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VIA ELECTRONIC MAIL ONLY

Sherri Golden, Board Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Sherri.Golden@bpu.nj.gov

Re: Quarterly Progress Report of South Jersey Gas Company – 1st Quarter Program Year 2025
DOCKET NOS. QO23120870

Dear Secretary Golden:

Pursuant to the Board's current filing procedures, herein is the Quarterly Progress Report for the first quarter ("Q1") of Program Year 2025[1] ("PY25") of South Jersey Gas ("SJG" or "Company") with respect to its Clean Energy Act of 2018 Energy Efficiency ("EE") and Peak Demand Reduction ("PDR") Programs.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. E020030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Energy Efficiency Program Progress - Executive Summary:

As of the initial quarterly report, SJG has launched all programs. Several of the Company's residential programs have been ramping up quickly and providing savings to customers, and some of the Commercial and Industrial ("C&I") programs will be delivering savings later due to the

[1] For the purposes of these quarterly reports, the numbering of the quarters align to these dates: **Q1** (1/1/25-3/30/25); **Q2** (4/1/25 - 6/30/25)

longer project cycle time. We are seeing strong interest from C&I customers and expect to see a ramp up of savings from those programs.

The utilities continued to collaborate and participate on working calls to ensure consistent implementation, address joint budget needs, and support contractors.

The Utilities continue to work on the development of the Statewide Coordinator ("SWC") system that will facilitate the exchange of both investments and energy savings between a Lead Utility and a Partner Utility. As of Q1 PY25, SJG has exchanged data with partner utilities for all Triennium 1 programs, and received invoices for all applicable programs based on activity from electric partners. SJG and its Partner utilities will continue to exchange investment and energy savings data for prior period activity covering PY1-PY3, subject to completion of QA/QC. The joint utilities are proceeding with user acceptance testing for all Triennium 2 programs and metrics including Net Realized Site dual fuel savings. As a result, no data has been exchanged for the Triennium 2 programs with partner utilities. The information reflected within this report reflects all investments, financing and savings attributable to SJG as the Lead Utility, after accounting for inflows and outflows of investment transactions between the Lead Utility and a Partner Utility for all programs.

SJG programs delivered an estimated 118,000 DTh of savings in the first quarter, or approximately 97% of the total portfolio annual savings target.

Residential Sector

- South Jersey Gas has contracted CLEAResult as the implementation party for the residential programs, save for the Marketplace Program and the Behavioral Program which will be served by Uplight.
- The Residential Whole Home program reported an estimated 1,300 DTh in energy savings or approximately 41% of the program's PY25 target. The Residential Whole Home Program saw up to 164 participants.
- The Behavioral program reported an estimated 60,000 DTh in energy savings or approximately 108% of the program's PY25 target. The Behavioral Program had up to 204,000 customers in this quarter's treatment group.
- The Efficient Products program reported an estimated 27,000 DTh in energy savings or approximately 121% of the program's PY25 target.
    - The Marketplace Program saw up to 664 participants in this quarter.
    - The HVAC Program saw up to 1,000 participants in this quarter.
- The Income Qualified Program had up to 70 completed projects.

Commercial Sector

- South Jersey Gas has contracted ICF International as the implementation party for the Commercial Programs.
- Small Business Direct Install Program had 10 projects, that were committed in PY24, completed during the reporting period as the Lead Utility. The program reported an

estimated 10,000 DTh in energy savings due to a combination of projects completed as the Lead Utility and savings transferred through the SWC system.

- The Prescriptive and Custom Programs had 4 projects, that were committed in PY24, complete during the reporting period as the Lead Utility. The program reported an estimated 400 DTh in energy savings due to a combination of projects completed as the Lead Utility and savings transferred through the SWC system.
- The Engineered Solutions, and Energy Management Programs did not deliver any savings during the reporting period but outreach efforts to larger customers are in progress and we expect these programs to start to ramp up as the Lead Utility.

Multifamily Sector

- South Jersey Gas has contracted ICF International as the implementation party for the Multifamily Programs.
- As part of the Triennium 1 program offerings, the Multifamily: Prescriptive and Custom Program saw up to 1 participant during this quarter.
- Year to date, the Multifamily sector has reported an estimated 50 DTh in energy savings or approximately 2% of the sector's PY25 target.

Comfort Partners Summary

SJG continues to partner with the BPU and our utility partners to implement Comfort Partners and support our low-income customers. Comfort Partners had up to 87 participants for this quarter resulting in an estimated 12,000 DTh annual savings.

