New Jersey's Clean Energy Program
FY 2022 Program Descriptions and Budgets

Utility Residential Low Income

Comfort Partners Program

Proposed Program Description and Budget

~~June 24, 2021~~January 12, 2022

Residential Low-Income Program "New Jersey Comfort Partners"

The Residential Low-Income Program known as Comfort Partners ("Comfort Partners" or "Program"), managed by Atlantic City Electric ("ACE"), Jersey Central Power & Light ("JCP&L"), New Jersey Natural Gas ("NJNG"), Elizabethtown Gas ("Elizabethtown"), Rockland Electric Company ("RECO"), Public Service Electric & Gas ("PSE&G"), and South Jersey Gas ("SJG") (collectively referred to as "Utilities") is primarily designed to reduce the high cost of energy and lower energy bills by maximizing lifetime energy savings (kWh and therms) per dollar spent. This Program is also designed to improve energy affordability for low-income households through energy education, efficiency, and conservation. To achieve this objective, several market barriers must be overcome. Key among these are: (1) lack of information on either how to improve efficiency or the benefits of efficiency; (2) low-income customers do not have the capital necessary to upgrade efficiency or even, in many cases, keep up with regular bills; (3) low-income customers are the least likely target of market-based residential service providers due to perceptions of less capital, credit risk and/or high transaction costs; and (4) split incentives between renters and landlords. The Program addresses these barriers through:

- Direct installation of cost-effective energy efficiency measures;
- Comprehensive, personalized customer energy education and counseling; and
- Installation of health and safety measures, as appropriate.

Target Market and Eligibility

The Program is targeted at participants in the Universal Service Fund ("USF") who have high energy usage. This target population is characterized by high-energy burdens based on their income. Program participation will be prioritized by energy use with the highest energy users being served first.

The Program is available to households with income at or below 250% of the federal poverty guidelines. Customers who receive Federal Supplemental Security Income, Home Energy Assistance, USF, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families, Section 8 Housing, Medicaid, Supplemental Nutrition Assistance Program, or General Assistance also may be eligible. Customers who could take advantage of Comfort Partners or engage with another State-sponsored energy saving implementation program, will not only directly benefit from the weatherization and health and safety measures, but will also help to reduce costs to all of our ratepayers.

A participant must be a customer of record with a separately metered electric or natural gas account and live in a single-family or multi-family residential building with 1-14 units; the residence must be their primary home. Customers who heat with fuel oil will be referred to the Department of Community Affairs' Weatherization Assistance Program ("WAP") for services in conjunction with a memorandum of agreement between Comfort Partners and WAP. Customers who heat with fuel oil where WAP cannot reasonably provide critical services, such as repairing or replacing oil fired heating systems, will be considered for conversion to natural gas by Comfort Partners. In addition, customers who receive natural gas service from an investor- owned New Jersey natural gas utility and who receive electric service from a municipal electric company will also be eligible for all Comfort Partners electric and natural gas saving services. Ineligible customers will be referred to WAP or Home Performance with Energy Star ("HPwES") for services. Referrals will be made between Comfort Partners and WAP for measures not performed by either entity (i.e. WAP may refer customers to Comfort Partners for evaluation of central air conditioning and freezer replacements.).

Location Based Eligibility – Pilot

In an effort to reduce enrollment barriers into the Program, the Comfort Partners Working Group ("Working Group") will administer a location-based eligibility pilot ("Pilot"). The Pilot will attempt to remove the burden of income verification and create more trust with interested, yet hesitant, potential customers in the communities we serve. The Pilot will also attempt to discover whether this new approach can create marketing/outreach efficiencies, achieve savings in less time, reduce administrative costs, and improve cost effectiveness. The Working Group and program implementation vendors will document lessons learned at the completion of this Pilot to report on the results and the viability for future statewide permanent implementation.

