

Sheree L. Kelly, Esq.  
Regulatory Affairs Counsel

November 20, 2023

Honorable Sherri L. Golden  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Re: **In the Matter of the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act  
BPU Docket Nos. QO19010040 and GO20090618**

Dear Secretary Golden:

Please accept this letter petition (“Letter Petition”) in lieu of a formal petition on behalf of South Jersey Gas Company (“SJG” or “Company”), for approval to: (a) continue the Company’s current energy efficiency program offerings (“Triennium 1 Programs” or “Programs”) for a period of six months; and (b) recover costs associated with this request, pursuant to the New Jersey Clean Energy Act of 2018 (“Clean Energy Act” or “CEA”), through the Company’s existing Energy Efficiency Tracker, Rider “N” to the SJG Tariff.

By its October 2023 Order,<sup>1</sup> the Board of Public Utilities (“BPU” or “Board”) directed the utilities to file letter petitions to extend the Triennium 1 Programs for a period of six (6) months, from July 1, 2024 through December 31, 2024 (“Extension Period”). Additionally, the Board directed each utility to request a budget that is not to exceed 50% of the utility’s Program Year 3

---

<sup>1</sup> I/M/O the Implementation of P.L. 2018, c. 17 The New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150, Order dated October 25, 2023 (“October 2023 Order”).

(“PY3”) budget. SJG is requesting a budget of \$34.827 million, designed to meet customer demand for the Company’s current Triennium 1 Programs.

In setting its goal for the six (6) month Extension Period at 50% of the PY3 Goal, SJG’s calculations were based on the original goals established for PY3 from the June 2020 Order.<sup>2</sup> This is consistent with the direction provided by BPU Staff through the Utility Working Group. The Company’s energy savings goal for the Extension Period will be .255%, which is 50% of the PY3 goal, as outlined in the October 2023 Order. For SJG, the goal for annual energy use reductions will be 1,298,106 therms of natural gas.

### **BACKGROUND**

1. By its June 2020 Order, the Board approved a transition framework for energy efficiency programs implemented pursuant to the Clean Energy Act. In the June 2020 Order, the Board directed New Jersey’s electric and gas companies to file three-year energy efficiency and peak demand reduction program petitions by September 25, 2020 for approval by the Board by May 2021 and implementation beginning July 1, 2021 and concluding on June 30, 2024.<sup>3</sup>

2. On September 25, 2020, SJG filed a petition with the Board requesting approval of new energy efficiency programs and associated cost recovery pursuant to the Clean Energy Act, which the Company subsequently updated on October 19, 2020, in accordance with an Administrative Determination Letter.<sup>4</sup>

---

<sup>2</sup> 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”).

<sup>3</sup> Atlantic City Electric, Elizabethtown Gas Company, Jersey Central Power and Light, New Jersey Natural Gas, South Jersey Gas Company and Rockland Electric Company. Butler Power and Light was not required to file an energy efficiency and peak demand reduction program petition at the same time as the other public utilities.

<sup>4</sup> I/M/O the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. GO20090618.

3. On April 7, 2021, the Board issued an order adopting the Stipulation of Settlement executed by the parties (“Stipulation”), for the period commencing July 1, 2021, and ending June 30, 2024.<sup>5</sup> The BPU approved a program budget not to exceed \$133.266 million. The parties further agreed in the Stipulation, and the BPU approved, Operations & Maintenance (“O&M”) expenses including Administration and Program Development, Marketing, Quality Control, and Evaluation, in an amount not to exceed \$11.554 million.

#### **EXTENSION PERIOD**

4. Consistent with the October 2023 Order, all Triennium 1 Program rules, provisions, and practices, except as described below, shall apply to the Extension Period. SJG will continue to operate and offer its existing Programs, which were previously approved as part of the Stipulation, during the Extension Period.

5. The Company agrees that during the Extension Period, it will abide by all the terms and conditions of the Stipulation, including, but not limited to, the cost recovery mechanism, calculation of carrying costs, program budget adjustments, committed funds not yet expended by the end of the term, and annual filing components.

6. As directed in the October 2023 Order, SJG will submit PY3 annual progress reports no later than 150 days following the end of PY3.

7. SJG requests, for purposes of evaluation and reporting, that the entire extended PY3 from July 1, 2023 through December 31, 2024 (“Extended PY3”), which is an 18-month period, be used.

8. Also consistent with the October 2023 Order, SJG will have the ability to shift program budgets within or among the residential, commercial and industrial, multifamily, and other sectors.

---

<sup>5</sup> I/M/O the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, I/M/O the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket Nos.QO19010040 and GO20090618, Order dated April 7, 2021.

