)	$ (3,785,570)	$ (4,210,104)	$ (4,656,949)	$ (5,128,708)	$ (5,627,360)	$ (6,154,045)	$ (6,720,591)	$ (7,313,030)	$ (7,930,084)	$ (7,930,084)
8														
9	Less Accumulated Deferred Tax	$ (6,169,556)	$ (6,791,451)	$ (7,416,576)	$ (8,047,403)	$ (8,689,679)	$ (9,345,505)	$ (10,015,607)	$ (10,693,589)	$ (11,376,972)	$ (12,063,380)	$ (12,765,426)	$ (13,486,430)	$ (13,486,430)
10														
11	Net Investment	$ 29,834,919	$ 31,963,163	$ 34,208,751	$ 36,274,110	$ 38,044,323	$ 39,619,017	$ 41,466,729	$ 43,517,247	$ 45,671,157	$ 49,201,559	$ 51,014,222	$ 52,630,045	$ 52,630,045
12														
13	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
14														
15	Required Net Operating Income	$ 223,118	$ 239,034	$ 255,828	$ 271,273	$ 284,512	$ 296,288	$ 310,106	$ 325,441	$ 341,548	$ 367,950	$ 381,506	$ 393,590	$ 3,690,194
16														
17	Pre Tax Amortization	$ 322,217	$ 348,035	$ 375,083	$ 400,892	$ 424,534	$ 446,846	$ 471,759	$ 498,652	$ 526,685	$ 566,546	$ 592,439	$ 617,055	$ 5,590,742
18														
19	Revenue Requirement	$ 545,335	$ 587,069	$ 630,911	$ 672,166	$ 709,046	$ 743,134	$ 781,865	$ 824,092	$ 868,233	$ 934,496	$ 973,945	$ 1,010,645	$ 9,280,937

New Jersey Natural Gas Company

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Revenue Requirement Direct Investment Programs

		Projected October-23	Projected November-23	Projected December-23	Projected January-24	Projected February-24	Projected March-24	Projected April-24	Projected May-24	Projected June-24	Projected July-24	Projected August-24	Projected September-24	Projected Total
1	Monthly Investment	$ 3,641,776	$ 3,863,263	$ 3,839,619	$ 3,792,194	$ 3,785,684	$ 3,803,308	$ 3,869,345	$ 3,891,304	$ 3,880,539	$ 1,449,988	$ 2,240,583	$ 2,660,966	$ 40,718,570
2														
3	Net Monthly Investment	$ 3,641,776	$ 3,863,263	$ 3,839,619	$ 3,792,194	$ 3,785,684	$ 3,803,308	$ 3,869,345	$ 3,891,304	$ 3,880,539	$ 1,449,988	$ 2,240,583	$ 2,660,966	$ 40,718,570
4														
5	Cumulative Investment	$ 77,688,335	$ 81,551,598	$ 85,391,217	$ 89,183,411	$ 92,969,096	$ 96,772,404	$ 100,641,748	$ 104,533,053	$ 108,413,592	$ 109,863,580	$ 112,104,163	$ 114,765,130	$ 114,765,130
6														
7	Less Accumulated Amortization	$ (8,577,487)	$ (9,257,084)	$ (9,968,677)	$ (10,711,872)	$ (11,486,615)	$ (12,293,051)	$ (13,131,733)	$ (14,002,841)	$ (14,906,288)	$ (15,821,818)	$ (16,756,019)	$ (17,712,395)	$ (17,712,395)
8														
9	Less Accumulated Deferred Tax	$ (14,218,543)	$ (14,959,528)	$ (15,705,429)	$ (16,458,729)	$ (17,225,385)	$ (18,009,506)	$ (18,805,172)	$ (19,607,280)	$ (20,412,399)	$ (21,136,037)	$ (21,834,127)	$ (22,519,122)	$ (22,519,122)
10														
11	Net Investment	$ 54,892,305	$ 57,334,987	$ 59,717,112	$ 62,012,810	$ 64,257,096	$ 66,469,846	$ 68,704,844	$ 70,922,931	$ 73,094,905	$ 72,905,726	$ 73,514,017	$ 74,533,612	$ 74,533,612
12														
13	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
14														
15	Required Net Operating Income	$ 410,508	$ 428,776	$ 446,590	$ 463,758	$ 480,542	$ 497,090	$ 513,804	$ 530,392	$ 546,635	$ 545,220	$ 549,769	$ 557,394	$ 5,970,479
16														
17	Pre Tax Amortization	$ 647,403	$ 679,597	$ 711,593	$ 743,195	$ 774,742	$ 806,437	$ 838,681	$ 871,109	$ 903,447	$ 915,530	$ 934,201	$ 956,376	$ 9,782,311
18														
19	Revenue Requirement	$ 1,057,911	$ 1,108,372	$ 1,158,184	$ 1,206,953	$ 1,255,284	$ 1,303,527	$ 1,352,485	$ 1,401,501	$ 1,450,082	$ 1,460,750	$ 1,483,971	$ 1,513,770	$ 15,752,790