Using census tract data, the Working Group will select ten (10) low-income neighborhoods, equitably distributed geographically throughout the state, to pilot the initiative. Customers residing within the geographical boundaries of those specific low-income neighborhoods will be eligible to participate in Comfort Partners without providing income verification documentation. Customers will be required to self-certify their income by signing a program income verification statement. All other program eligibility rules remain in effect and must be verified by the vendor. If fraud is suspected, implementation vendors will follow the current CP Procedures Manual suspected fraud guidelines.

Should it become necessary to increase the number of pilot locations to achieve the objectives of the Pilot, the Comfort Partners Working Group will seek approval from the Board of Public Utilities Clean Energy Program staff ("BPU Staff") to make any further changes to the number of pilot locations.

Future utility-administered moderate-income weatherization programs are proposing a similar approach to eligibility verification in moderate-income neighborhoods. A collaborative and equitable relationship between the two programs with regards to outreach and enrollment will be critical, and this Pilot should help to develop best practices in advance.

Offerings and Customer Incentives

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of energy efficient thermostats; insulation up-grades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as may be needed. Removing barriers to installing energy efficiency measures, such as repair or replacement of a broken window, repair of a hole in a wall and/or roof, mold remediation or the installation of rain gutters may be considered on a case-by-case basis.

Failed or failing heating and/or cooling systems can be replaced for efficiency and/or health and safety reasons on a case-by-case basis. In the event of insufficient funding, or if Comfort Partners customers' homes require more treatment than the Program is designed to deliver, the Utility Working Group will attempt to maximize and leverage available resources by entering into discussions with WAP. The goal of such discussions will be to determine their interest in accepting Program referrals to install heating systems and perform other needed work for energy efficiency and/or health and safety reasons.

Measure Selection

Energy efficiency measures and other reasonable repairs required to install those measures may be installed in each home. The Program will review, on a case-by-case basis, the repair and installation of items that, in and of themselves, may not be considered energy saving technologies, but would be required in order to effectively install energy conservation measures, such as the repair of a roof prior to the installation of attic insulation. Cost-effectiveness will be assessed on a measure- and site-specific basis. All installed measures and energy education services will be provided free of charge. The selection of measures designed to reduce heating and cooling will be guided by a spending calculation based on past energy consumption, and is a guide for contractors, not an absolute or prescriptive target or cap. If the site needs are greater than the calculated spending guideline, the contractor will confer with the appropriate utility after documenting reasons for requesting to exceed the spending guideline. The utility will decide to what extent additional work can be performed.

Refrigerator or freezer replacement will be based upon on-site monitoring of the energy use of the existing unit. Consumption thresholds for cost-effective replacement vary according to size. Any refrigerator or freezer with measured consumption above the threshold values is eligible for free replacement with a new energy-efficient model. These values and procedures will be updated periodically to reflect changes in refrigerator costs and/or efficiency.

The cost-effective installation of energy-efficient lighting products will be based upon the wattage and the estimated average daily burn time for the existing lamp.

Domestic hot water and other custom measures will be installed according to program guidelines.

The costs associated with home repairs, such as the repair of a roof, will be excluded from the cost effectiveness test used to determine measure eligibility.

Delivery Methods

Electric and natural gas utilities with overlapping service territories will jointly deliver efficiency, health and safety, and education services so that customers receive both natural gas and electric efficiency measures simultaneously. Selection of program delivery contractors and program delivery costs is shared between the participating natural gas and electric utilities. Currently, there are a total of six (6) installation contractors and one (1) quality assurance contractor that are under contract with the Utilities to perform the work in customer homes.

The Program will continue its efforts to address mold/moisture remediation, roof repairs, electrical repairs, and asbestos. Remediation will be considered on a case-by-case basis with the implementation contractors who will contract directly with the appropriate organizations, or approved subcontractors, following utility approval.

This fiscal year, the Utilities will continue to use the JCP&L web-based LEEN System as the statewide platform to track all program participants, measures and energy savings. The system is used by all Utilities, BPU Staff, multiple program installation vendors, an inspection vendor, a program evaluation vendor, and State WAP agencies. Maintenance and enhancements to the system will be paid for by JCP&L and are incorporated in the administrative budget in Appendix A.

