

PSE&G Clean Energy Future – Energy Efficiency II (CEF-EE II) Supplemental Summary

December 1, 2023

Proposed Programs & Investment

- \$3.1 B Investment in Residential, Multifamily and C&I energy efficiency programs, a Building Decarbonization program, Demand Management programs, a Next Generation Savings program and IT.
 - A new building decarbonization program aims to lower the carbon footprint of residential and commercial structures. This involves providing incentives for customers to switch away from traditional fossil fuel-based equipment, such as space and water heating, and even lawn equipment. Within this initiative, a networked geothermal demonstration project stands out as a creative solution to building decarbonization. It involves the creation of interconnected ground source heat pumps that supply heating and cooling to multiple structures.
 - Additionally, the demand management offering is expected to help customers cut energy demand during peak electricity consumption periods.

Program Benefits

- **Energy Savings:** Keeps New Jersey on track to achieve 5-year Clean Energy Act annual savings targets of: 2.0% electric and 0.75% gas for Program Year 5 (July 2025 – June 2026).
- **CO2 Emissions Reduction:** 10 million metric tons lifetime¹ CO2 emission reduction; Roughly the CO2 emissions from 2 million gasoline-powered cars over a one-year period).²
- **Lifetime Electric Savings:** 16 million MWh; Roughly the electricity needed to power 2.3 million homes for one year.³

¹ Lifetime savings means the savings that are accumulated over the expected life from the measures installed through the program. For example: a residential furnace has an expected life of 20 years, so the lifetime savings is equal to the annual savings times 20.

² Based upon [EPA](#) national estimate - a typical passenger vehicle emits about 4.6 metric tons of CO2 per year.

³ Based upon median energy usage of 6,920 kWh per year for homes in PSE&G's service territory.

- **Lifetime Gas Savings:** 711 million therms; Roughly the natural gas consumed by 680,000 homes in one year.⁴
- **Job Creation/Retention:** 5,500 direct jobs annually.
- **Participants:** Participants will see energy savings; for example, customers who participate in the whole home program and install insulation and high efficiency equipment can save up to 25% on their energy bills.

Background

- PSE&G is currently offering energy efficiency programs that were previously approved by the BPU for the period ending June 30, 2024.
- PSE&G filed its six-month extension of its CEF-EE program on November 9, 2023 for the period July 2024 to December 2024.
- The Clean Energy Future – Energy Efficiency II (“CEF-EE II”) program is a 30-month cycle (January 1, 2025- June 30, 2027) of energy efficiency programs developed in response to the Clean Energy Act of 2018 that requires the state to save energy; 2.0% in electric and 0.75% for gas within 5 years of implementation.
- This filing will enable PSE&G to comply with the BPU’s May 24, 2023, July 26, 2023, and October 25, 2023, Board Orders directing utilities to submit filings for Energy Efficiency, Building Decarbonization, and Demand Response programs by December 1, 2023.
- CEF-EE II is comprised of 11 programs for all customer segments and introduces three new initiatives focused on building decarbonization, demand management and support for new technology adoption.
- CEF-EE II also provides for the continuation of the Clean Energy Jobs program.
- Funding from CEF-EE II must be spent or committed between January 2025 and June 2027.

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⁴ Based upon the median natural gas usage of 1,040 therms per year for homes in PSE&G’s service territory.