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SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-24	Projected November-24	Projected December-24	Projected January-25	Projected February-25	Projected March-25	Projected April-25	Projected May-25	Projected June-25	Projected July-25	Projected August-25	Projected September-25	Projected Total
1	Monthly Investment	$ 752,049	$ 613,457	$ 472,781	$ 516,177	$ 700,581	$ 806,636	$ 746,705	$ 571,309	$ 483,145	$ 508,216	$ 646,854	$ 767,029	$ 7,584,939
2														
3	Net Monthly Investment	$ 752,049	$ 613,457	$ 472,781	$ 516,177	$ 700,581	$ 806,636	$ 746,705	$ 571,309	$ 483,145	$ 508,216	$ 646,854	$ 767,029	$ 7,584,939
4														
5	Cumulative Investment	$ 115,517,178	$ 116,130,635	$ 116,603,417	$ 117,119,594	$ 117,820,175	$ 118,626,810	$ 119,373,515	$ 119,944,824	$ 120,427,969	$ 120,936,186	$ 121,583,039	$ 122,350,068	$ 122,350,068
6														
7	Less Accumulated Amortization	$ (18,675,038)	$ (19,642,794)	$ (20,614,489)	$ (21,590,486)	$ (22,572,320)	$ (23,560,877)	$ (24,555,656)	$ (25,555,197)	$ (26,558,763)	$ (27,566,564)	$ (28,579,756)	$ (29,599,340)	$ (29,599,340)
8														
9	Less Accumulated Deferred Tax	$ (23,134,664)	$ (23,672,642)	$ (24,130,644)	$ (24,510,696)	$ (24,816,839)	$ (25,050,895)	$ (25,210,054)	$ (25,290,104)	$ (25,289,439)	$ (25,265,522)	$ (25,202,756)	$ (25,093,828)	$ (25,093,828)
10														
11	Net Investment	$ 73,707,476	$ 72,815,200	$ 71,858,284	$ 71,018,412	$ 70,431,015	$ 70,015,038	$ 69,607,804	$ 69,099,523	$ 68,579,767	$ 68,104,100	$ 67,800,527	$ 67,656,900	$ 67,656,900
12														
13	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
14														
15	Required Net Operating Income	$ 551,216	$ 544,543	$ 537,387	$ 531,106	$ 526,713	$ 523,602	$ 520,557	$ 516,756	$ 512,869	$ 509,312	$ 507,041	$ 505,967	$ 6,287,069
16														
17	Pre Tax Amortization	$ 962,643	$ 967,755	$ 971,695	$ 975,997	$ 981,835	$ 988,557	$ 994,779	$ 999,540	$ 1,003,566	$ 1,007,802	$ 1,013,192	$ 1,019,584	$ 11,886,945
18														
19	Revenue Requirement	$ 1,513,859	$ 1,512,298	$ 1,509,082	$ 1,507,103	$ 1,508,548	$ 1,512,159	$ 1,515,336	$ 1,516,296	$ 1,516,435	$ 1,517,113	$ 1,520,233	$ 1,525,551	$ 18,174,014

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-25	Projected November-25	Projected December-25	Projected January-26	Projected February-26	Projected March-26	Projected April-26	Projected May-26	Projected June-26	Projected July-26	Projected August-26	Projected September-26	Projected Total
1	Monthly Investment	$ 486,693	$ 411,814	$ 333,233	$ 340,417	$ 354,824	$ 461,949	$ 278,521	$ 254,690	$ 150,069	$ 119,118	$ 114,309	$ 190,515	$ 3,496,153
2														
3	Net Monthly Investment	$ 486,693	$ 411,814	$ 333,233	$ 340,417	$ 354,824	$ 461,949	$ 278,521	$ 254,690	$ 150,069	$ 119,118	$ 114,309	$ 190,515	$ 3,496,153
4														
5	Cumulative Investment	$ 122,836,762	$ 123,248,576	$ 123,581,809	$ 123,922,226	$ 124,277,050	$ 124,738,999	$ 125,017,520	$ 125,272,210	$ 125,422,279	$ 125,541,397	$ 125,655,706	$ 125,846,221	$ 125,846,221
6														
7	Less Accumulated Amortization	$ (30,622,980)	$ (31,650,052)	$ (32,679,900)	$ (33,712,585)	$ (34,748,227)	$ (35,787,719)	$ (36,829,532)	$ (37,873,467)	$ (38,918,652)	$ (39,964,831)	$ (41,011,962)	$ (42,060,680)	$ (42,060,680)
8														
9	Less Accumulated Deferred Tax	$ (24,977,544)	$ (24,855,572)	$ (24,729,551)	$ (24,598,614)	$ (24,458,748)	$ (24,309,725)	$ (24,149,082)	$ (23,980,426)	$ (23,803,616)	$ (23,617,412)	$ (23,418,466)	$ (23,205,569)	$ (23,205,569)
10														
11	Net Investment	$ 67,236,238	$ 66,742,953	$ 66,172,359	$ 65,611,027	$ 65,070,075	$ 64,641,555	$ 64,038,907	$ 63,418,318	$ 62,700,011	$ 61,959,154	$ 61,225,279	$ 60,579,973	$ 60,579,973
12														
13	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
14														
15	Required Net Operating Income	$ 502,821 31	$ 499,132	$ 494,865	$ 490,667	$ 486,622	$ 483,417	$ 478,910	$ 474,269	$ 468,897	$ 463,357	$ 457,869	$ 453,043	$ 5,753,871
16														
17	Pre Tax Amortization	$ 1,023,640	$ 1,027,071	$ 1,029,848	$ 1,032,685	$ 1,035,642	$ 1,039,492	$ 1,041,813	$ 1,043,935	$ 1,045,186	$ 1,046,178	$ 1,047,131	$ 1,048,719	$ 12,461,340
18														
19	Revenue Requirement	$ 1,526,461	$ 1,526,204	$ 1,524,714	$ 1,523,353	$ 1,522,264	$ 1,522,909	$ 1,520,723	$ 1,518,204	$ 1,514,083	$ 1,509,535	$ 1,505,000	$ 1,501,761	$ 18,215,210

