

Danielle Lopez
Associate Counsel - Regulatory

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



November 29, 2023

IN THE MATTER OF THE IMPLEMENTATION OF P.L.
2018, c. 17 REGARDING THE ESTABLISHMENT OF
ENERGY EFFICIENCY AND PEAK DEMAND
REDUCTION PROGRAMS, ET SEQ. ("EE FRAMEWORK")
DOCKET NOS. QO19010040, QO19060748 AND QO17091004
and
IN THE MATTER OF THE PETITION OF PUBLIC
SERVICE ELECTRIC AND GAS COMPANY FOR
APPROVAL OF ITS CLEAN ENERGY FUTURE -- ENERGY
EFFICIENCY ("CEF-EE") PROGRAM ON A REGULATED BASIS
DOCKET NOS. GO18101112 AND EO18101113

VIA ELECTRONIC MAIL ONLY

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

Re: Docket No. QO19010040, QO19060748, QO17091004 - EE and PDR Program Quarterly
Progress Report PY24Q1 – Public Service Electric and Gas Company

Dear Secretary Golden:

In accordance with the June 10, 2020 Order of the New Jersey Board of Public Utilities ("Board") in the above-referenced EE Framework proceeding, and the Board's September 23, 2020 Order in the above-referenced Public Service Electric & Gas Company Clean Energy Future – Energy Efficiency proceeding, PSE&G is hereby submitting the enclosed EE and PDR Program Quarterly Progress Report PY23Q4.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a white background.

Danielle Lopez

Attachments
cc: K. Fryzowski
N. Hoque

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

November 29, 2023

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

Dear Secretary Golden:

Pursuant to the Board’s current filing procedures, herein is the Annual Progress Report for Program Year July 2023 through June 2024 (“PY24”) of Public Service Electric and Gas Company (“PSE&G” or “Company”) with respect to its Clean Energy Future – Energy Efficiency Program, pursuant to Clean Energy Act of 2018 Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Programs.

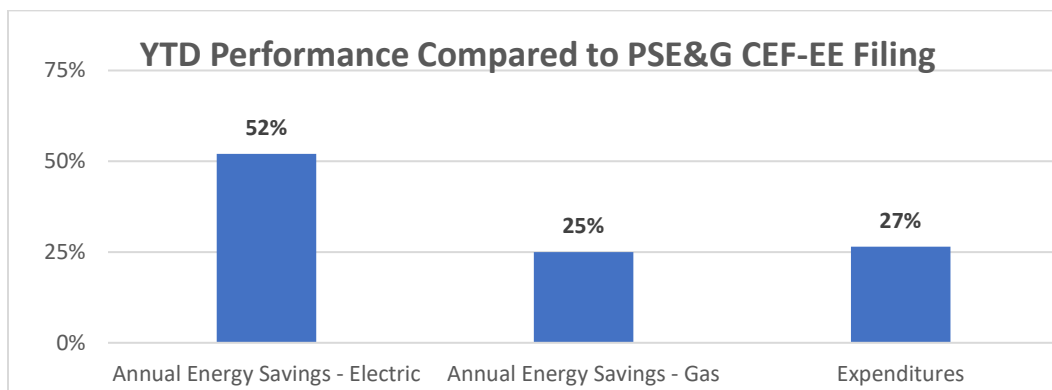
Energy Efficiency Program Progress - Executive Summary:

PSE&G is pleased to report that it has continued its strong performance during the first quarter of PY24. The EE program portfolio has delivered over 203 thousand MWh and 420 thousand dekatherms of annual savings in the first quarter.

PY24 Performance of Annual Energy Savings and Expenditures

Figure 1 shows that the Program Year 2024 Year to Date electricity savings is 52% of the PY24 annual electric savings target and natural gas savings is 25% of the PY24 annual natural gas savings target. The annual savings targets for electric and natural gas are based on the PY24 savings targets established in the Framework Order (see Appendix E). The PY24 spending is 27% of the PY24 expenditure projection. See Table 2, Percent of Annual Target Achieved column for Electric and Natural Gas savings and Table 4, Percent of Annual Budget column below for supporting details.

Figure 1



As Figure 1 shows, the Company has made good progress towards its PY24 targets. As of September 30, 2023, the Company has spent and enrolled approximately 89% of the total triennium 1 approved budget of \$1,284 million. Based on the level of performance through Q1 PY24, the Company continues to forecast that it will fully enroll all program funding by June 30, 2024, as required by its BPU Order.