9. SJG requests a budget of \$34.827 million to continue to operate and enroll new customers for the Triennium 1 Programs to fund the Extension Period, including \$3.019 million in O&M. The proposed expenditures by Program for the Extension Period are contained in Attachment A to this Letter Petition.

## COMMUNICATIONS

Communications and correspondence related to the Letter Petition should be sent as follows:

Dominick DiRocco, Esq.  
Vice President, Rates and Regulatory Affairs  
and Interim General Counsel  
SJI Utilities, Inc.  
One South Jersey Plaza  
Folsom, New Jersey 08037  
[ddirocco@sjindustries.com](mailto:ddirocco@sjindustries.com)

Sheree Kelly, Esq.  
Regulatory Affairs Counsel  
SJI Utilities, Inc.  
520 Green Lane  
Union, New Jersey 07083  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

Cindy Capozzoli  
Director, Rates  
SJI Utilities, Inc.  
One South Jersey Place  
Atlantic City, New Jersey 08401  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

Maureen Minkel  
Senior Director, Marketing & Energy Efficiency  
SJI Utilities, Inc.  
One South Jersey Place  
Atlantic City, New Jersey 08401  
[mminkel@sjindustries.com](mailto:mminkel@sjindustries.com)

## CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, SJG respectfully requests that the Board issue an Order approving this Letter Petition and specifically finding that:

1. SJG is authorized to extend its approved Triennium 1 Programs for the Extension Period beginning on July 1, 2024, and is fully authorized to implement and administer these Programs on a regulated basis during that period, under the terms and conditions set forth in the June 2020 Order.

2. SJG may recover \$34.827 million budget for the Extension Period.

3. The budget for the Triennium 1 Programs during the Extension Period is approved as outlined in Attachment A.

4. SJG is authorized to utilize deferred accounting and recover all reasonably incurred costs associated with the Programs herein through Rider “N” to the SJG tariff.

5. Projects committed to and/or started prior to December 31, 2024 may continue for close-out and completion activities.

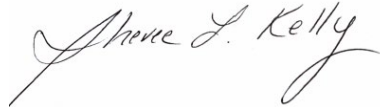
6. For purposes of evaluation and reporting, the Extended PY3 , which is an 18-month period from July 1, 2023 through December 31, 2024, will be used.

7. The goal for the six (6) month Extension Period shall be 50% of the original goals established for PY3 from the June 2020 Order, or .255% as outlined in the October 2023 Order. For SJG, the goal for annual energy use reductions will be 1,298,106 therms of natural gas; and

8. The requested additional investment in the Triennium 1 Programs is just and reasonable, and SJG is authorized to implement the incremental Program investments proposed herein on or before July 1, 2024.

Respectfully submitted,

**SOUTH JERSEY GAS COMPANY**



---

Sheree L. Kelly  
Regulatory Affairs Counsel  
South Jersey Gas Company  
One South Jersey Place  
Atlantic City, New Jersey 08401

DATED: November 20, 2023  
Atlantic City, New Jersey

**NOTICE AND SERVICE OF  
FILING**

SJG has electronically served notice and a copy of this filing, together with a copy of the annexed exhibits and supporting schedules being filed herewith, upon the New Jersey Division of Rate Counsel and the Department of Law and Public Safety. Copies of this Letter Petition and related Attachment A will also be sent electronically to the persons identified on the service list provided with this filing.

In accordance with the BPU's Orders issued in Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.



**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED  
COST RECOVERY PURSUANT TO THE CLEAN ENERGY ACT  
BPU DOCKET NOS. QO19010040 AND GO20090618**

**SERVICE LIST**

NJ BOARD OF PUBLIC UTILITIES

Mike Kammer  
N.J. Board of Public Utilities  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350  
[mike.kammer@bpu.nj.gov](mailto:mike.kammer@bpu.nj.gov)

William Barkasy  
N.J. Board of Public Utilities  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350  
[william.barkasy@bpu.nj.gov](mailto:william.barkasy@bpu.nj.gov)

Malike Cummings  
N.J. Board of Public Utilities  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350  
[malike.cummings@bpu.nj.gov](mailto:malike.cummings@bpu.nj.gov)

Stacy Peterson  
N.J. Board of Public Utilities  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Stacy.peterson@bpu.nj.gov](mailto:Stacy.peterson@bpu.nj.gov)

Stacy Richardson  
N.J. Board of Public Utilities  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350  
[stacy.richardson@bpu.nj.gov](mailto:stacy.richardson@bpu.nj.gov)

Heather Weisband  
N.J. Board of Public Utilities  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350  
[heather.weisband@bpu.nj.gov](mailto:heather.weisband@bpu.nj.gov)

DIVISION OF RATE COUNSEL

Maura Caroselli, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Megan Lupo, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