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Direct Investment Programs

		Projected October-26	Projected November-26	Projected December-26	Projected January-27	Projected February-27	Projected March-27	Projected April-27	Projected May-27	Projected June-27	Projected July-27	Projected August-27	Projected September-27	Projected Total
1	Monthly Investment	$ 228,618	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 228,618
2														
3	Net Monthly Investment	$ 228,618	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 228,618
4														
5	Cumulative Investment	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840	$ 126,074,840
6														
7	Less Accumulated Amortization	$ (43,111,304)	$ (44,161,927)	$ (45,212,551)	$ (46,263,175)	$ (47,313,798)	$ (48,364,422)	$ (49,415,046)	$ (50,465,669)	$ (51,516,293)	$ (52,566,917)	$ (53,617,540)	$ (54,668,164)	$ (54,668,164)
8														
9	Less Accumulated Deferred Tax	$ (22,986,090)	$ (22,756,965)	$ (22,520,034)	$ (22,275,129)	$ (22,021,912)	$ (21,757,873)	$ (21,487,311)	$ (21,210,782)	$ (20,930,738)	$ (20,647,904)	$ (20,362,391)	$ (20,072,416)	$ (20,072,416)
10														
11	Net Investment	$ 59,977,446	$ 59,155,947	$ 58,342,254	$ 57,536,536	$ 56,739,130	$ 55,952,544	$ 55,172,483	$ 54,398,388	$ 53,627,809	$ 52,860,019	$ 52,094,908	$ 51,334,259	$ 51,334,259
12														
13	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
14														
15	Required Net Operating Income	$ 448,536 96	$ 442,393	$ 436,308	$ 430,283	$ 424,319	$ 418,437	$ 412,603	$ 406,814	$ 401,052	$ 395,310	$ 389,588	$ 383,900	$ 4,989,545
16														
17	Pre Tax Amortization	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 1,050,624	$ 12,607,484
18														
19	Revenue Requirement	$ 1,499,161	$ 1,493,017	$ 1,486,932	$ 1,480,906	$ 1,474,943	$ 1,469,061	$ 1,463,227	$ 1,457,438	$ 1,451,675	$ 1,445,933	$ 1,440,212	$ 1,434,523	$ 17,597,029

