BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY AND WEST PENN POWER COMPANY FOR AN EVIDENTIARY HEARING ON THE ENERGY EFFICIENCY BENCHMARKS ESTABLISHED FOR THE PERIOD JUNE 1, 2013 THROUGH MAY 31, 2016	)	**DOCKET NOS. P-2012-2320450** **P-2012-2320468** **P-2012-2320480** **P-2012-2320484**

MAIN BRIEF OF CITIZENS FOR PENNSYLVANIA'S FUTURE

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BRIEF OF CITIZENS FOR PENNSYLVANIA'S FUTURE

Now comes Intervenor, Citizens for Pennsylvania's Future ("PennFuture"), by counsel, Heather M. Langeland, and submits the following brief in the above captioned proceeding.

INTRODUCTION AND PROCEDURAL HISTORY

Act 129 of 2008 amended the Pennsylvania Public Utility Code by requiring Pennsylvania electric distribution companies ("EDCs") to file energy efficiency and conservation ("EE&C") plans by July 1, 2009 containing the plan elements specified in Section 2806.1 of the Public Utility Code, 66 Pa. C.S. § 2806.1 ("Phase I"). Act 129 also requires the Pennsylvania Public Utility Commission ("Commission"), by November 30, 2013, to evaluate the costs and benefits of the Phase I Program and, if the benefits of the Program are found to exceed their costs, to adopt "additional required incremental

reductions in consumption" and "additional incremental requirements for reduction in peak demand." 66 Pa. C.S. §§2806.1(c)3 and (d)(2).

The Commission retained a Statewide Evaluator ("SWE") to conduct market potential and baseline studies in order to comply with Act 129's requirement for cost-benefit analyses. Based on those studies and the Commission's interpretation of what the costs and benefits of Phase I have been to date the SWE concluded "instituting a second phase of Act 129 electric energy efficiency programs will be cost-effective for Pennsylvania ratepayers." *Final Implementation Order, Energy Efficiency and Conservation Program*, Docket Nos. M-2012-2289411 and M-2008-2069887 (entered August 3, 2012 pp. 11-12 ("*Implementation Order*"). On or about August 3, 2012, the Commission entered its Implementation Order establishing EDC's specific consumption reduction targets for Phase II of Act 129. The specific targets at issue in this proceeding are: Metropolitan Edison Company 2.3%; Pennsylvania Electric Company 2.2%; Pennsylvania Power Company 2.0%; and West Penn Power Company 1.6% (collectively referred to herein as "FirstEnergy").

The Implementation Order states "[i]f an EDC desires to contest the facts the Commission relied upon in adopting the consumption reduction requirements . . . it has until August 20, 2012, to file a petition requesting an evidentiary hearing on its specific consumption reduction target. The EDC contesting the consumption reduction requirement shall have the burden of proof in accordance with 66 Pa. C.S. §332(a). The scope of any such proceeding will be narrow and limited to the consumption reduction requirement issue." *Id.* at 31.

On or about August 20, 2012, FirstEnergy filed Petitions seeking evidentiary hearings regarding the consumption reduction targets. Specifically, FirstEnergy submitted:

> The Companies cannot be certain if they can achieve these energy efficiency benchmarks until after they have assessed programs, analyzed potential participants and participation rates, and developed combinations of programs and measures that will comply with established targets within the 2% spending cap. This is an on-going process that must be performed through an iterative process that takes several months with a goal of having a recommended Phase II EE&C Plan submitted no later than November 1, 2012. Therefore, in order to preserve their rights to challenge the energy efficiency benchmarks as set forth in the August 3 [Implementation Order] until such time as they can make an informed decision as to the reasonableness of the same, they submit this Petition for an Evidentiary Hearing. Should the Companies subsequently determine that they believe the energy efficiency targets are reasonable, they will withdraw this Petition at a later date.

First Energy Petition for Evidentiary Hearing at p. 3. On that same date, FirstEnergy also filed a Petition for Reconsideration. At a pretrial hearing on September 10, 2012, the four docket numbers noted above were consolidated for purposes of the evidentiary hearing. On September 27, 2012, the Commission entered an Order denying the Petition for Reconsideration. *Reconsideration Order, Energy Efficiency and Conservation Program*, Docket Nos. M-2012-2289411 and M-2008-2069887 (entered September 27, 2012)("*Reconsideration Order*"). On October 19, 2012 an Evidentiary Hearing was held in this matter.