Brian O. Lipman, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Carlena Morrison  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[cmorrison@rpa.nj.gov](mailto:cmorrison@rpa.nj.gov)

Mamie W. Purnell, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mpurnell@rpa.nj.gov](mailto:mpurnell@rpa.nj.gov)

Sarah Steindel, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[ssteinde@rpa.nj.gov](mailto:ssteinde@rpa.nj.gov)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED  
COST RECOVERY PURSUANT TO THE CLEAN ENERGY ACT  
BPU DOCKET NOS. QO19010040 AND GO20090618**

**SERVICE LIST**

DEPT. OF LAW & PUBLIC SAFETY  
- DIVISION OF LAW

Matko Ilic  
Dept. of Law & Public Safety  
Division of Law  
Public Utilities Section  
R.J. Hughes Justice Complex  
25 Market Street, 7<sup>th</sup> Floor West  
P.O. Box 112  
Trenton, NJ 08625  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Terel Klein, DAG  
Dept. of Law & Public Safety  
Division of Law  
Public Utilities Section  
R.J. Hughes Justice Complex  
25 Market Street, 7<sup>th</sup> Floor West  
P.O. Box 112  
Trenton, NJ 08625  
[Terel.klein@law.njoag.gov](mailto:Terel.klein@law.njoag.gov)

SOUTH JERSEY GAS COMPANY

Dominick DiRocco  
VP, Rates & Regulatory Affairs  
SJI Utilities, Inc.  
One South Jersey Plaza  
Folsom, NJ 08037  
[ddirocco@sjindustries.com](mailto:ddirocco@sjindustries.com)

Cindy Capozzoli  
Director, Rates  
SJI Utilities, Inc.  
One South Jersey Place  
Atlantic City, NJ 08401  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

W. Peter Druckenmiller  
Manager, Residential Energy Efficiency  
South Jersey Gas Company  
One South Jersey Place  
Atlantic City, NJ 08401  
[wdruckenmiller@sjindustries.com](mailto:wdruckenmiller@sjindustries.com)

James G. Fredericks  
Rates Analyst Lead  
SJG  
One South Jersey Place  
Atlantic City, NJ 08401  
[jfredericks@sjindustries.com](mailto:jfredericks@sjindustries.com)

Carolyn A. Jacobs  
Regulatory Compliance Specialist Sr.  
SJI Utilities, Inc.  
One South Jersey Place  
Atlantic City, NJ 08401  
[cjacobs@sjindustries.com](mailto:cjacobs@sjindustries.com)

Sheree Kelly, Esq.  
Regulatory Affairs Counsel  
SJI Utilities, Inc.  
520 Green Lane  
Union, NJ 07083  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

Jennifer Weitz  
Regulatory Affairs Counsel - Intermediate  
SJI Utilities, Inc.  
520 Green Lane  
Union, NJ 07083  
[jweitz@sjindustries.com](mailto:jweitz@sjindustries.com)

Ed McFadden  
VP, Sales & Marketing  
SJI  
One South Jersey Place  
Atlantic City, NJ 08401  
[emcfadden@sjindustries.com](mailto:emcfadden@sjindustries.com)

Andrew McNally  
Senior Director,  
Government & Regulatory Affairs  
SJI Utilities, Inc.  
520 Green Lane  
Union, NJ 07083  
[amcnally@sjindustries.com](mailto:amcnally@sjindustries.com)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED  
COST RECOVERY PURSUANT TO THE CLEAN ENERGY ACT  
BPU DOCKET NOS. QO19010040 AND GO20090618**

**SERVICE LIST**

Maureen Minkel, Senior Director  
Marketing & Energy Efficiency  
SJI  
One South Jersey Place  
Atlantic City, NJ 08401  
[mminkel@sjindustries.com](mailto:mminkel@sjindustries.com)

Michael Savacool, Manager  
Financial Planning/Energy Efficiency  
SJI Utilities, Inc.  
One South Jersey Place  
Atlantic City, NJ 08401  
[msavacool@sjindustries.com](mailto:msavacool@sjindustries.com)

Isaac Gabel-Frank  
Gabel Associates, Inc.  
417 Denison Street  
Highland Park, NJ 08904  
[isaac@gabelassociates.com](mailto:isaac@gabelassociates.com)

Brendon Baatz  
Gabel Associates, Inc.  
417 Denison Street  
Highland Park, NJ 08904  
[brendon@gabelassociates.com](mailto:brendon@gabelassociates.com)

ATLANTIC CITY ELECTRIC

Philip J. Passanante  
Atlantic City Electric Company –  
92DC42  
500 North Wakefield Drive  
P.O. Box 6066  
Newark, Delaware 19714-6-66  
[Philip.passanante@pepcoholdings.com](mailto:Philip.passanante@pepcoholdings.com)