In addition to strong results in annual savings, the Company is also on pace to exceed the targets for Lifetime Electric and Natural Gas savings for PY24 (see Table 2).

Tables 1A and 1B shows the Company’s overall performance as measured relative to the Utility Program Annual Energy Savings targets. This performance includes savings achieved by the Comfort Partners program. Also included are savings from PSE&G’s EE 2017 Program, which continued to complete projects in PY24.

Table 1A – Program Year 2024 Results vs Framework Order - Electric

For Period Ending PY24Q1	Utility-Administered Retail Savings (MWh)	Comfort Partners Retail Savings (MWh)	Other Programs Retail Savings (MWh) ¹	Total Portfolio Retail Savings (MWh)	Compliance Baseline (MWh) ²	Annual Target (%)	Annual Target (MWh) ³	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	202,664	487	96	203,247				
YTD	202,664	487	96	203,247	40,203,763	0.97%	389,977	52%

Table 1B – Program Year 2024 Results vs Framework Order – Natural Gas

For Period Ending PY24Q1	Utility-Administered Retail Savings (DTh)	Comfort Partners Retail Savings (DTh)	Other Programs Retail Savings (DTh) ¹	Total Portfolio Retail Savings (DTh)	Compliance Baseline (DTh) ²	Annual Target (%)	Annual Target (DTh) ³	Percent of Annual Target (%)
	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (E)*(F)	(H) = (D) / (G)
Quarter	412,623	4,343	3,186	420,152				
YTD	412,623	4,343	3,186	420,152	334,004,259	0.51%	1,703,422	25%

¹ Other Programs include Company-specific programs that are not part of the Clean Energy Act energy efficiency program such as legacy programs and pilots. For PSE&G, these include EE 2017 programs and projects completed during PY24.

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

³ Calculated by multiplying Compliance Baseline by Utility-Administered Annual Energy Reduction Target Percent.

Note: NJ Comfort Partners savings is understated due to recently transitioning the data system of record. Savings true-up anticipated with Q2 reporting.

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

Clean Energy Jobs Program – The PSE&G Clean Energy (CE) Jobs Program targets unemployed, underemployed, low/middle-income New Jersey residents and has created economic opportunity for more than 2,400 individuals. The program has trained and upskilled more than 600 employees to foster long-

term careers and a pathway to career growth. In addition, the program has also sponsored four cohorts of the On-the-Job Training Program resulting in 59 graduates from the program. The program has also sponsored training for more than 200 organizations on how to obtain their Minority, Women, or Veteran Business Enterprise (MWVBE) certifications.

CEF-EE Extensions –October 25, 2023, the BPU directed Utilities to file a letter petition to extend their respective triennium 1 programs by six months, to December 31, 2024. PSE&G filed its extension request on November 9, 2023.

Statewide Coordination - As discussed in the prior reports, the joint utilities identified the issue of constrained budgets between gas and electric utilities that share a service territory. A letter petition was approved at the August 17, 2022 Board meeting and directed the utilities to work together to implement the processes and controls to support the solution detailed in the Order.

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

Municipal and State Customer Participation in the Utility Led EE Programs – Concerns were raised by some municipal customers late in 2021 regarding their ability to avoid public bidding regulations when participating in PSE&G Small Business Direct Install Program. DCA had indicated that a prior exemption will no longer be allowed. PSE&G, Board Staff, Rate Counsel and DCA continue to work collaboratively in resolution of this issue. The municipal sector is a key customer segment within the small business community, and a part of the small business Quantitative Performance Indicator (“QPI”), so resolving this issue is a priority.

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

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

Quantitative Performance Indicators

Table 2 provides the results of the QPIs for all programs for which utilities are responsible, inclusive of our current CEF-EE programs, Comfort Partners program and the EE 2017 Program.

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

Table 2 – Quantitative Performance Indicators Table

Electric

Electric	Quarter				Year to Date				For Period Ending PY24Q1	
	Utility-Administered Quarter Retail Savings	Comfort Partners Quarter Retail Savings	Other Programs Quarter Retail Savings	Total Portfolio Quarter Retail Savings	Utility-Administered YTD Retail Savings	Comfort Partners YTD Retail Savings	Other Programs YTD Retail Savings	Total Portfolio YTD Retail Savings	Annual Target ¹	Percent of Annual Target Achieved
Annual Energy Savings (MWh)	202,664	487	96	203,247	202,664	487	96	203,247	389,977	52%
Lifetime Savings (MWh)	2,621,404	7,127	1,461	2,629,992	2,621,404	7,127	1,461	2,629,992	3,899,765	67%
Annual Demand Savings (MW)	29.925	0.091	0.004	30.020	29.925	0.091	0.004	30.020		
Low/Moderate-Income Lifetime Savings (MWh) ²	401,679	7,127	0	408,806	401,679	7,127	0	408,806		
Small Commercial Lifetime Savings (MWh) ³	1,420,043	0	0	1,420,043	1,420,043	0	0	1,420,043		