Quality Assurance Provisions

A minimum of 15% of randomly selected, treated homes will be subject to verification and inspection by an independent contractor(s) hired by the Utilities. Quality assurance processes will be continually reviewed and enhanced as required.

Budgets

A detailed budget for the Program is attached in Appendix A. Allocation of costs in different cost categories may appear to be inconsistent among Utilities. As an example, PSE&G covers the cost of statewide printing of Comfort Partners materials, and JCP&L covers the cost of maintaining the LEEN System and administering program evaluation.

The Program spending allowance guidelines continue to be evaluated for Comfort Partners to be consistent with other low-income State weatherization programs.

The Utilities will request BPU Staff to review budget modifications as outlined in Docket No. EO13050376V ("February Order").[1] No budget modification shall be deemed approved until BPU Staff notifies the Utilities of approval. Budget modifications will be subject to all pertinent language reflected in the February Order, which includes the following:

1. Funds may be reallocated between Utilities and line items within the Program budget provided the overall Board-approved Program budget remains unchanged, and the overall statewide administrative costs for the Program are not increased;

2. Up to 10% of the Program budget may be reallocated within the Program during any 60-day period of time; and

3. The Program budget may be reduced if it appears unlikely that the Program budget will be exhausted. The Program budget may be determined to be underperforming, after a review of commitments, Program goals, participation levels, performance trends and other relevant factors. The Program budget reductions shall be limited to 10% within any 60-day period of time. The Program budget shall not be reduced by more than 25% within any 180-day period of time.

Goals and Energy Savings

Goals

Under the proposed budget, the goal for the number of electric service customers to be served and committed is 5,985 on a twelve-month basis from July 1, 2021 through June 30, 2022. The goal for the number of natural gas service customers to be served and committed is 5,700 on a twelve-month basis from July 1, 2021 through June 30, 2022. Production targets were projected considering the anticipated impacts of returning to finish work on jobs that were only partially complete in the previous fiscal year due to State/Program mandated COVID-19 restrictions.

The Utility Working Group adopted the 2006 APPRISE Inc. ("APPRISE") recommendation from the evaluation of the USF and the December 2014 Comfort Partners evaluation that the Working Group will engage stakeholders to develop an initiative to encourage a greater number of USF customers to participate in a Program audit. APPRISE further recommended that "the BPU should work with the utilities to standardize their system for referring USF clients to the Comfort Partners Program and establish official guidelines for coordinating these two benefits" (Executive Summary, page xxii). Due to a finite pool of applicants and the high cost of marketing, the Utility Working Group

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[1] In re the Clean Energy Programs and Budget for Fiscal Year 2014; Revised Fiscal Year 2014 Budget and Delegation of Limited Budget Authority, BPU Docket No. EO13050376V, Order dated February 4, 2014.

continues to fully support this initiative and would like to move forward with the support of the BPU. As per the December 2014 APPRISE evaluation recommendations, the Program is transitioning from serving as many homes as the budget would allow to striving to install deeper cost-effective energy saving measures per project.

Energy Savings

Energy saving estimates for the purpose of this filing were calculated using the latest protocols approved by the BPU on December 2, 2020, in Docket No. QO20090584.[2] Based on that standard and the projected number of customers served, it is estimated that the Program will now save approximately 5,026 MWH of electric and 33,830 MMBTU of natural gas during Fiscal Year 2022, with a lifetime savings of approximately 52,916 MWH of electric and 541,015 MMBTU of natural gas.

