

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWIN A. POPOWSKY
Consumer Advocate

January 8, 2010

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Petition of Duquesne Light Company for
Approval of its Energy Efficiency and
Conservation and Demand Response Plan
Docket No. M-2009-2093217

Dear Secretary McNulty:

Enclosed for filing are the Comments of the Office of Consumer Advocate, in the above referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "David T. Evrard".

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870

Enclosures

cc: Honorable Fred R. Nene

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
for Approval of its Energy Efficiency and :
Conservation and Demand Response Plan :
Docket No. M-2009-2093217

COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION

The Office of Consumer Advocate (OCA) files these Comments in response to the Commission's Orders of October 27 and December 17, 2009 and the Secretarial Letter issued December 24, 2009. In its October 27 Order, the Commission approved the Energy Efficiency and Conservation and Demand Response Plan (Plan) of the Duquesne Light Company (originally submitted on June 30, 2009) subject to various modifications set forth in the Order. Duquesne Light Company (Duquesne or Company) was directed to file a revised Plan consistent with the ordered modifications within sixty days of the October 27 Order entry date. In its December 17 Order, the Commission, ruling on a Petition for Reconsideration of the Office of Small Business Advocate, directed Duquesne, when making its sixty day compliance filing, to submit to the Commission and all parties of record a red-lined version of its Plan. The October 27 Order directed that interested parties would have ten days to file comments on the revised Plan.

Duquesne filed its revised Plan on December 23, 2009. A ten-day comment period would have required comments to be filed by January 4, 2010. In view of the intervening

holiday period, the Commission issued a Secretarial Letter on December 24 declaring that comments on Duquesne's revised Plan would be considered timely if filed on or before Friday, January 8, 2010. Accordingly, the OCA files the following comments.

II. COMMENTS

Upon review of Duquesne's revised Plan, the OCA submits that the Company has appropriately incorporated the various modifications mandated by the Commission's October 27 Order. While the revised Plan is consistent with the Commission's Order, there are several details of the revision that the OCA submits should be pointed out.

First, the OCA would draw the Commission's attention to Figures 4 and 47, appearing on pages 14 and 122, respectively, of the revised Plan. In each of those Figures, the Company removes the kilowatt-hour (kWh) savings associated with the Solar Photovoltaic program which the Commission ordered eliminated. While the Solar program elimination appears to be the only change made in these two Figures, the reduction in revised total (cumulative) kWh savings at the bottom of each figure is actually much larger than subtraction of only the Solar program savings would yield. For example, for the Program Year Ending May 31, 2011, reduction of the previous total cumulative savings of 245,984,531 kWh by the 312,000 kWh savings associated with the Solar program should yield savings of 245,672,531 kWh, but Duquesne lists total savings of 244,151,922 kWh, a difference of more than 1.5 million kWh. The same is true for the column headed Program Year Ending May 31, 2013 (kWh). In the third column of Figures 4 and 47, which shows projected demand savings in kilowatts (kW), the elimination of the Solar program, which was projected to yield 240 kW of demand reduction, actually produces an *increase* in total cumulative demand savings from 198,182 kW to 199,182 kW. The OCA

submits that Duquesne should be directed to explain these anomalies and to submit corrected versions of these two Figures if they are in error.

Second, in both testimony and in its Main Brief in this proceeding, the OCA advocated the inclusion of furnace fan replacement as an energy efficiency measure in Duquesne's Residential Energy Efficiency Program. Duquesne, in its Main Brief, acknowledged that it made an error in its Total Resource Cost (TRC) calculations related to furnace fans, that it agreed with the OCA that furnace fan replacement should be included as a REEP measure and stated that it would modify REEP accordingly.¹ Duquesne has done so, as reflected on pages 15 and 24 of the revised Plan. However, the results of this inclusion may not be readily apparent to those reviewing the red-lined version of the revised Plan. A key to understanding this point is footnote 30, which appears on page 122 of the revised Plan. There Duquesne states:

REEP energy savings and demand reduction estimates changed based on increasing annual budgets \$150,000 (previously in Solar PV) and addition of the high-efficiency furnace fan measure. Adding furnace fans shifted the overall measure mix and forecast measure savings in Duquesne's penetration model. This reduced the penetration of other more cost-effective measures (primarily outdoor lighting fixtures) resulting in an overall reduction of projected savings in the Residential sector programs.

The full display of projected REEP savings appears in Figure 5 on page 15 of the revised Plan. While Duquesne appropriately reflected the addition of the furnace fan measure by way of a red-line, it did not red-line the myriad other changes to Figure 5 that resulted from the penetration model shift referenced in footnote 30. A comparison of Figure 5 in Duquesne's originally filed Plan with Figure 5 in the revised Plan reveals changes in Annual Program Savings and the number of homes affected for most of the measures listed, as alluded to in footnote 30. The overall result of the shift referenced in footnote 30 was to reduce the total projected annual kWh savings for REEP from approximately 37.1 million to 35.6 million. In the interest of full

¹ This matter was addressed in the October 27 Order at pp. 41-42.

understanding of the revisions to the Plan and the effects of those revisions on projected Plan results, Duquesne should have presented a more complete red-line version of Figure 5.

That said, the OCA is not troubled by the projected reduction in annual kWh savings associated with REEP. Footnote 30 indicates that the inclusion of furnace fan replacement changed the mix of measures under REEP, including a reduction in penetration of the outdoor lighting fixture measure. The OCA would note that in its testimony and briefs, it questioned the Company's projections for savings from outdoor lighting fixtures, which as originally proposed, would have constituted nearly 32% of the overall savings under REEP. The OCA submits that the changes reflected in the revised Figure 5 are likely a more realistic depiction of what can be accomplished under REEP.

Finally, in addition to the issue it raised regarding outdoor lighting fixtures, the OCA expressed concern over the savings projections tied to other REEP measures such as those associated with Energy Star Torchiers.² While revised Figure 5 reduces the projected savings for the torchiers (appropriately, the OCA submits), the OCA continues to question the accuracy of the savings projections associated with various REEP measures. In that regard, the OCA is pleased that the Commission has directed an ongoing stakeholder process in this proceeding and that in doing so, it specifically referenced the OCA's concerns with the REEP study data. The Commission stated:

We note that one such topic of investigation that should be addressed in the collaborative process should deal with the OCA's concern regarding numerous anomalies in the study data supporting REEP as discussed above.

October 27 Order at 99-100.

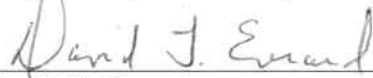
The OCA welcomes this opportunity and looks forward to ongoing discussions with Duquesne.

² The OCA's concerns were referenced at p. 99 of the October 27 Order.

III. CONCLUSION

Duquesne has appropriately revised its Energy Efficiency and Conservation and Demand Response Plan to comply with the directives set forth in the Commission's October 27 Order. The OCA has identified concerns regarding specific details of the revised Plan, notably issues related to the content or presentation of Figures 4, 5 and 47. The OCA respectfully requests the Commission to direct Duquesne to: (1) explain the changes to Figures 4 and 47, and if necessary, to modify those Figures; and (2) to present a revised red-line of Figure 5.

Respectfully Submitted,



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January 8, 2010

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CERTIFICATE OF SERVICE

Petition of Duquesne Light Company :
for Approval of its Energy Efficiency : Docket No. M-2009-2093217
and Conservation and Demand :
Response Plan :

I hereby certify that I have this day served a true copy of the foregoing document, the Comments of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 8th day of January 2010.

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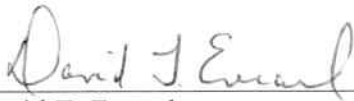
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