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected July-21	Projected August-21	Projected September-21	Projected October-21	Projected November-21	Projected December-21	Projected January-22	Projected February-22	Projected March-22	Projected April-22	Projected May-22	Projected June-22	Projected July-22	Projected August-22	Projected September-22	Projected Total
1	Monthly Investment	$ 2,484,440	$ 1,490,664	$ 993,776	$ 1,631,567	$ 2,568,981	$ 3,037,689	$ 2,568,981	$ 1,631,567	$ 1,162,860	$ 1,634,524	$ 2,593,672	$ 3,052,622	$ 2,874,820	$ 1,884,337	$ 1,342,759	$ 30,953,258
2	Less Loan Repayments	$ (29,256)	$ (46,809)	$ (58,511)	$ (78,195)	$ (108,728)	$ (144,687)	$ (175,221)	$ (194,904)	$ (209,163)	$ (228,890)	$ (259,794)	$ (295,977)	$ (330,162)	$ (353,075)	$ (369,657)	$ (2,883,029)
3																	
4	Net Monthly Investment	$ 2,455,184	$ 1,443,855	$ 935,265	$ 1,553,372	$ 2,460,253	$ 2,893,002	$ 2,393,761	$ 1,436,663	$ 953,697	$ 1,405,634	$ 2,333,878	$ 2,756,645	$ 2,544,658	$ 1,531,262	$ 973,101	$ 28,070,229
5																	
6	Cumulative Investment	$ 2,455,184	$ 3,899,039	$ 4,834,303	$ 6,387,675	$ 8,847,929	$ 11,740,930	$ 14,134,691	$ 15,571,354	$ 16,525,051	$ 17,930,684	$ 20,264,563	$ 23,021,207	$ 25,565,865	$ 27,097,128	$ 28,070,229	$ 28,070,229
7																	
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
9																	
10	Required Net Operating Income	$ 18,361	$ 29,159	$ 36,153	$ 47,770	$ 66,169	$ 87,804	$ 105,705	$ 116,449	$ 123,581	$ 134,093	$ 151,547	$ 172,162	$ 191,192	$ 202,644	$ 209,921	$ 1,692,711
11																	
12	Revenue Requirement	$ 18,361	$ 47,520	$ 83,673	$ 131,442	$ 197,611	$ 285,415	$ 391,120	$ 507,569	$ 631,151	$ 765,244	$ 916,791	$ 1,088,953	$ 1,280,146	$ 1,482,790	$ 1,692,711	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-22	Projected November-22	Projected December-22	Projected January-23	Projected February-23	Projected March-23	Projected April-23	Projected May-23	Projected June-23	Projected July-23	Projected August-23	Projected September-23	Projected Total
1	Monthly Investment	$ 2,102,375	$ 3,064,615	$ 3,559,556	$ 3,083,801	$ 2,188,531	$ 1,666,848	$ 2,286,419	$ 3,201,842	$ 3,698,676	$ 3,480,939	$ 2,557,790	$ 1,999,348	$ 32,890,739
2	Less Loan Repayments	$ (396,108)	$ (433,300)	$ (476,070)	$ (513,542)	$ (541,280)	$ (563,040)	$ (592,513)	$ (631,916)	$ (676,870)	$ (719,539)	$ (752,530)	$ (779,230)	$ (7,075,937)
3														
4	Net Monthly Investment	$ 1,706,267	$ 2,631,315	$ 3,083,486	$ 2,570,259	$ 1,647,251	$ 1,103,808	$ 1,693,905	$ 2,569,926	$ 3,021,807	$ 2,761,400	$ 1,805,260	$ 1,220,119	$ 25,814,803
5														
6	Cumulative Investment	$ 29,776,496	$ 32,407,811	$ 35,491,297	$ 38,061,556	$ 39,708,807	$ 40,812,615	$ 42,506,520	$ 45,076,446	$ 48,098,253	$ 50,859,653	$ 52,664,913	$ 53,885,032	$ 53,885,032
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 222,681	$ 242,359	$ 265,419	$ 284,641	$ 296,959	$ 305,214	$ 317,882	$ 337,101	$ 359,699	$ 380,350	$ 393,851	$ 402,975	$ 3,809,132
11														
12	Revenue Requirement	$ 222,681	$ 465,041	$ 730,460	$ 1,015,100	$ 1,312,060	$ 1,617,274	$ 1,935,156	$ 2,272,257	$ 2,631,956	$ 3,012,306	$ 3,406,157	$ 3,809,132	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-23	Projected November-23	Projected December-23	Projected January-24	Projected February-24	Projected March-24	Projected April-24	Projected May-24	Projected June-24	Projected July-24	Projected August-24	Projected September-24	Projected Total
1	Monthly Investment	$ 2,607,666	$ 3,715,615	$ 4,180,978	$ 3,725,122	$ 2,823,855	$ 2,350,855	$ 2,821,271	$ 3,743,042	$ 4,219,025	$ 800,833	$ 1,099,500	$ 1,215,266	$ 33,303,026
2	Less Loan Repayments	$ (812,996)	$ (859,468)	$ (910,723)	$ (957,177)	$ (994,338)	$ (1,026,604)	$ (1,063,917)	$ (1,110,811)	$ (1,162,639)	$ (1,175,140)	$ (1,192,406)	$ (1,211,632)	$ (12,477,849)