Table 1 shows the Company's overall performance as a percentage of retail sales, which includes retail sales reductions achieved by the Comfort Partners program, which is the primary program serving low-income customers and is co-managed by the Division of Clean Energy in conjunction with South Jersey Gas and the other investor-owned electric and gas utility companies.

Table 1 – Program Year 2025 Program Results

	Tri 1 - Utility-Administered Retail Savings1,2 (DTh)	Tri 2 - Utility-Administered Retail Savings1,2 (DTh)	Comfort Partners Retail Savings (DTh)1,2	Additional Programs Retail savings (DTh)2,4	Total Portfolio Retail Savings (DTh)1,2	Compliance Baseline (DTh)3	Annual Target (%)	Annual Target (DTh)	Percent of Annual Target (%)
	(A)	(B)	(C)	(D)	(E) = (A)+(B)+(C)+(D)	(F)	(G)	(H) = (F)*(G)*50%	(I) = (E) / (H)
Quarter	39,893	66,490	11,608	N/A	92,507				
YTD	39,893	66,490	11,608	N/A	92,507	49,566,893	.49%	121,439	97%

[1] Calculated savings at the retail (customer meter) level. Savings are estimated from participation counts and TRM calculations, where applicable.
[2] Encompasses all ex-ante savings for the Plan Year, including prior adjustments.
[3] Other Programs includes Company-specific programs that are not part of the Clean Energy Act (CEA) energy efficiency programs and Comfort Partners, such as legacy programs and pilots.
[4] Calculated as average annual gas usage in the prior 36 months per N.J.S.A. 48:3-87.9(a). Details are provided in Appendix E.

Figure 1 shows that year to date natural gas savings is 97% of the PY25 total portfolio annual savings goal and program year to date spending is 34% of the PY25 total portfolio expenditure target.

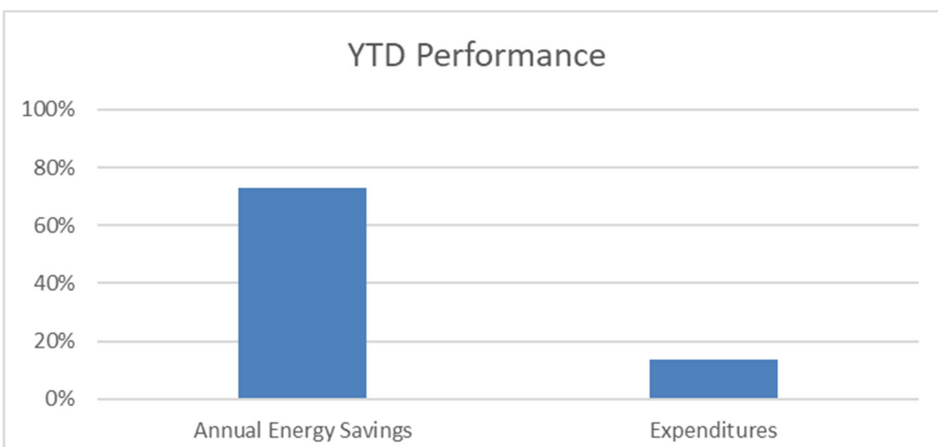

Figure 1: YTD performance of Annual Energy Savings and Budget

For this reporting period, the Residential sector has represented approximately 130% of the sector's annual target savings. Low to Moderate-Income Savings was driven by the

Moderate-Income Weatherization Program at an estimated 1,000 DTh in annual savings and an estimated 21,000 DTh in lifetime savings.

Sector-Level Participation, Expenditures, and Annual Energy Savings

Residential Programs had up to 206,000 participants and delivered an estimated 95,000 DTh of energy savings during the reporting period, amounting to approximately 130% of the overall sector's PY25 target. The savings were driven by the Efficient Products program, especially the Marketplace Program and the HVAC program delivering an estimated 13,000 and 14,000 DTh of energy savings respectively, the completion of multiple C&I and Multifamily projects committed in Triennium 1, and the exchange of energy savings between South Jersey Gas and its Partner Utilities. The Efficient Products programs had up to 1,800 participants and delivered an estimated 27,000 DTh of energy savings. The Behavioral program had up to 204,000 participants and delivered an estimated 60,000 DTh of energy savings. The Multifamily Programs had up to 1 participant and delivered an estimated 43 DTh of energy savings. The C&I Programs had 14 participants and delivered an estimated 10,900 DTh of energy savings. To date, the utility administered core programs delivered an estimated 106,000 DTh in savings or approximately 92% of the PY25 total portfolio annual savings target.