Natural Gas

Natural Gas	Quarter				Year to Date				For Period Ending PY24Q1	
	Utility-Administered Quarter Retail Savings	Comfort Partners Quarter Retail Savings	Other Programs Quarter Retail Savings	Total Portfolio Quarter Retail Savings	Utility-Administered YTD Retail Savings	Comfort Partners YTD Retail Savings	Other Programs YTD Retail Savings	Total Portfolio YTD Retail Savings	Annual Target ¹	Percent of Annual Target Achieved
Annual Energy Savings (Dth)	412,623	4,343	3,186	420,152	412,623	4,343	3,186	420,152	1,703,422	25%
Lifetime Savings (Dth)	4,450,050	78,111	77,205	4,605,365	4,450,050	78,111	77,205	4,605,365	12,094,294	38%
Annual Demand Savings (Dth Peak Day)										
Low/Moderate-Income Lifetime Savings (Dth) ²	639,106	78,111	0	717,217	639,106	78,111	0	717,217		
Small Commercial Lifetime Savings (Dth) ³	730,801	0	0	730,801	730,801	0	0	730,801		

¹ Annual target calculated by multiplying Compliance Baseline by Utility-Administered Annual Energy Reduction Target Percent.

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

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

Note: NJ Comfort Partners savings is understated due to recently transitioning the data system of record. Savings true-up anticipated with Q2 reporting.

Sector-Level Participation, Expenditures, and Annual Energy Savings

Residential Sector Summary

PSE&G's CEF-EE Residential programs have delivered 85,336 MWh of electric savings and 333,928 dekatherms of natural gas savings for Q1 of PY24, approximately 64% of the residential electric and 23% of the residential natural gas Program Year 3 targets. LED lighting contributed a significant amount of electric savings in July. However, since the lighting offerings were sunset as of July 31, 2023, the majority of future electric savings will be derived from the other residential programs. Availability of On-Bill Repayment (OBR) for the Home Performance with Energy Star program and HVAC equipment has also helped to drive participation.

PSE&G has continued to conduct marketing campaigns to educate and inform customers about the residential and commercial and industrial program offerings, deploying a wide range of digital, print, and conventional tactics.

Specific Residential program results include the following:

- The Efficient Products program delivered 43,633 MWh and 253,661 dekatherms of savings during Q1 of PY24, driven by 22,071 MWh of electric savings from the mid-stream lighting channel, which equates to approximately 51% of the annual electric savings for this subprogram. The largest contributor of gas savings was from retail appliance rebates which delivered over 139,863 DTh of savings which is approximately 55% of the annual gas savings for this program. Please see Tables 3, 4 and 5 for additional details on participation, expenditures and savings compared to expectations.
- Marketing efforts for the Efficient Products program in July and August included high impact display ads, digital banner ads, Google discovery ads, as well as paid social and search advertising. Additional support included maximizing the reach of the Home Assessments tool, TV commercials via cable television, connected TV ads, and streaming video ads, as well as monthly email campaigns. The digital advertising efforts for the program continued in July and August but were reduced in September. Paid search, responsive display and retargeting, Google Discovery, paid search, and email campaigns were also paused in September to help preserve the program budget.
- Retail mark downs – The Lighting Discounts Program was sunset on July 31st. Messaging was updated on the Lighting Discount Program microsite webpage to reflect that this Lighting program offering ended as of July 31.
- Retail appliance rebates have several pathways for participation: instant rebates at participating retail locations, in-store coupons at participating locations, and post purchase online/mail in rebates. Participation pathways vary by products, and customers utilized all pathways in the past quarter. Thirteen retail store events were completed during the quarter with staff located in prominent locations within the stores to provide program information to customers. Marketing tactics to promote the program in July and August included high impact display ads, responsive display and retargeting, streaming audio, and paid search ads. Additional marketing efforts for July and August included email and direct mail campaigns that encouraged customers to take advantage of the appliance rebates on top of additional savings with Independence Day and Labor Day retail sales.