3														
4	Net Monthly Investment	$ 1,794,670	$ 2,856,147	$ 3,270,254	$ 2,767,945	$ 1,829,517	$ 1,324,251	$ 1,757,354	$ 2,632,231	$ 3,056,386	$ (374,307)	$ (92,905)	$ 3,634	$ 20,825,177
5														
6	Cumulative Investment	$ 55,679,702	$ 58,535,849	$ 61,806,103	$ 64,574,048	$ 66,403,566	$ 67,727,817	$ 69,485,170	$ 72,117,402	$ 75,173,788	$ 74,799,480	$ 74,706,575	$ 74,710,208	$ 74,710,208
7														
8	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
9														
10	Required Net Operating Income	$ 416,397	$ 437,756	$ 462,212	$ 482,912	$ 496,594	$ 506,498	$ 519,640	$ 539,325	$ 562,182	$ 559,382	$ 558,688	$ 558,715	$ 6,100,300
11														
12	Revenue Requirement	$ 416,397	$ 854,153	$ 1,316,365	$ 1,799,277	$ 2,295,872	$ 2,802,369	$ 3,322,009	$ 3,861,334	$ 4,423,515	$ 4,982,898	$ 5,541,586	$ 6,100,300	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-24	Projected November-24	Projected December-24	Projected January-25	Projected February-25	Projected March-25	Projected April-25	Projected May-25	Projected June-25	Projected July-25	Projected August-25	Projected September-25	Projected Total
1	Monthly Investment	$ 744,444	$ 625,499	$ 568,741	$ 647,919	$ 807,582	$ 855,038	$ 770,820	$ 604,042	$ 579,417	$ 638,455	$ 699,113	$ 769,390	$ 8,310,459
2	Less Loan Repayments	$ (1,223,732)	$ (1,233,793)	$ (1,242,767)	$ (1,252,983)	$ (1,265,880)	$ (1,279,724)	$ (1,292,266)	$ (1,302,013)	$ (1,311,152)	$ (1,321,185)	$ (1,332,442)	$ (1,345,000)	$ (15,402,938)
3	Net Monthly Investment	$ (479,288)	$ (608,294)	$ (674,026)	$ (605,064)	$ (458,298)	$ (424,687)	$ (521,446)	$ (697,971)	$ (731,735)	$ (682,731)	$ (633,329)	$ (575,610)	$ (7,092,478)
4														
5	Cumulative Investment	$ 74,230,920	$ 73,622,627	$ 72,948,600	$ 72,343,536	$ 71,885,238	$ 71,460,552	$ 70,939,105	$ 70,241,135	$ 69,509,400	$ 68,826,669	$ 68,193,340	$ 67,617,730	$ 67,617,730
6														
7	Rate of Return	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	0.7478%	
8														
9	Required Net Operating Income	$ 555,131	$ 550,581	$ 545,541	$ 541,016	$ 537,589	$ 534,413	$ 530,513	$ 525,293	$ 519,821	$ 514,715	$ 509,979	$ 505,674	$ 6,370,265
10														
11	Revenue Requirement	$ 555,131	$ 1,105,712	$ 1,651,253	$ 2,192,269	$ 2,729,857	$ 3,264,270	$ 3,794,783	$ 4,320,076	$ 4,839,897	$ 5,354,612	$ 5,864,591	$ 6,370,265	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-25	Projected November-25	Projected December-25	Projected January-26	Projected February-26	Projected March-26	Projected April-26	Projected May-26	Projected June-26	Projected July-26	Projected August-26	Projected September-26	Projected Total
1	Monthly Investment	$ 480,374	$ 428,448	$ 395,068	$ 434,325	$ 382,644	$ 461,789	$ 267,281	$ 257,432	$ 187,082	$ 174,409	$ 102,775	$ 176,851	$ 3,748,479
2	Less Loan Repayments	$ (1,352,851)	$ (1,359,746)	$ (1,365,949)	$ (1,372,752)	$ (1,378,970)	$ (1,386,566)	$ (1,390,935)	$ (1,395,089)	$ (1,398,061)	$ (1,390,844)	$ (1,386,594)	$ (1,385,571)	$ (16,563,926)
3														
4	Net Monthly Investment	$ (872,476)	$ (931,299)	$ (970,881)	$ (938,427)	$ (996,326)	$ (924,776)	$ (1,123,654)	$ (1,137,657)	$ (1,210,980)	$ (1,216,435)	$ (1,283,818)	$ (1,208,720)	$ (12,815,448)
5														
6	Cumulative Investment	$ 66,745,254	$ 65,813,955	$ 64,843,074	$ 63,904,648	$ 62,908,322	$ 61,983,546	$ 60,859,892	$ 59,722,235	$ 58,511,255	$ 57,294,820	$ 56,011,002	$ 54,802,282	$ 54,802,282
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 499,150	$ 492,185	$ 484,924	$ 477,906	$ 470,455	$ 463,539	$ 455,136	$ 446,628	$ 437,572	$ 428,475	$ 418,874	$ 409,835	$ 5,484,681
11														
12	Revenue Requirement	$ 499,150	$ 991,334	$ 1,476,259	$ 1,954,165	$ 2,424,620	$ 2,888,160	$ 3,343,296	$ 3,789,924	$ 4,227,496	$ 4,655,972	$ 5,074,846	$ 5,484,681	$ -