Appendix A

Fiscal Year 2022 Comfort Partners Budget

~~July 1st, 2021 - June 30th, 2022 - Comfort Partners Budget~~								
		~~Admin and Program Development~~	~~Sales, Marketing, Call Centers, Web Site~~	~~Training~~	~~Rebates, Grants and Other Direct Incentives~~	~~Rebate Processing, Inspections, Other QC~~	~~Evaluation & Research~~	~~Contractor Perf. Incentives~~
~~ACE~~	~~$2,142,357~~	~~$256,671~~	~~$36,949~~	~~$34,999~~	~~$1,713,665~~	~~$100,073~~	~~$0~~	~~$0~~
~~JCP&L~~	~~$5,049,929~~	~~$573,738~~	~~$122,354~~	~~$84,354~~	~~$4,061,286~~	~~$195,197~~	~~$13,000~~	~~$0~~
~~PSE&G- Elec~~	~~$9,065,255~~	~~$496,255~~	~~$250,538~~	~~$225,517~~	~~$7,749,798~~	~~$343,147~~	~~$0~~	~~$0~~
~~RECO~~	~~$430,000~~	~~$71,000~~	~~$16,000~~	~~$16,000~~	~~$300,000~~	~~$27,000~~	~~$0~~	~~$0~~
~~NJNG~~	~~$5,741,406~~	~~$344,308~~	~~$115,609~~	~~$108,942~~	~~$4,980,438~~	~~$192,109~~	~~$0~~	~~$0~~
~~Elizabethtown~~	~~$3,372,793~~	~~$243,576~~	~~$68,557~~	~~$64,789~~	~~$2,854,776~~	~~$141,095~~	~~$0~~	~~$0~~
~~PSE&G-Gas~~	~~$16,795,335~~	~~$802,178~~	~~$440,140~~	~~$387,608~~	~~$14,591,355~~	~~$574,054~~	~~$0~~	~~$0~~
~~SJG~~	~~$3,332,925~~	~~$339,251~~	~~$62,970~~	~~$60,233~~	~~$2,762,587~~	~~$107,884~~	~~$0~~	~~$0~~
~~TOTAL~~	~~$45,930,000~~	~~$3,126,977~~	~~$1,113,117~~	~~$982,442~~	~~$39,013,905~~	~~$1,680,559~~	~~$13,000~~	~~$0~~
~~PSE&G - Combined~~	~~$25,860,590~~	~~$1,298,433~~	~~$690,678~~	~~$613,125~~	~~$22,341,153~~	~~$917,201~~	~~$0~~	~~$0~~

[2] In re New Jersey's Clean Energy Program – Fiscal Year 2021 Protocols to Measure Resource Savings, BPU Docket No. QO20090584, Order dated December 2, 2020.

July 1st, 2021 - June 30th, 2022 - Comfort Partners Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	**$2,128,476.00**	$256,671.00	$36,949.00	$34,999.00	$1,713,665.00	$86,192.00	$0.00	$0.00
JCP&L	**$5,049,929.00**	$573,738.00	$122,354.00	$84,354.00	$4,061,286.00	$195,197.00	$13,000.00	$0.00
PSE&G- Elec	**$10,344,235.00**	$519,373.00	$276,271.00	$245,250.00	$8,936,461.00	$366,880.00	$0.00	$0.00
RECO	**$430,000.00**	$71,000.00	$16,000.00	$16,000.00	$300,000.00	$27,000.00	$0.00	$0.00
NJNG	**$5,741,406.00**	$344,308.00	$115,609.00	$108,942.00	$4,980,438.00	$192,109.00	$0.00	$0.00
Elizabethtown	**$3,372,793.00**	$243,576.00	$68,557.00	$64,789.00	$2,854,776.00	$141,095.00	$0.00	$0.00
PSE&G-Gas	**$15,516,355.00**	$779,060.00	$414,407.00	$367,875.00	$13,404,692.00	$550,321.00	$0.00	$0.00
SJG	**$3,346,806.00**	$334,583.00	$62,970.00	$60,233.00	$2,762,587.00	$126,433.00	$0.00	$0.00
TOTAL	$45,930,000.00	$3,122,309.00	$1,113,117.00	$982,442.00	$39,013,905.00	$1,685,227.00	$13,000.00	$0.00
PSE&G - Combined	$25,860,590.00	$1,298,433.00	$690,678.00	$613,125.00	$22,341,153.00	$917,201.00	$0.00	$0.00