- The Appliance Recycling segment of the program saw steady performance during July. However, the program was suspended on August 10th following the disruption in operations of the subcontractor, ARCA. All marketing efforts were paused as of August 10th in response to the suspension of program operations. PSE&G is evaluating alternatives to replace this subcontractor.
- The HVAC segment of this program continues to gain new trade allies, with participating contractors going from 230 to 258 over the quarter, a 12% increase from the previous quarter. During Q1 of PY24 one new distributor was added for a total of 34. Rebates totaled over \$2 million this quarter and On-Bill Repayments totaled over \$30 million which is a 97% increase from the previous quarter. This large increase in On-Bill Repayments is primarily due to the maximum OBR limit increase from \$15,000 to \$25,000 available to PSE&G gas and electric customers. Marketing efforts during the quarter included digital banner ads, Google discovery ads, and paid search ads. Additional marketing included email campaigns with focused incentive messaging based on customer fuel service type.
- The Welcome Kits segment of this program provides free welcome kits to new residential customers. Kits were distributed at a high volume throughout July, with more than 43,281 electric kits and 43,240 gas kits distributed. The electric Welcome Kits were sunset as of July 31, 2023, due to changes in codes and standards which eliminated the ability to provide LED lighting, a core element of the kits.
- The on-line Marketplace segment of the program has continued to see strong sales throughout the program year, driven by sales of smart thermostats. For this quarter, PSE&G has rebated 10,407 smart thermostats (includes smart thermostats rebated under Offer Center), 1,484 lighting products 2,310 advanced power strips and 290 air quality products. The Marketplace also added one new thermostat model (Emerson Sensi Lite Smart Thermostat) and 2 air purifier units (Honeywell PowerPlus HEPA Air Purifier for Medium/Large Rooms and Honeywell AirGenius 4 Compact Tower) to the list of products available on the Marketplace during this quarter. The Marketplace also removed lighting products and electric and dual fuel energy savings kits in August 2023. The PSE&G Offer Center provides Low Income, single family residential customers¹ with smart thermostats at no cost. This offer is marketed to eligible customers thru multiple email marketing campaigns and mailed postcard campaigns. The Offer Center rebated 68 smart thermostats in this quarter. Marketing efforts during this quarter included digital banners, Google search ads, as well as paid social ads. Additional marketing included regular email campaigns over the time period and also leveraging the MyEnergy program Home Energy report messaging, energy challenges and buck-slips.
- The Existing Homes Program which consists of the Home Performance with Energy Star (HPwES) segment and the QHEC segment, delivered 4,545 MWh and 34,530 dekatherms of savings during Q1 of PY24. Savings were primarily driven by strong results under the QHEC segment.
- The QHEC program saw a decrease in customer participation during the previous two quarters due to much milder temperatures in the Northeast and the reduction in marketing efforts to help preserve the program budget. The QHEC program completed 5,831 QHEC appointments during the quarter which is a decrease of approximately 22% compared to the previous quarter. Marketing efforts for July through September included maximizing the reach of the Home Assessments tool, TV and QHEC-dedicated commercials via cable television, connected TV ads, and streaming video ads. Streaming audio advertising also ran throughout the quarter. Ongoing Digital advertising ran in July and August which included digital banner ads, Google discovery, paid

social, and paid search ads. Email and direct mail campaigns were conducted in July and August and door hangers were distributed to customer neighborhoods in August. Utility-owned channels were leveraged during the quarter which included a MyEnergy buck slip, a MyAccount web portal banner, and a web banner on the pseg.com homepage.