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-26	Projected November-26	Projected December-26	Projected January-27	Projected February-27	Projected March-27	Projected April-27	Projected May-27	Projected June-27	Projected July-27	Projected August-27	Projected September-27	Projected Total
1	Monthly Investment	$ 213,888	$ (3,127)	$ (5,211)	$ (6,253)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 199,298
2	Less Loan Repayments	$ (1,381,335)	$ (1,370,231)	$ (1,357,472)	$ (1,346,315)	$ (1,338,505)	$ (1,332,316)	$ (1,324,469)	$ (1,313,089)	$ (1,300,218)	$ (1,287,618)	$ (1,277,956)	$ (1,270,383)	$ (15,899,908)
3														
4	Net Monthly Investment	$ (1,167,447)	$ (1,373,358)	$ (1,362,682)	$ (1,352,569)	$ (1,338,505)	$ (1,332,316)	$ (1,324,469)	$ (1,313,089)	$ (1,300,218)	$ (1,287,618)	$ (1,277,956)	$ (1,270,383)	$ (15,700,610)
5														
6	Cumulative Investment	$ 53,634,836	$ 52,261,478	$ 50,898,795	$ 49,546,227	$ 48,207,721	$ 46,875,405	$ 45,550,936	$ 44,237,847	$ 42,937,629	$ 41,650,012	$ 40,372,055	$ 39,101,673	$ 39,101,673
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 401,104	$ 390,834	$ 380,643	$ 370,528	$ 360,518	$ 350,554	$ 340,649	$ 330,830	$ 321,106	$ 311,477	$ 301,919	$ 292,419	$ 4,152,581
11														
12	Revenue Requirement	$ 401,104	$ 791,938	$ 1,172,581	$ 1,543,109	$ 1,903,627	$ 2,254,181	$ 2,594,830	$ 2,925,660	$ 3,246,766	$ 3,558,242	$ 3,860,162	$ 4,152,581	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-27	Projected November-27	Projected December-27	Projected January-28	Projected February-28	Projected March-28	Projected April-28	Projected May-28	Projected June-28	Projected June-28	Projected June-28	Projected June-28	Projected Total
1 Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Less Loan Repayments	$ (1,257,329)	$ (1,241,907)	$ (1,225,117)	$ (1,209,455)	$ (1,195,268)	$ (1,182,800)	$ (1,166,773)	$ (1,149,221)	$ (1,130,394)	$ (1,099,400)	$ (1,073,923)	$ (1,052,497)	$ (13,984,083)
3													
4 Net Monthly Investment	$ (1,257,329)	$ (1,241,907)	$ (1,225,117)	$ (1,209,455)	$ (1,195,268)	$ (1,182,800)	$ (1,166,773)	$ (1,149,221)	$ (1,130,394)	$ (1,099,400)	$ (1,073,923)	$ (1,052,497)	$ (13,984,083)
5													
6 Cumulative Investment	$ 37,844,343	$ 36,602,436	$ 35,377,319	$ 34,167,864	$ 32,972,597	$ 31,789,796	$ 30,623,023	$ 29,473,802	$ 28,343,409	$ 27,244,009	$ 26,170,086	$ 25,117,589	$ 25,117,589
7													
8 Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9													
10 Required Net Operating Income	$ 283,016	$ 273,729	$ 264,567	$ 255,522	$ 246,583	$ 237,738	$ 229,012	$ 220,418	$ 211,964	$ 203,742	$ 195,711	$ 187,840	$ 2,809,842
11													
12 Revenue Requirement	$ 283,016	$ 556,745	$ 821,312	$ 1,076,833	$ 1,323,417	$ 1,561,154	$ 1,790,166	$ 2,010,584	$ 2,222,548	$ 2,426,290	$ 2,622,002	$ 2,809,842	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-28	Projected November-28	Projected December-28	Projected January-29	Projected February-29	Projected March-29	Projected April-29	Projected May-29	Projected June-29	Projected July-29	Projected August-29	Projected September-29	Projected Total
1 Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Less Loan Repayments	$ (1,026,270)	$ (991,563)	$ (954,276)	$ (919,763)	$ (890,356)	$ (863,621)	$ (833,860)	$ (798,769)	$ (760,982)	$ (736,377)	$ (712,461)	$ (689,173)	$ (10,177,471)
3													
4 Net Monthly Investment	$ (1,026,270)	$ (991,563)	$ (954,276)	$ (919,763)	$ (890,356)	$ (863,621)	$ (833,860)	$ (798,769)	$ (760,982)	$ (736,377)	$ (712,461)	$ (689,173)	$ (10,177,471)
5													
6 Cumulative Investment	$ 24,091,319	$ 23,099,756	$ 22,145,480	$ 21,225,717	$ 20,335,361	$ 19,471,740	$ 18,637,880	$ 17,839,111	$ 17,078,129	$ 16,341,752	$ 15,629,291	$ 14,940,118	$ 14,940,118
7													
8 Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9													
10 Required Net Operating Income	$ 180,165	$ 172,750	$ 165,613	$ 158,735	$ 152,077	$ 145,618	$ 139,382	$ 133,408	$ 127,718	$ 122,211	$ 116,883	$ 111,729	$ 1,726,288
11													
12 Revenue Requirement	$ 180,165	$ 352,915	$ 518,528	$ 677,263	$ 829,340	$ 974,958	$ 1,114,340	$ 1,247,748	$ 1,375,466	$ 1,497,677	$ 1,614,559	$ 1,726,288	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-29	Projected November-29	Projected December-29	Projected January-30	Projected February-30	Projected March-30	Projected April-30	Projected May-30	Projected June-30	Projected June-30	Projected June-30	Projected June-30	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (669,404)	$ (646,598)	$ (622,451)	$ (599,709)	$ (579,394)	$ (560,545)	$ (540,321)	$ (517,778)	$ (493,470)	$ (470,322)	$ (451,110)	$ (433,152)	$ (6,584,253)
3														
4	Net Monthly Investment	$ (669,404)	$ (646,598)	$ (622,451)	$ (599,709)	$ (579,394)	$ (560,545)	$ (540,321)	$ (517,778)	$ (493,470)	$ (470,322)	$ (451,110)	$ (433,152)	$ (6,584,253)
5														
6	Cumulative Investment	$ 14,270,715	$ 13,624,117	$ 13,001,666	$ 12,401,957	$ 11,822,564	$ 11,262,019	$ 10,721,698	$ 10,203,919	$ 9,710,449	$ 9,240,127	$ 8,789,018	$ 8,355,865	$ 8,355,865
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 106,723	$ 101,887	$ 97,232	$ 92,747	$ 88,414	$ 84,222	$ 80,181	$ 76,309	$ 72,619	$ 69,102	$ 65,728	$ 62,489	$ 997,653
11														
12	Revenue Requirement	$ 106,723	$ 208,609	$ 305,841	$ 398,589	$ 487,003	$ 571,225	$ 651,406	$ 727,716	$ 800,335	$ 869,436	$ 935,164	$ 997,653	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-30	Projected November-30	Projected December-30	Projected January-31	Projected February-31	Projected March-31	Projected April-31	Projected May-31	Projected June-31	Projected July-31	Projected August-31	Projected September-31	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (416,949)	$ (396,482)	$ (374,189)	$ (354,005)	$ (339,413)	$ (326,051)	$ (313,246)	$ (295,394)	$ (276,045)	$ (265,873)	$ (259,351)	$ (252,998)	$ (3,869,996)
3														
4	Net Monthly Investment	$ (416,949)	$ (396,482)	$ (374,189)	$ (354,005)	$ (339,413)	$ (326,051)	$ (313,246)	$ (295,394)	$ (276,045)	$ (265,873)	$ (259,351)	$ (252,998)	$ (3,869,996)
5														
6	Cumulative Investment	$ 7,938,916	$ 7,542,434	$ 7,168,245	$ 6,814,240	$ 6,474,827	$ 6,148,776	$ 5,835,530	$ 5,540,136	$ 5,264,092	$ 4,998,219	$ 4,738,868	$ 4,485,870	$ 4,485,870
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 59,371	$ 56,406	$ 53,607	$ 50,960	$ 48,422	$ 45,983	$ 43,641	$ 41,432	$ 39,367	$ 37,379	$ 35,439	$ 33,547	$ 545,552
11														
12	Revenue Requirement	$ 59,371	$ 115,776	$ 169,383	$ 220,343	$ 268,765	$ 314,748	$ 358,388	$ 399,820	$ 439,187	$ 476,566	$ 512,005	$ 545,552	$ -