At the evidentiary hearing, FirstEnergy submitted the direct testimony of Edward Miller, the Manager of Development and Compliance for the Energy Efficiency Department of FirstEnergy Service Company. *Miller Direct Testimony* at p. 1.

PennFuture submitted the testimony of Glenn Reed. Mr. Reed is the principal of Energy Futures Group, a Vermont-based consulting firm that specializes in efficiency programs, policies and markets. It provides its clients with expertise in a number of areas, including, but not limited to, efficiency program design, program implementation support, policy development, energy efficient potential studies, building energy codes, program evaluation, and collaborative engagements between efficiency program administrators and other stakeholders. *Reed Direct Testimony*, at Answer to Question 3.

Over the past 25 years, Mr. Reed has been actively engaged in energy efficiency program design, program implementation oversight, baseline development, program evaluation, and energy codes and efficiency standards development. For the past several years he has worked with efficiency program administrators and other stakeholders in providing support for the design and oversight of energy efficiency programs in Massachusetts, Rhode Island, and Connecticut. He is the lead author of the Northeast Energy Efficiency Partnerships' regional Residential Lighting Strategy as well as its recent update. Over the past five years he has been involved in undertaking energy efficiency potential studies or in the critical review of such studies in Vermont, New York, Connecticut, Rhode Island, Louisiana, Pennsylvania, Ohio, Iowa, and Nova Scotia. He is also the project manager of a soon to be released white paper for the Regulatory Assistance Project on the ten most common pitfalls of energy efficiency potential studies. *Id.* at Answer to Question 12. He has previously submitted expert testimony before the Nova Scotia Utility and Review Board and the Massachusetts Department of Public Utilities, and has been published several times. *Id.* at Answer to Questions 6, 7.

Mr. Reed's extensive experience with energy efficiency programs gives him insights into the findings of the SWE's Electric Energy Efficiency Potential for Pennsylvania Final Report ("Market Potential Study"), and how these findings – and other relevant market and program information – should best be used to develop cost-effective and cost-efficient programs for FirstEnergy. *Id.* at Answer to Question 12.

ARGUMENT

The party seeking affirmative relief from the Commission bears the burden of proof pursuant to Section 332(a) of the Code. 66 Pa. C.S. §332(a). The term "burden of proof" means a duty to establish a fact by a preponderance of the evidence. *Pennsylvania Public Utility Commission v. Corey Transport, LLC*, 2012 Pa. P.U.C. LEXIS 223 (2012)(citing, *Feinstein v. Philadelphia Suburban Water Company*, 50 Pa. P.U.C. 300 (1976). FirstEnergy submits that its consumption reduction targets should be lowered as they are unreasonable and the acquisition costs underestimated. For the reasons that follow, FirstEnergy has failed to sustain its burden of proof.

I. Lowering FirstEnergy's Targets Would be Harmful to Consumers

As an initial matter, granting FirstEnergy's Petition and lowering its targets would be harmful to its consumers. Energy efficiency is the least cost way to meet the electricity needs of the Companies' customers. Reducing the amount of megawatt-hour ("MWh") savings the Companies need to achieve in Phase II will require that more ratepayer dollars will need to be spent over time on fuel, generation capacity and expanded transmission and distribution infrastructure than would have been spent on

energy efficiency. Lowering the Phase II savings goals will also decrease the amount of Demand Reduction Induced Price Effects (DRIPE) impacts customers receive as a quantifiable benefit of energy efficiency. *Reed Direct Testimony* at Answer to Question 26.

DRIPE is a measurement of the value of efficiency in terms of the reduction of wholesale energy prices seen by all retail customers. The reduced energy demand due to efficiency programs allows for the shedding of the most expensive resources on the margin and lowering the overall costs of energy. This reduces the wholesale prices of energy and demand, and this reduction in a restructured market, is passed on to retail customers. DRIPE effects in New England are now estimated to last 11 years for peak capacity reductions, and 13 years for energy consumption reductions. The per kilowatt-hour (kWh) values of DRIPE vary based on energy period and region, but for New England it ranges from $0.001/kWh to $0.032/kWh for energy depending on energy period and region, and from $2.23/kilowatt (kW) to $59.07/kW for peak demand, depending on region. *Id.*