Expenditures during the quarter are approximately 34% of the budget for PY25 and were driven by start-up implementation costs across all the programs, establishing coordinated processes to calculate Net Realized Site dual fuel savings and cost sharing with our Partner Utility across all programs through SWC. We are partnering with our implementation teams to develop marketing and outreach plans to connect customers with trade allies, present projects, and establish a pipeline that will provide the participation needed to achieve our energy savings targets.

Table 2 – Sector-Level Participation

Participation[1]	Participants Previously Approved in Triennium 1, Quarter[3]	Triennium 2 Quarter Participants	Total Quarter Participants	Participants Previously Approved in Triennium 1, YTD[3]	Triennium 2 YTD Participants	Total YTD Participants	Annual Forecasted Participants	Percent of Annual Forecast
Residential	1,067	205,294	206,361	1,067	205,294	206,361	172,677	120%
Multifamily	1	-	1	1	-	1	140	1%
C&I	14	-	14	14	-	14	725	2%
Reported Totals for Core Programs	1,082	205,294	206,376	1,082	205,294	206,376	173,542	119%
Additional excluding Building Decarbonization	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comfort Partners[2]	-	87	87	-	87	87	1,989	4%
Utility Total	1,082	205,381	206,463	1,082	205,381	206,463	175,531	118%

[1] Please note that these numbers are totals across all programs within a sector. The appendix shows the participation numbers for individual programs.

[2] Comfort Partners, the primary program serving low-income customers, is co-managed by the Division of Clean Energy in conjunction with South Jersey Gas and the other investor-owned electric and gas utility companies.

3 Some participants approved in Triennium 1 were involved in long term projects that did not complete until Triennium 2; these participants are captured here to reflect total energy efficiency participants with completed projects in the given quarter.

Quarterly Level Expenditures

The following table provides quarterly level expenditures by sector. South Jersey Gas's expenses for this quarter were an estimated 34% of the PY25 budget.

Table 3 – Sector-Level Expenditures

Participation[1]	Triennium 2 Quarter Program Costs for Projects Approved in Tri 1 ($000) [3]	Triennium 2 Quarter Expenditures ($000)	Total Quarter Expenditures ($000)	Triennium 2 YTD Program Costs in Support of Tri 1($000)	Triennium 2 YTD Expenditures ($000)	Total YTD Expenditures ($000)	Annual Budget Expenditures ($000)	Percent of Annual Budget
Residential	$ 3,319	$ 3,918	$ 7,237	$ 3,319	$ 3,918	$ 7,237	$ 10,337	38%
Multifamily	$ 33	$ 421	$ 454	$ 33	$ 421	$ 454	$ 2,122	20%
C&I	$ 1,740	$ 1,074	$ 2,813	$ 1,740	$ 1,074	$ 2,813	$ 4,119	26%
Reported Totals for Core Programs	$ 5,091	$ 5,413	$ 10,505	$ 5,091	$ 5,413	$ 10,505	$ 16,578	33%
Additional excluding Building Decarbonization	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comfort Partners[2]	N/A	$ 804	$ 804	N/A	$ 804	$ 804	$ 1,895	42%
Utility Total	$ 5,091	$ 6,218	$ 11,309	$ 5,091	$ 6,218	$ 11,309	$ 18,473	34%

1 Expenditures include rebates, incentives, and loans, as well as program administration costs allocated across programs.
2 Comfort Partners, the primary program serving low-income customers, is co-managed by the Division of Clean Energy in conjunction with South Jersey Gas and the other investor-owned electric and gas utility companies.
3 Some participants approved in Triennium 1 were involved in long term projects that did not complete until Triennium 2; these participants are captured here to reflect total energy efficiency participants with completed projects in the given quarter.

Quarterly Level Energy Savings

The Residential Sector largely contributed to the energy savings in this quarter, reporting approximately 95,000 DTh of energy savings, or an estimated 74% of the PY25 total portfolio annual savings target. This is attributed to the increased activity and due to increased marketing outreach and savings being sharing with our Partner Utility on Residential Programs through Statewide Coordinator. As outreach efforts continue, we expect increased activity, and energy savings, for the Commercial and Multifamily Sectors.

Table 4 – Sector-Level Energy Savings

Annual Energy Savings	Previously Approved Triennium 1 Quarter Retail (DTh) [3]	Triennium 2 Quarter Retail (DTh)	Total Quarter Retail (DTh)	Previously Approved Triennium 1 YTD Retail (DTh)	Triennium 2 YTD Retail (DTh)	Total YTD Retail (DTh)	Annual Target Retail Savings (DTh)	Percent of Annual Target	YTD Negative Interactive Effects from Savings (MWh) [4]
Residential	28,896	66,490	95,385	28,896	66,490	95,385	73,645	130%	
Multifamily	43	-	43	43	-	43	9,307	0%	
C&I	10,954	-	10,954	10,954	-	10,954	33,058	33%	
Reported Totals for Core Programs	39,893	66,490	106,383	39,893	66,490	106,383	116,011	92%	
Additional excluding Building Decarbonization	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Comfort Partners[2]	N/A	11,608	11,608	N/A	11,608	11,608	12,715	N/A	
Utility Total	39,893	78,098	117,991	39,893	78,098	117,991	128,725	102%	N/A

[1] Annual Energy Savings represent the total expected annual savings from all energy efficiency measures within each sector.