- The HPwES contractor network has grown from 42 last quarter to 46 contractors. The single-family portion of the Home Performance with Energy Star Program continues to perform steadily with 600 completed single family projects during this quarter. OBR usage by customers increased from approximately \$7 million last quarter to \$8.1 million this quarter which is a 16% increase. The multi-family HPwES program completions increased as compared to the previous quarter. The current quarter saw 361 units (22 buildings) completed. For July and August digital advertising efforts included digital banner, Google discovery, high impact display, native display, and paid search ads. Digital advertising efforts for the program were reduced in September. Paid search, responsive display and retargeting, Google Discovery, paid search, and email campaigns were paused in September to help preserve the program budget. Other marketing efforts included utility-owned channels including featuring the program through PSE&G's home energy report in July.
- The MyEnergy Behavioral Program delivered 17,764 MWh and 32,544 dekatherms of savings during Q1 of PY24. About 2.9 million paper reports and 2.5 million digital reports were delivered to customers over the quarter. As referenced in other sections of this report, the MyEnergy program was leveraged over the quarter to promote other residential programs to its treatment group participants using biweekly email challenges, mailed postcard challenges and buck-slip inserts with the home energy reports. The program also continued sending out emailed energy challenges to non My Energy participants in this quarter and have demonstrated continued high engagement and open rates from recipients in this group. The Home Energy Assessment (HEA) Tool continues to provide customers with the ability to take a survey and provide personalized recommendations to residential customers. A total of 9,600 participants have taken a home assessment and obtained customized recommendation during the current quarter.
- The Income Eligible Program (Home Weatherization) delivered 19,394 MWh and 13,194 dekatherms of savings during Q1 of PY24. During the quarter, 1,149 Phase 1 Assessments were completed and 2,304 Phase 2 Deeper Measures totaling over \$2.9 million were completed. In July, over 72,700 food bank lighting kits were distributed to food banks throughout PSE&G's service territory. The distribution of electric food bank kits ended on July 31, 2023. The Home Energy Assessment Tool which was activated during PY23, is designed to assist and direct customers to the program that can offer them the most appropriate and effective Energy Efficiency energy assessment options for their residence, including Comfort Partners. The Company continued direct outreach efforts including email campaigns, as well as direct mail postcards and door hanger distribution to customer residences. Digital marketing efforts included the continuation of high impact display, digital banner, discovery, paid social, paid search and streaming audio ads. The program implementation team continued to work with local community organizations to educate them on the benefits of the Home Weatherization Program so that they may promote the offering to their constituents.

Commercial and Industrial (C&I) Sector Summary

PSE&G's CEF-EE C&I Programs delivered 114,685 MWh of electric savings and 61,679 dekatherms of natural gas savings during Q1 of PY24, approximately 46% of PSE&G's C&I electric target and 31% of PSE&G's C&I natural gas savings target. See Tables 3, 4 and 5 for additional details on participation, expenditures and savings compared to expectations. The Company continued to see consistent performance for its Prescriptive program.

Supply chain constraints have been reduced, however the C&I sector continued to see some delays on larger HVAC equipment such as large chillers and boilers.

Specific C&I program results include the following:

- The Prescriptive program delivered 109,384 MWh of electric savings during Q1 of PY24 which accounts for the largest amount of C&I Program electric savings during this period. The Prescriptive program savings included 76,046 MWh being delivered through its mid-stream lighting channel, and 33,338 MWh through its other channels. This program also delivered 3,782 dekatherms of natural gas savings during Q1 of PY24. The Company ended the current quarter with 366 Trade Allies and 63 distributors. The Prescriptive program has approximately \$27.7 million in the project pipeline¹.
- The C&I Small Business Direct Install Urban Enterprise Zone (UEZ)/Municipal program delivered 2,052 MWh and 30,086 dekatherms during Q1 of PY24. Participation from municipal customers remains at risk due to the issue with DCA discussed earlier. PSE&G has a robust pipeline of interested customers, valued at about \$69.6 million.
- The C&I Small Business Direct Install Non-UEZ Program delivered 2,054 MWh and 19,392 dekatherms of savings during Q1 of PY24. The Small Business Direct Install – Non-UEZ program has over \$43.4 million in the project pipeline as of September 30, 2023. The current quarter pipeline represents an increase of approximately 34% since the end of PY23 Q4.
- There were no project completions in Q1 of PY24 for the Engineered Solutions Program. To date, the program has completed 5 projects with 6 projects in construction, 20 in design, and over 40 in the audit phase. The pipeline for this program has grown considerably including new participation from customers in wastewater treatment sector and Universities with about \$414.4 million in pipeline value. Participation from municipal customers remains at risk due to the issue with DCA discussed earlier. The Company expects to see results from additional projects in PY24.
- The C&I Custom Program delivered 1,196 MWh of electric savings and 8,419 dekatherms of natural gas savings during Q1 of PY24. The C&I Custom program has approximately \$5.6 million in the project pipeline as of September 30, 2023.
- As of September 30, 2023, there are 14 customers in the pipeline, 2 of these customers are reviewing PAs. The C&I Energy Management program has approximately \$1.2 million in the project pipeline as of September 30, 2023.
- In total, the Company's C&I sector has a project pipeline of approximately \$562 million.

¹ Pipeline represents enrollments and customer leads prior to enrollment.

Multifamily Sector Summary

The Company’s Multifamily Direct Install (MFDI) program installs low-cost high efficiency measures at no cost to the resident. The Multifamily DI program delivered 2,643 MWh and 17,016 Dekatherms of savings during Q1 of PY24, approximately 42% of PSE&G’s Multifamily electric target and 29% of PSE&G’s Multifamily natural gas savings target.