In addition to these system wide benefits, reduced savings goals will also mean that fewer individual customers will be able to attain savings, or that the depth of savings among participating customers will be lower. Allowing the Companies to lower their Phase II energy reduction goals would reduce all of these benefits to electric customers. *Id.*

II. *FirstEnergy's Phase II Energy Reduction Goals are Reasonable and Should Not be Lowered*

The evidence presented in this matter shows that FirstEnergy's consumption reduction goals are reasonable, particularly when one compares these goals to those of the statewide average for Phase II. For Phase II, three of the Companies' goals are below the statewide average of 2.3%. West Penn's goal is 1.6%; Penn Power's goal is 2.0%; and Penelec's goal is 2.2%. Only Met-Ed has a savings goal equal to the statewide average at 2.3%. *Reed Direct Testimony* at Answer to Question 16.

Additionally, the reduction goals set forth in the Implementation Order for Phase II have been lowered for each FirstEnergy company, except for Met-Ed, which stayed roughly the same. In Phase I the Companies are required to achieve a 3% energy reduction by May 31, 2013, which is 0.75% per year. The Phase II goals are 0.76% per year for Met-Ed, 0.73% per year for Penelec, 0.67% per year for Penn Power, and 0.53% per year for West Penn. *Id.* at Answer to Question 17.

In fact, Mr. Reed concluded that FirstEnergy's targets were underestimated. In explaining this conclusion, Mr. Reed testified:

> My review reveals several issues with the Market Potential Study including the unsupported 25% mark-up of programs costs in Phase II; program design assumptions related to measure penetration rates; overstatement of the impacts from the Energy Independence and Security Act of 2007 ("EISA") lighting standards; and an underestimated savings in the non-residential sectors.
>
> For the first point, the SWE does not provide any data to back up the 25% mark-up of program costs for Phase II. The acquisition cost of Phase II energy savings is one of the critical factors in determining the Phase II consumption reduction targets and therefore should not be determined arbitrarily. While the argument is made that subsequent

savings will be more expensive (higher cost per kWh) no quantitative evidence to support this contention is made. Further, as noted in this testimony, the Companies' Phase I acquisition costs are much lower than those used to develop their Phase II targets, as are those from other efficiency programs in a similar state of portfolio evolution. The addition of a 25% Phase II mark-up of program costs is unwarranted and will result in lower Phase II efficiency targets.

As to program design and measure penetration estimates, the Market Potential Study makes simplifying assumptions that do not reflect good program design. The Market Potential Study assumes that when multiple measures "compete" for the same baseline technology that equal numbers of those measures are installed. This is a simplified and in many cases an incorrect assumption. It does not address that through good program design an electric distribution company ("EDC") will want to maximize program savings by more aggressively promoting more efficient technologies and work to do so in a way that minimizes the cost of those savings. Cost-efficiencies can be obtained through adjusting incentive levels, moving financial incentives upstream to reduce wholesale as opposed to retail pricing, lowering program administrative costs by jointly implementing programs on a statewide basis, etc.

For example, the Market Potential Study on page 46 gives the following example of equally allocating measure participation across all residential electric hot water measures:

"In instances where there are two (or more) competing technologies for the same electrical end use, such as heat pump water heaters, water heater efficiency measures and high-efficiency electric storage water heaters, an equal percentage of the available population is assigned to each measure using the applicability factor."

There are five cost-effective replace at burnout ("ROB") domestic hot water ("DHW") heaters that would compete with one another: three electric storage water heater measures with small incremental costs and very small per unit savings and two heat pump water heater ("HPWH") measures with significant increases in incremental costs and with savings fractions approaching 50 percent or more. The report text implies that DHW replacement

opportunities would be spread equally across all five measures. This assumption does not reflect the fact that the higher savings HPWH measure should be promoted much more aggressively than the storage water heater measures. Further, it is likely that the storage water heater measure would have significant free-ridership and cannibalize sales of the much more efficient HPWHs. While the SWE noted that the Potential Report was not a program design document, it is being used to establish program savings goals. Modeling of measure installation rates, particularly for the achievable and program potentials, should attempt to reflect likely program design. Few if any efficiency programs would adopt the lower savings storage DHW. This assumption leads to an underestimation of the savings potential in Phase II.

This critique holds true in the commercial and industrial sectors as well. For example, the five options for addressing the fluorescent lighting end-use have dramatically different costs, savings, and appropriate situations for installation. Treating them equally may dramatically underestimate savings.

