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Sherry Lewis
Secretary of the Board
New Jersey Board of Public Utilities
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In The Matter of the Clean Energy Programs and Budget for the Fiscal Year 2026

DOCKET NO. QO25040206

Dear Secretary Lewis:

Public Service Electric and Gas Company ("PSE&G" or "Company") is pleased to offer the following comments in response to *In the Matter of the Clean Energy Programs and Budget for the Fiscal Year 2026 ("FY26CEP")*, issued on May 7, 2025 by the Staff of the New Jersey Board of Public Utilities ("Board" or "BPU"). PSE&G appreciates the Board's leadership on various clean energy initiatives that advance the policy objectives of New Jersey, and looks forward to continued collaboration with the Board, Board Staff, and public and private stakeholders towards the common goal of a clean energy future for New Jersey's residents.

PSE&G has a strong history of promoting awareness of programs to assist low-income customers and continues to be committed to affordability for its New Jersey customers. This is especially important now given rising energy prices in New Jersey due to the cost of the electricity itself, from which PSE&G does not control and does not profit[1] PSE&G offers the following comments on the FY26CEP, specifically the Comfort Partners program budget, that are intended to expand and enhance the reach of the program.

Comfort Partners Program FY26 Budget

The Company is concerned that the proposed level of funding for the FY26 Comfort Partners budget is not sufficient. As set forth in the proposed FY26 Budget table, the Comfort Partners Program's total budget is $62.9 million. This funding level is the same level as recently approved in the FY25 true-up budget, and roughly a 10% increase from the FY2025

[1] Recent, significant energy price increases that will increase electric bills are primarily caused by PJM's market rules and the resulting lack of generation supply to meet expected demand for electricity in the PJM region. PSE&G does not profit from the cost of energy, and it is passed through to customers on their electric bill.

filed budget. The Company believes that a further increase to the Comfort Partners budget at this time should be considered.

Comfort Partners is a long-standing program that has been successful in helping the most vulnerable customers in New Jersey. These customers face further challenges in light of the affordability concerns associated with the June 1, 2025 electric price increases. The Comfort Partners program is a main tool that assists low-income customers manage costs and provides no cost weatherization measures, HVAC equipment and also addresses health and safety issues in the home. These measures lower energy bills which in turn reduce the energy burden customers face.

PSE&G requests that the BPU consider increasing the Comfort Partners FY26 budget by up to 30%. Increasing the budget would not only allow utilities to assist over 25% more customers this year, it will also put New Jersey on a path to be on par with other states' funding of these types of programs. A recent American Council for an Energy-Efficient Economy ("ACEEE") research memo presented to the Comfort Partners working group found that of the 13 states with more than $200 million in annual funding, New Jersey ranked second to last at roughly 10% of overall energy efficiency program expenditures.[2] While PSE&G is aware that it will take several years to achieve a funding level that is on par with other states, we believe that increasing the Comfort Partners budget at this time will allow the Comfort Partners program to continue to grow and have a positive impact on New Jersey's most vulnerable customers.

As stated in comments in response to the notice on New Jersey Energy affordability for Low- and Moderate-Income Households, issued in docket number Q024110853 on March 20, 2025 ("Straw Proposal"), PSE&G supports the BPU's desire to increase USF participation levels. PSE&G believes that increasing USF participation levels along with aligning enrollment eligibility for USF and Comfort Partners as proposed in the Straw Proposal would likely lead to an increase in Comfort Partners enrollment. Providing additional budget dollars for Comfort Partners will allow the utilities to meet this demand.

PSE&G believes that increasing the Comfort Partners budget could be achieved by reallocating budget dollars from other clean energy programs. Increasing the allocation to Comfort Partners would allow for additional customers to be served under the program while having no additional rate impact to all ratepayers.

[2] Comfort Partners Program Review, American Council for an Energy-Efficient Economy, Research Memo dated April 2025.

Comfort Partners Program Target Market and Eligibility

PSE&G supports the NJ Comfort Partners Working Group and Staff reviewing the potential for transitioning from the use of federal poverty level to state median income ("SMI") in FY26 to better align Comfort Partners with USF and other NJ energy assistance programs. PSE&G encourages the adjustment of the income eligibility of Comfort Partners to be aligned with USF eligibility (currently 60% of State Median Income) and suggests that this change be implemented by October 1st which is in time for the winter heating season. PSE&G believes that this alignment would reduce the customer confusion created by the differing eligibility requirements of the various programs. The change will allow for a more streamlined qualification process for eligible customers.

In conclusion, PSE&G appreciates the opportunity to submit these comments on the Clean Energy Program and Budgets for Fiscal Year 2026 and looks forward to continuing to collaborate with Board Staff and interested stakeholders on clean energy programs.

Respectfully submitted,

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