The outreach pipeline has grown to over 180,000 units as of the end of Q1 of PY24 with 4,582 units completed during the quarter. Marketing efforts included digital banner ads throughout the quarter, as well as an email campaign to property managers and building owners.

Program Participation

Participation levels can vary substantially due to changes in market channel approach and ramp up time.

Table 3 – Annual Sector-Level Participation

Sector ¹	Current Quarter Participants	YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	1,868,641	1,868,641	2,418,400	77%
Multifamily	4,571	4,571	18,800	24%
C&I	2,006	2,006	8,085	25%
Reported Totals for Utility Administered Programs	1,875,218	1,875,218	2,445,285	77%
Comfort Partners	422	422	2,800	15%
Utility Total For Period Ending PY24Q1	1,875,640	1,875,640	2,448,085	77%

¹ Please note that these numbers are totals across all programs within a sector. Please refer to Appendix A which shows the participation definitions for individual programs.

Program Expenditures

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

Table 4 – Annual Sector-Level Expenditures

Expenditures ¹	Current Quarter Expenditures (\$000)	YTD Expenditures (\$000)	Annual Budget Expenditures (\$000)	Percent of Annual Budget
Residential	\$ 67,916	\$ 67,916	\$ 190,498	36%
Multifamily	\$ 1,296	\$ 1,296	\$ 6,312	21%
C&I	\$ 63,186	\$ 63,186	\$ 302,809	21%
Reported Totals for Utility Administered Programs	\$ 132,398	\$ 132,398	\$ 499,619	27%
Comfort Partners	\$ 5,576	\$ 5,576	N/A	N/A
Utility Total For Period Ending PY24Q1	\$ 137,973	\$ 137,973	\$ 499,619	28%

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

Program Savings

The Residential sector continues to produce the strongest performance relative to its electric savings target for PY24, primarily due to the transactional nature of the programs, and the swift growth in several programs driven by customer interest. The C&I and Multifamily sectors also had a strong first quarter regarding electric savings. All three sectors are on pace to achieve their energy savings targets for PY24. Additionally, the Comfort Partners program has been on-going for over a decade, so the results represent a steady state, mature program.

Table 5 – Annual Sector-Level Annual Energy Savings

Electric

Annual Energy Savings ¹	Quarter Retail (MWh)	YTD Retail (MWh)	Annual Target Retail Savings (MWh)	Percent of Annual Target
Residential	85,336	85,336	134,262	64%
Multifamily	2,643	2,643	6,343	42%
C&I	114,685	114,685	249,372	46%
Reported Totals for Utility Administered Programs	202,664	202,664	389,977	52%
Comfort Partners	487	487	3,485	14%
Utility Total For Period Ending PY24Q1	203,151	203,151	393,462	52%

Natural Gas

Annual Energy Savings ¹	Quarter Retail (Dth)	YTD Retail (Dth)	Annual Target Retail Savings (Dth)	Percent of Annual Target
Residential	333,928	333,928	1,442,723	23%
Multifamily	17,016	17,016	58,185	29%
C&I	61,679	61,679	202,514	31%
Reported Totals for Utility Administered Programs	412,623	412,623	1,703,422	24%
Comfort Partners	4,343	4,343	18,665	23%
Utility Total For Period Ending PY24Q1	416,966	416,966	1,722,087	24%

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

Note: NJ Comfort Partners savings is understated due to recently transitioning the data system of record. Savings true-up anticipated with Q2 reporting.

Portfolio Expenditures Breakdown

For PY24 Q1, PSE&G's energy efficiency programs had approximately \$135 million in total expenditures. Overall spending reflects the ongoing payments attributable to completed projects, marketing efforts and efforts supporting new customer enrollments.

Table 6 – Quarterly costs and budget variances by category¹

Total Utility EE/PDR	Quarter Reported (\$000)	YTD Reported (\$000)	Full Year Budget (\$000)	Percent of Annual Budget Spent
Capital Costs	\$ 136	\$ 136	\$ 2,200	6%
Utility Administration	\$ 4,286	\$ 4,286	\$ 49,643	9%
Marketing	\$ 1,514	\$ 1,514	\$ 13,135	12%
Outside Services	\$ 36,809	\$ 36,809	\$ 23,049	160%
Rebates	\$ 56,079	\$ 56,079	\$ 227,296	25%
No- or Low-Interest Loans	\$ 34,073	\$ 34,073	\$ 196,609	17%
Evaluation, Measurement & Verification ("EM&V")	\$ 1,457	\$ 1,457	\$ 5,125	28%
Inspections & Quality Control	\$ 742	\$ 742	\$ 9,474	8%
Utility EE/PDR Total For Period Ending PY24Q1	\$ 135,098	\$ 135,098	\$ 526,532	26%