JERSEY CENTRAL POWER &  
LIGHT

Riker Danzig, LLP  
Headquarters Plaza  
One Speedwell Avenue  
Morristown, NJ 07962-1981

James C. Meyer, Esq.  
[JMeyer@riker.com](mailto:JMeyer@riker.com)

Edward K. DeHope, Esq.  
[EDeHope@riker.com](mailto:EDeHope@riker.com)

Joshua R. Eckert, Esq.  
First Energy Service Company  
300 Madison Avenue  
Morristown, NJ 07962-211  
[JEckert@firstenergycorp.com](mailto:JEckert@firstenergycorp.com)

Lauren Lepkoski, Esq.  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001  
[Llepkoski@firstenergycorp.com](mailto:Llepkoski@firstenergycorp.com)

NEW JERSEY NATURAL GAS

Andrew K. Dembia, Esq.  
New Jersey Natural Gas Company  
1415 Wyckoff Road  
P.O. Box 1464  
Wall, NJ 07719  
[adembia@njng.com](mailto:adembia@njng.com)

Susan Fastuca  
[sfastuca@njng.com](mailto:sfastuca@njng.com)

PUBLIC SERVICE ELECTRIC &  
GAS

Public Service Electric & Gas  
80 Park Plaza, T5G  
Newark, NJ 07102

Joseph F. Accardo Jr., Esq.  
[joseph.accardojr@pseg.com](mailto:joseph.accardojr@pseg.com)

Bernard Smalls  
[Bernard.Smalls@pseg.com](mailto:Bernard.Smalls@pseg.com)

Danielle Lopez, Esq.  
[Danielle.Lopez@pseg.com](mailto:Danielle.Lopez@pseg.com)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
APPROVAL OF NEW ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED  
COST RECOVERY PURSUANT TO THE CLEAN ENERGY ACT  
BPU DOCKET NOS. QO19010040 AND GO20090618**

**SERVICE LIST**

Michele Falcao

[Michele.Falcao@pseg.com](mailto:Michele.Falcao@pseg.com)

Matthew M. Weissman, Esq.

[matthew.weissman@pseg.com](mailto:matthew.weissman@pseg.com)

Caitlyn White

[Caitlyn.White@pseg.com](mailto:Caitlyn.White@pseg.com)

**ROCKLAND ELECTRIC COMPANY**

4 Irving Place Suite 1815-S

New York, NY 10003

Margaret Comes, Esq.

[comesm@coned.com](mailto:comesm@coned.com)

Jack Carley, Esq.

[carleyj@coned.com](mailto:carleyj@coned.com)

Brendon Baatz

Gabel Associates, Inc.

417 Denison Street

Highland Park, NJ 08904

[brendon@gabelassociates.com](mailto:brendon@gabelassociates.com)

**Maximum Budget Calculation:**

|                  | Tri 1 Program Budget | PY1 Program Budget (Actual Spend, per filed report) | PY2 Program Budget (Actual Spend, per filed report) | Commitments (as of 6/30/2023) | Remaining Budget | 50% / Half Year Value |
|------------------|----------------------|---|---|-------------------------------|------------------|-----------------------|
| South Jersey Gas | \$133,266,488        | \$25,085,417  | \$37,582,122  | \$945,811                     | \$69,653,138     | \$34,826,569          |

**Budget:**

| Program                       | Current Approved Triennium 1 Budget (\$M)* | Proposed Extension Budget (\$M) | Total Extended Triennium 1 Budget (\$M) |
|-------------------------------|--|---------------------------------|---|
| Behavioral                    | \$2.9380                                   | \$0.834                         | \$3.772                                 |
| Energy Efficiency Products    | \$66.920                                   | \$17.393                        | \$84.313                                |
| Existing Homes                | \$23.704                                   | \$4.485                         | \$28.189                                |
| Multifamily                   | \$6.304                                    | \$1.626                         | \$7.930                                 |
| Direct Install                | \$6.032                                    | \$4.719                         | \$10.751                                |
| Energy Solutions for Business | \$4.853                                    | \$5.520                         | \$10.373                                |
| Portfolio                     | \$4.995                                    | \$0.250                         | \$5.245                                 |
| Net Transfers                 | \$17.520                                   | \$0.000                         | \$17.520                                |
| <b>Total Budget</b>           | <b>\$133.266</b>                           | <b>\$34.827</b>                 | <b>\$168.093</b>                        |

|                                   |          |         |          |
|-----------------------------------|----------|---------|----------|
| O&M (embedded in the table above) | \$11.554 | \$3.019 | \$14.573 |
|-----------------------------------|----------|---------|----------|

\* Budget reflects current approved Triennium 1 budget, including budget transfers that occurred within the Triennium on 6/30/23 and 10/31/23.