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November 8, 2012

VIA EMAIL Kristi.izzo@bpu.state.nj.us
and UPS

Kristi Izzo, Secretary
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

***Re: In the Matter of Comprehensive Energy Efficiency and Renewable Energy
Resource Analysis for 2009-2012
2012 Program and Budget: Compliance Filing
BPU Docket No. EO07030203***

Dear Secretary Izzo:

Enclosed for filing please find an original and ten (10) copies of the 2012-2013 Program Descriptions and Budget for the Utility Residential Low-Income Comfort Partners and the New Jersey Clean Energy Campaign ("Comfort Partners Program" and "Clean Power Choice"). Atlantic City Electric Company, Elizabethtown Gas Company, Jersey Central Power & Light Company (JCP&L), New Jersey Natural Gas Company, Public Service Electric & Gas Company (PSE&G) and South Jersey Gas Company are managing the Comfort Partners Program. The four electric utilities, Atlantic City Electric, JCP&L, PSE&G and Rockland Electric are supporting the Comfort Partners Program.

By virtue of this filing, we respectfully withdraw our original filing dated October 10, 2012. The enclosed reflects modification in response to the comments received from Elizabeth Ackerman, Director Economic Development & Energy Policy, dated October 15, 2012, and from the Staff of the New Jersey Office of Clean Energy.

Kristi Izzo, Secretary
November 8, 2012
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We respectfully ask the Board to approve the Comfort Partners Program description and budget, and the Clean Power Choice budget as set forth in this filing.

Very truly yours,

COZEN O'CONNOR, PC



By: Daniel J. Bitonti
Attorney for South Jersey Gas Company and on
behalf of Public Service Electric & Gas Company,
Jersey Central Power & Light Company, Atlantic
City Electric Company, Rockland Electric
Company, New Jersey Natural Gas Company and
Elizabethtown Gas Company

DJB/lbs
Enclosure
cc: Service List

**Comprehensive Energy Efficiency and Renewable Energy Resources
Analysis for 2009-2012 Clean Energy Program
BPU Docket No. EO07030203 and EO10110865**

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**New Jersey's Clean Energy Program
Program Description for
January 1, 2013 to June 30, 2013
And Budget for
January 1, 2012 to June 30, 2013**

**Utility Residential Low Income
Comfort Partners Program**

&

**Utility Support for the
New Jersey Clean Energy Campaign:
Clean Power Choice Program**

**Program Description and Budget
November 8, 10, 2012**

Residential Low Income Program “New Jersey Comfort Partners”

Description

The Residential Low Income Program known as Comfort Partners, managed by Atlantic City Electric, JCP&L, New Jersey Natural Gas, Elizabethtown Gas, PSE&G and South Jersey Gas is designed to improve energy affordability for low-income households through energy 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 all cost-effective energy efficiency measures.
- Comprehensive, personalized customer energy education and counseling.
- Installation of health and safety measures as appropriate.

Target Market and Eligibility

The Program is targeted at participants in the Universal Service Fund. By definition 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 any household with income at or below 225% of the federal poverty guidelines. Customers who receive Federal Supplemental Security Income (SSI), Home Energy Assistance (HEAP), Universal Service Fund (USF), Lifeline, Pharmaceutical Assistance to the Aged and Disabled (PAAD), Temporary Assistance to Needy Families (TANF), or Section 8 Housing also may be eligible.

A participant must be a customer of record with a separately metered electric or gas account, and live in a building with 1-14 units; the residence must be their primary home. Customers who heat with fuel oil are eligible for Comfort Partners; however, they will be referred to the Department of Community Affairs' Weatherization Assistance Program (WAP) for services in conjunction with a verbal agreement between Comfort Partners and WAP. In addition, customers who receive natural gas service from an investor-owned natural gas NJ utility, and who receive electric service from a municipal electric company will also be eligible for Comfort Partners 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, room and window/wall air conditioners and freezer replacements.

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; energy saving 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 “custom” measures.

Failed or failing heating or cooling systems can be replaced for efficiency and/or health and safety reasons, on a case-by-case basis as program funds permit. In the event of insufficient funding, or if Comfort Partner customer homes require more treatment than the Comfort Partners program is designed to deliver, the Utilities’ Working Group will attempt to maximize and leverage available resources by entering into discussions with the NJ Department of Community Affairs Weatherization Assistance Program. The goal of such discussions will be to determine their interest in accepting Comfort Partners program referrals to install heating systems, and perform other needed work for energy efficiency and/or health and safety reasons. Requests for replacement of oil-fired equipment will be referred to the DCA Weatherization Assistance Program (WAP).

Measure Selection

Cost-effective measures, and other reasonable repairs required to install the efficiency 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 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 which is a guide for contractors and is 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 going beyond the spending guideline. The utility will decide to what extent additional work can be performed.

Refrigerator or freezer replacement will be based on 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 gas utilities with overlapping service territories will jointly deliver efficiency, health and safety and education services so that customers receive both gas and electric efficiency measures simultaneously. Selection of program delivery contractors and program delivery costs is shared

between the participating gas and electric utilities. Implementation vendor contracts finalized in August, 2009 include a total of five (5) program contractors.