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

Equity Metrics

The equity metrics provided in Table 7 reflect designations of overburdened communities (OBC), established by the New Jersey office of Environmental Justice². Per guidance from the BPU, Table 7 reflect customers who are identified as low income, low income & limited English, low income & minority, and low income, minority, & limited English. Census tracts identified as overburdened were overlaid with geocode information on PSE&G accounts to determine the OBC state of each customer and each EE program participant.

Table 7 Annual Equity Performance

Territory-Level Benchmarks	Overburdened ¹	Non-Overburdened	%OBC ²
Population	N/A	N/A	N/A
# of Household Accounts ³	872,222	3,110,293	22%
# of Business Accounts ³	138,117	306,626	31%
Total Annual Energy (MWh) ⁴	7,951,038	32,252,726	20%
Total Annual Energy (Dth) ⁴	51,015,163	282,989,096	15%

² See <https://www.nj.gov/dep/ej/communities.html>

For Period Ending PY24Q1	Type of Program / Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	Annual Overburdened ¹	Annual Non-Overburdened	%OBC ²
Participation							
Residential - Online Marketplace ⁵	Core	830	8,961	8%	830	8,961	8%
Residential - Other Efficient Products ⁵	Core	1,123	50,229	2%	1,123	50,229	2%
Residential - HPwES	Core	9	535	2%	9	535	2%
Residential - Quick Home Energy Checkups	Non-core	1,882	4,177	31%	1,882	4,177	31%
Residential - Income-Eligible Weatherization	Non-core	524	1,661	24%	524	1,661	24%
Residential - Behavioral	Non-core	280,105	1,055,794	21%	280,105	1,055,794	21%
C&I - Prescriptive	Core	284	915	24%	284	915	24%
C&I - Custom	Core	3	2	60%	3	2	60%
C&I - Direct Install	Core	34	86	28%	34	86	28%
Total Core Participation		2,283	60,728	4%	2,283	60,728	4%
Total Non-Core Participation		282,511	1,061,632	21%	282,511	1,061,632	21%
Total Participation		284,794	1,122,360	20%	284,794	1,122,360	20%
Annual Energy Savings - Electric (MWh)							
Residential - Online Marketplace ⁵	Core	165	2,138	7%	165	2,138	7%
Residential - Other Efficient Products ⁵	Core	294	41,037	1%	294	41,037	1%
Residential - HPwES	Core	4	522	1%	4	522	1%
Residential - Quick Home Energy Checkups	Non-core	676	3,343	17%	676	3,343	17%
Residential - Income-Eligible Weatherization	Non-core	307	19,087	2%	307	19,087	2%
C&I - Prescriptive	Core	16,581	92,803	15%	16,581	92,803	15%
C&I - Custom	Core	223	972	19%	223	972	19%
C&I - Direct Install	Core	1,549	2,556	38%	1,549	2,556	38%
Total Core Annual Energy Savings		18,816	140,027	12%	18,816	140,027	12%
Total Non-Core Annual Energy Savings		983	22,430	4%	983	22,430	4%
Total Annual Energy Savings (MWh)		19,800	162,457	11%	19,800	162,457	11%
Lifetime Energy Savings - Electric (MWh)							
Residential - Online Marketplace ⁵	Core	1,399	18,495	7%	1,399	18,495	7%
Residential - Other Efficient Products ⁵	Core	2,953	543,333	1%	2,953	543,333	1%
Residential - HPwES	Core	73	8,818	1%	73	8,818	1%
Residential - Quick Home Energy Checkups	Non-core	8,543	43,219	17%	8,543	43,219	17%
Residential - Income-Eligible Weatherization	Non-core	3,984	285,990	1%	3,984	285,990	1%
C&I - Prescriptive	Core	246,272	1,334,965	16%	246,272	1,334,965	16%
C&I - Custom	Core	2,901	12,873	18%	2,901	12,873	18%
C&I - Direct Install	Core	23,025	36,276	39%	23,025	36,276	39%
Total Core Lifetime Energy Savings		276,623	1,954,759	12%	276,623	1,954,759	12%
Total Non-Core Lifetime Energy Savings		12,526	329,209	4%	12,526	329,209	4%
Total Lifetime Energy Savings (MWh)		289,149	2,283,968	11%	289,149	2,283,968	11%