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-31	Projected November-31	Projected December-31	Projected January-32	Projected February-32	Projected March-32	Projected April-32	Projected May-32	Projected June-32	Projected July-32	Projected August-32	Projected September-32	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (244,752)	$ (237,267)	$ (228,379)	$ (220,946)	$ (216,275)	$ (213,047)	$ (208,388)	$ (200,810)	$ (191,796)	$ (183,240)	$ (177,856)	$ (174,135)	$ (2,496,891)
3														
4	Net Monthly Investment	$ (244,752)	$ (237,267)	$ (228,379)	$ (220,946)	$ (216,275)	$ (213,047)	$ (208,388)	$ (200,810)	$ (191,796)	$ (183,240)	$ (177,856)	$ (174,135)	$ (2,496,891)
5														
6	Cumulative Investment	$ 4,241,118	$ 4,003,851	$ 3,775,472	$ 3,554,527	$ 3,338,251	$ 3,125,204	$ 2,916,817	$ 2,716,007	$ 2,524,211	$ 2,340,971	$ 2,163,114	$ 1,988,979	$ 1,988,979
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 31,717	$ 29,943	$ 28,235	$ 26,582	$ 24,965	$ 23,372	$ 21,813	$ 20,311	$ 18,877	$ 17,507	$ 16,177	$ 14,874	$ 274,372
11														
12	Revenue Requirement	$ 31,717	$ 61,659	$ 89,894	$ 116,476	$ 141,441	$ 164,813	$ 186,626	$ 206,937	$ 225,815	$ 243,321	$ 259,498	$ 274,372	$ -