Pilot programs to address neighborhood canvassing, mold/moisture remediation, roof repairs, electrical repairs, lead and asbestos remediation will be considered on a case-by-case basis with the implementation contractors, contracting directly with the above mentioned organizations. The utilities will not continue the pilot program for cool roofs implemented during 2012. The utilities along with our quality assurance inspectors want to evaluate each of the treated homes to verify that the cool roof system does not contribute to condensation which could lead to mold with this pilot. This pilot evaluation was performed in the spring of 2012 and it was determined that the installation of cool roofs can cause moisture issues, such as ceiling condensation, and therefore was suspended. The applicability of Cool roofs will be investigated further and a formal report issued as part of the Comfort Partners Program evaluation to be initiated in 2012.

The utilities will continue to use the JCP&L web-based CP System as the statewide platform to track all program participants, measures and energy savings. The system is used by all utilities, BPU Clean Energy staff, multiple program delivery vendors, inspection vendors and State WAP agencies. Maintenance and enhancements to the system will be paid by JCP&L and are incorporated in the budget in Appendix A.

The utilities will attempt to partner and educate the NJ Home Performance with Energy Star (HPWES) program contractors, and/or other local agency staff to create better awareness of the program and eligibility requirements in order to direct customers to the appropriate program (Comfort Partners or HPWES) based on income screening.

Quality Assurance Provisions

A minimum of 15 percent of randomly selected treated homes will be subject to verification and inspection by an independent contractor(s) hired by the utilities through a third-party quality assurance process.

Budgets

A detailed budget for this program is attached in Appendix A. Allocation of costs in different cost categories may appear to be inconsistent among utilities; for example PSE&G covers the cost of statewide printing and JCP&L covers the cost for statewide CP System administration, etc.

The utilities plan to initiate a program evaluation in 2012 and continue it through the 2013 calendar year. The program spending allowance guidelines that were increased at the end of 2009 in order for the Comfort Partners Program to be consistent with other low income state weatherization programs using federal stimulus funds will remain in place as long as program funds permit.

Goals and Energy Savings

Goals

The Electric service customer goal will range from 5,760 to 7,630 on an annual basis (8,294 to 10,987 from January 2012 through June 2013). The Gas service customer goal will range from 5,567 to 7,150 on an annual basis (8,016 to 10,296 from January 2012 through June 2013), which is a subset of the electric goal.

Energy Savings

Following approval of the above goals, energy savings will be calculated consistent with the goals. Energy saving estimates will be calculated using the latest protocols approved by the Board.

New Jersey Clean Energy Campaign: Clean Power Choice Program

Description

The Utilities will support the Clean Power Choice (CPC) program through December 31, 2012 as described in the Utility compliance filing dated December 28, 2011. The Utilities will hold further discussions with the OCE regarding what services, if any, the Utilities will provide related to the CPC program subsequent to December 31, 2012. Details regarding the Utilities role related to the CPC program subsequent to December 31, 2012 will be provided at a later date and submitted to the Board for consideration.

A more detailed Program Description concerning any potential 2013 will be provided at a subsequent date for NJBPU consideration.

Appendix A:

January 1, 2012 through June 30, 2013 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 Per. Incentives
ACE	\$1,799,353.13	\$57,564.76	\$15,817.55	\$14,140.88	\$1,577,351.78	\$134,478.16	\$0.00	\$0.00
JCP&L	\$7,704,411.93	\$627,084.22	\$103,067.97	\$50,640.47	\$5,437,564.62	\$486,054.65	\$1,000,000.00	\$0.00
PSE&G- Elect	\$10,753,574.52	\$580,959.94	\$200,260.27	\$105,631.28	\$9,344,814.81	\$521,908.22	\$0.00	\$0.00
RECO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NJNG	\$6,328,952.67	\$256,426.84	\$181,525.35	\$30,502.21	\$5,613,039.19	\$247,459.09	\$0.00	\$0.00
Elizabethtown	\$4,300,104.76	\$197,435.78	\$51,542.45	\$35,415.37	\$3,852,366.47	\$163,344.69	\$0.00	\$0.00
PSE&G-Gas	\$16,130,361.78	\$871,439.91	\$300,390.40	\$158,446.92	\$14,017,222.22	\$782,862.33	\$0.00	\$0.00
SJG	\$2,983,241.22	\$262,664.67	\$15,482.36	\$8,515.09	\$2,574,609.85	\$121,969.26	\$0.00	\$0.00
TOTAL	\$50,000,000.00	\$2,853,576.12	\$868,086.34	\$403,292.20	\$42,416,968.93	\$2,458,076.40	\$1,000,000.00	\$0.00

Clean Energy Campaign: 2012 CLEAN POWER CHOICE*

	Total	Admin & Program Development	Sales, Mrkting, Call Center, Website	Training	Rebates, other Direct Incentives	Rebate Processing, Inspections & QA	Evaluation & Research	Contractor Perf. Incentives
ACE	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JCP&L	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PSE&G- Elec	\$2,400.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
RECO	\$30,000.00	30,000.00	0.00					
NJNG								
Elizabethtown								
PSE&G-Gas								
SJG								
TOTAL	\$32,400.00	32,400.00	0.00	0.00	0.00	0.00	0.00	0.00

* The Clean Power Choice Program expensed will be recovered from Program marketers by Utility after December 31, 2012.