For Period Ending PY24Q1	Type of Program / Offering	Quarter Overburdened ¹	Quarter Non-Overburdened	%OBC ²	Annual Overburdened ¹	Annual Non-Overburdened	%OBC ²
Annual Energy Savings - Natural Gas (Dth)							
Residential - Online Marketplace ⁵	Core	2,974	32,100	8%	2,974	32,100	8%
Residential - Other Efficient Products ⁵	Core	1,488	217,098	1%	1,488	217,098	1%
Residential - HPwES	Core	339	18,535	2%	339	18,535	2%
Residential - Quick Home Energy Checkups	Non-core	3,938	11,718	25%	3,938	11,718	25%
Residential - Income-Eligible Weatherization	Non-core	3,254	9,939	25%	3,254	9,939	25%
C&I - Prescriptive	Core	236	3,546	6%	236	3,546	6%
C&I - Custom	Core	635	7,784	8%	635	7,784	8%
C&I - Direct Install	Core	1,817	47,660	4%	1,817	47,660	4%
Total Core Annual Energy Savings		7,490	326,724	2%	7,490	326,724	2%
Total Non-Core Annual Energy Savings		7,192	21,657	25%	7,192	21,657	25%
Total Annual Energy Savings (Dth)		14,682	348,381	4%	14,682	348,381	4%
Lifetime Energy Savings - Natural Gas (Dth)							
Residential - Online Marketplace ⁵	Core	22,570	244,282	8%	22,570	244,282	8%
Residential - Other Efficient Products ⁵	Core	13,380	2,399,747	1%	13,380	2,399,747	1%
Residential - HPwES	Core	6,870	380,855	2%	6,870	380,855	2%
Residential - Quick Home Energy Checkups	Non-core	38,256	120,262	24%	38,256	120,262	24%
Residential - Income-Eligible Weatherization	Non-core	41,643	140,968	23%	41,643	140,968	23%
C&I - Prescriptive	Core	369	55,225	1%	369	55,225	1%
C&I - Custom	Core	6,352	103,095	6%	6,352	103,095	6%
C&I - Direct Install	Core	30,747	642,723	5%	30,747	642,723	5%
Total Core Lifetime Energy Savings		80,287	3,825,928	2%	80,287	3,825,928	2%
Total Non-Core Lifetime Energy Savings		79,899	261,231	23%	79,899	261,231	23%
Total Lifetime Energy Savings (Dth)		160,186	4,087,158	4%	160,186	4,087,158	4%

1 Across all programs, participation/expenditures/savings are classified as either in an Environmental Justice Overburdened Community census block or not based on the program participant's address. Overburdened Community census blocks were developed and defined by the NJ Department of Environmental Protection

(www.nj.gov/dep/ej/communities.html). The Overburdened Community (OBC) census blocks are defined with three criteria: at least 35% of households qualify as low-income, at least 40% of residents identify as minority, and at least 40% of households have limited English proficiency. If any of the three criteria is satisfied, the census block is defined as OBC. Staff directed to only include OBC census blocks where at least 35% of households qualify as low-income. For example, a census block that only satisfies the limited English proficiency criteria is not included.

2 The %OBC column shows the ratio of the overburdened metric over the total of overburdened plus non-overburdened. Comparing the territory-level benchmark %OBC (upper table) versus the program %OBC (lower table) shows how equitable the distribution of the program is between the overburdened and non-overburdened populations. If the program %OBC is greater than the benchmark %OBC, then the overburdened population is better represented in the program relative to the percentage of overburdened households or business in the utility territory.

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

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

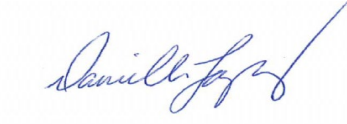
5 Efficient Products Program, Lighting participants represent sales of products originating from stores located within an Overburdened Community. This metric is not intended to identify individual participants who reside in Overburdened Community, but rather the proportion of retail lighting sales stemming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

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

Conclusion

PSE&G is pleased to provide the results contained in this report and the detailed spreadsheet that accompanies this report. The Company looks forward to continued collaboration with Board Staff, Rate Counsel, and other stakeholders in achieving the State’s energy savings goals. Please contact the undersigned should you have any questions or concerns regarding this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", is centered on the page. The signature is fluid and cursive.

Danielle Lopez

List of Appendices

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

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

Appendix A

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