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

		Projected October-32	Projected November-32	Projected December-32	Projected January-33	Projected February-33	Projected March-33	Projected April-33	Projected May-33	Projected June-33	Projected July-33	Projected August-33	Projected September-33	Projected Total
1	Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Less Loan Repayments	$ (168,714)	$ (160,037)	$ (149,710)	$ (140,994)	$ (135,455)	$ (131,599)	$ (126,146)	$ (117,412)	$ (107,012)	$ (97,170)	$ (90,887)	$ (86,546)	$ (1,511,684)
3														
4	Net Monthly Investment	$ (168,714)	$ (160,037)	$ (149,710)	$ (140,994)	$ (135,455)	$ (131,599)	$ (126,146)	$ (117,412)	$ (107,012)	$ (97,170)	$ (90,887)	$ (86,546)	$ (1,511,684)
5														
6	Cumulative Investment	$ 1,820,265	$ 1,660,228	$ 1,510,517	$ 1,369,523	$ 1,234,069	$ 1,102,469	$ 976,323	$ 858,910	$ 751,898	$ 654,728	$ 563,841	$ 477,295	$ 477,295
7														
8	Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9														
10	Required Net Operating Income	$ 13,613	$ 12,416	$ 11,296	$ 10,242	$ 9,229	$ 8,245	$ 7,301	$ 6,423	$ 5,623	$ 4,896	$ 4,217	$ 3,569	$ 97,070
11														
12	Revenue Requirement	$ 13,613	$ 26,029	$ 37,325	$ 47,567	$ 56,796	$ 65,040	$ 72,342	$ 78,765	$ 84,388	$ 89,284	$ 93,501	$ 97,070	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-33	Projected November-33	Projected December-33	Projected January-34	Projected February-34	Projected March-34	Projected April-34	Projected May-34	Projected June-34	Projected July-34	Projected August-34	Projected September-34	Projected Total
1 Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Less Loan Repayments	$ (80,263)	$ (70,346)	$ (58,520)	$ (48,427)	$ (41,940)	$ (37,376)	$ (31,083)	$ (21,134)	$ (9,254)	$ (8,504)	$ (7,593)	$ (6,740)	$ (421,180)
3													
4 Net Monthly Investment	$ (80,263)	$ (70,346)	$ (58,520)	$ (48,427)	$ (41,940)	$ (37,376)	$ (31,083)	$ (21,134)	$ (9,254)	$ (8,504)	$ (7,593)	$ (6,740)	$ (421,180)
5													
6 Cumulative Investment	$ 397,032	$ 326,686	$ 268,165	$ 219,738	$ 177,798	$ 140,423	$ 109,340	$ 88,206	$ 78,952	$ 70,448	$ 62,855	$ 56,115	$ 56,115
7													
8 Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9													
10 Required Net Operating Income	$ 2,969	$ 2,443	$ 2,005	$ 1,643	$ 1,330	$ 1,050	$ 818	$ 660	$ 590	$ 527	$ 470	$ 420	$ 14,925
11													
12 Revenue Requirement	$ 2,969	$ 5,412	$ 7,418	$ 9,061	$ 10,391	$ 11,441	$ 12,258	$ 12,918	$ 13,509	$ 14,035	$ 14,505	$ 14,925	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-34	Projected November-34	Projected December-34	Projected January-35	Projected February-35	Projected March-35	Projected April-35	Projected May-35	Projected June-35	Projected July-35	Projected August-35	Projected September-35	Projected Total
1 Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Less Loan Repayments	$ (6,457)	$ (6,114)	$ (5,630)	$ (5,068)	$ (4,534)	$ (4,155)	$ (3,873)	$ (3,574)	$ (3,081)	$ (2,500)	$ (2,130)	$ (1,891)	$ (49,008)
3													
4 Net Monthly Investment	$ (6,457)	$ (6,114)	$ (5,630)	$ (5,068)	$ (4,534)	$ (4,155)	$ (3,873)	$ (3,574)	$ (3,081)	$ (2,500)	$ (2,130)	$ (1,891)	$ (49,008)
5													
6 Cumulative Investment	$ 49,658	$ 43,544	$ 37,914	$ 32,846	$ 28,312	$ 24,156	$ 20,283	$ 16,710	$ 13,629	$ 11,129	$ 8,999	$ 7,108	$ 7,108
7													
8 Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	
9													
10 Required Net Operating Income	$ 371	$ 326	$ 284	$ 246	$ 212	$ 181	$ 152	$ 125	$ 102	$ 83	$ 67	$ 53	$ 2,201
11													
12 Revenue Requirement	$ 371	$ 697	$ 981	$ 1,226	$ 1,438	$ 1,619	$ 1,770	$ 1,895	$ 1,997	$ 2,080	$ 2,148	$ 2,201	

New Jersey Natural Gas Company

SAVEGREEN 2020
Revenue Requirement Loan Programs

	Projected October-35	Projected November-35	Projected December-35	Projected January-36	Projected February-36	Projected March-36	Projected April-36	Projected May-36	Projected June-36	Projected July-36	Projected August-36	Projected September-36	Projected Total
Monthly Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less Loan Repayments	$ (1,750)	$ (1,525)	$ (1,165)	$ (748)	$ (593)	$ (499)	$ (424)	$ (301)	$ (155)	$ 23	$ 18	$ 10	$ (7,108)
Net Monthly Investment	$ (1,750)	$ (1,525)	$ (1,165)	$ (748)	$ (593)	$ (499)	$ (424)	$ (301)	$ (155)	$ 23	$ 18	$ 10	$ (7,108)
Cumulative Investment	$ 5,357	$ 3,833	$ 2,668	$ 1,920	$ 1,327	$ 829	$ 405	$ 104	$ (51)	$ (28)	$ (10)	$ 0	$ (662)
Rate of Return	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%	0 7478%
Required Net Operating Income	$ 40	$ 29	$ 20	$ 14	$ 10	$ 6	$ 3	$ 1	$ (0)	$ (0)	$ (0)	$ 0	$ 122
Revenue Requirement	$ 40	$ 69	$ 89	$ 103	$ 113	$ 119	$ 122	$ 123	$ 123	$ 122	$ 122	$ 122	

	Projected July-21	Projected August-21	Projected September-21	Projected October-21	Projected November-21	Projected December-21	Projected January-22	Projected February-22	Projected March-22	Projected April-22	Projected May-22	Projected June-22	Projected July-22	Projected August-22	Projected September-22	Projected Total
Incremental O&M Pre Tax	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 659,141	$ 640,764	$ 640,764	$ 640,764	$ 9,831,983

	Projected October-22	Projected November-22	Projected December-22	Projected January-23	Projected February-23	Projected March-23	Projected April-23	Projected May-23	Projected June-23	Projected July-23	Projected August-23	Projected September-23	Projected Total
Incremental O&M Pre Tax	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 640,774	$ 654,830	$ 654,830	$ 654,830	$ 7,731,459

	Projected October-23	Projected November-23	Projected December-23	Projected January-24	Projected February-24	Projected March-24	Projected April-24	Projected May-24	Projected June-24	Projected July-24	Projected August-24	Projected September-24	Projected Total
Incremental O&M Pre Tax	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ 654,821	$ -	$ -	$ -	$ 5,893,386

Program Total	**$ 23,456,828**