[2] Comfort Partners Annual Target Retail Savings is a statewide target.

[3] Some participants approved in Triennium 1 were involved in long term projects that did not complete until Triennium 2; these participants are captured here to reflect total energy efficiency participants with completed projects in the given quarter.

[4] Negative Interactive Effects from Savings are unavailable for the PY4Q1 report.

Portfolio Expenditures Breakdown

Program expenditures reflect South Jersey Gas expenditures for the first quarter at an estimated 14% of the PY25 budget.

Table 5 – Expenses and Budget by Category [1]

Total Utility EE/PDR	Quarter Reported ($000)	YTD Reported ($000)	Full Year Budget ($000)	Percent of Annual Budget Spent	Triennium 2 Budget Dollars Utilized in completing a Tri 1 project (YTD)*
Capital Costs	$ -	$ -	$ -	N/A	N/A
Utility Administration	$ 329	$ 329	$ 699	47%	N/A
Marketing	$ 47	$ 47	$ 738	6%	N/A
Outside Services	$ 2,569	$ 2,569	$ 4,225	61%	N/A
Rebates[2]	$ 741	$ 741	$ 10,347	7%	N/A
No- or Low-Interest Loans	$ 1,756	$ 1,756	$ 23,081	8%	N/A
Evaluation, Measurement & Verification ("EM&V")	$ -	$ -	$ 434	0%	N/A
Inspections & Quality Control	$ 20	$ 20	$ 119	17%	N/A
Utility Total	$ 5,461	$ 5,461	$ 39,643	14%	N/A

[1] Categories herein align to SJG's EE plan as approved by the BPU.
[2] Rebates include rebates and other direct investments.
* Only if applicable when utility runs out of Triennium 1 funds.

Table 5b – Loan Amounts

Total Utility EE/PDR	New Loan Amount QTR ($000)	New Loan Amount YTD ($000)	New Loans Reported QTR	New Loans YTD Reported	Total Dollars Outstanding For Triennium 2 Loan Program Utility Total[1]	Triennium 2 Loan Default Rate[1]
Energy Efficient Products	$ 1,339	$ 1,339	104	104		
Whole Home	$ 416	$ 416	32	32		
Income Qualified						
Behavioral						
Multi-Family	$ -	$ -	0	0		
Direct Install	$ -	$ -	0	0		
Prescriptive/Custom	$ -	$ -	0	0		
Energy Solutions	$ -	$ -	0	0		
Load Optimization & Peak Demand Reduction	N/A	N/A	N/A	N/A		
Building Decarbonization	N/A	N/A	N/A	N/A		
Utility Total	$ 1,756	$ 1,756	136	136	N/A	N/A

[1]Total Dollars Outstanding for Triennium 2 Loan Program Utility Total and Triennium 2 Loan Default Rate are unavailable for the PY4Q1 report.

Table 6 – Equity Performance

Equity Performance is unavailable for the PY4Q1 report.

If you have any questions, please feel free to contact me directly.

Respectfully,

Dominick DiRocco

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DD/caj

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Appendix A – Participant Definitions

Program	Sub-Program	Participants (as lead utility)
Energy Efficient Products	HVAC	Sum of HVAC units (multiple units per customer, counts as multiple participants)
	Online Marketplace	Quantity of units sold (based on SKU) - net of returns (negative in current period)
Whole Homes	Whole Home	Count of completed Whole Home projects and Assessments
Income Qualified	Income Qualified	Count of completed Whole Home projects
Behavioral	Behavioral	Count of treatment customers at end of reporting period
C&I Direct Install	Direct Install	Count based on number of applications/projects completed, not account number
Prescriptive/Custom	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
Energy Solutions	Engineered Solutions	Count based on number of applications/projects completed, not account number
	Energy Management	Count based on number of applications/projects completed, not account number
Multifamily	Whole Home	Count of completed Whole Home projects
	Direct Install	Count based on number of projects completed (see approach)
	Prescriptive/Custom	Count based on number of applications/projects completed, not account number
	Engineered Solutions	Count based on number of applications/projects completed, not account number