In addition, I do not believe the SWE captures the remaining cost-effective energy lighting savings that will continue to be attainable over the next 8 to 9 years even with the new minimum federal lighting efficiency standards in place. For example, the detailed measure characterizations in the Market Potential Study do not appear to reflect an accurate interpretation of the EISA standards. Specifically, only three residential Compact Fluorescent Light ("CFL") measures are characterized: 100 watt, 75 watt and 40 watt CFL replacements. The 2012-2014 provisions of EISA only apply to general service lamps. There are over 20 lamp categories excluded from EISA coverage including reflector lamps, globe and candelabra lamps, three-way lamps, and more. Program administrators throughout much of the country have been increasingly focusing their CFL program efforts on these and other "specialty" CFL lamp categories since savings from these lamps will be higher as their baselines will not need to be adjusted upwards for EISA related efficiency improvements. The Market Potential Study does not appear to explicitly address these classes of lamps that are exempt from EISA coverage. This assumption arbitrarily lowers the potential savings from lighting in Phase II of Act 129.

> Lastly, the Market Potential Study appears to underestimate savings in the non-residential sectors. Of primary concern is the dramatically lower potential noted for non-residential as compared to the residential sector. This may be a result of the study's focus on "replace on burnout" opportunities, which leaves substantial amounts of cost-effective early-retirement potential unaddressed. I also note that the study omits savings from a potentially large fraction of all exterior lighting opportunities because it omitted the lighting-specific rate classes under which many of these fixtures operate.

Id. at Answer to Question 15. As Mr. Reed extensively testified, many factors point to the conclusion that FirstEnergy's targets are underestimated. Accordingly, they should not be lowered.

III. The Acquisition Costs set Forth in the Implementation Order are Sufficient for the Companies to meet Their Targets

The Implementation Order sufficiently sets forth the acquisition costs for the companies to meet their targets, and in actuality, overestimates the acquisition costs. Based on his review of the costs and MWh savings for the Companies' energy efficiency programs as reported in the July 16, 2012 Program Year 3, Quarter 4 Report to the Commission for each of its EDCs, Mr. Reed concluded that the acquisition costs for each EDC in Phase I were as follows:

- Met-Ed: 319,417 MWh reduction at a cost of 45,925,000. This equals an acquisition cost of $144 per first year MWh savings.
- Penelec: 325,287 MWh reduction at a cost of $44,314,000. This equals an acquisition cost of $136 per first year MWh savings.
- Penn Power: 113,273 MWh reduction at a cost of $12,184,000. This equals an acquisition cost of $108 per first year MWh savings.
- West Penn: 389,957 MWh reduction at a cost of $44,944,000. This equals an acquisition cost of $115 per first year MWh savings.

Id. at Answer to Question 18. For Phase II, the SWE assumes the following program acquisition costs for the Companies.

- Met-Ed: $220.87 per first year MWh savings for Phase II, which is a 54% increase over its Phase I acquisition costs.
- Penelec: $216.19 per first year MWh savings for Phase II, which is a 59% increase over its Phase I acquisition costs.
- Penn Power: $209.20 per first year MWh savings for Phase II, which is 94% increase over its Phase I acquisition costs.
- West Penn: $209.42 per first year MWh savings for Phase II, which is 82% increase over its Phase I acquisition costs.

Market Potential Study p. 6. This upward adjustment to acquisition costs for Phase II is sufficient to cover any future uncertainty. When you examine what the Companies actual acquisition costs for the first three program years of Act 129 compared to the SWE's estimated Phase II acquisition costs, those costs have been significantly increased. For example, the SWE has increased Phase II acquisition costs by 54% for Met-Ed, 59% for Penelec, 94% for Penn Power and 82% for West Penn. These increases in acquisition costs should more than address any future changes to the TRM and market uncertainties. *Reed Direct Testimony* at Answer to Question 20.

In response, FirstEnergy posits that the Companies' Phase I acquisition costs were low because of the program design decisions the Companies had to make due to budget "inequities." *Miller Direct Testimony* at p. 6. While such an opinion is put forward, no evidence is presented by Mr. Miller to support this opinion that "... the needed heavy reliance on the lower cost programs and measures in Phase I due to the funding inequities that existed for the Companies, there may not be adequate potential remaining for those programs and measures." *Id.* at p. 10. Mr. Miller's testimony does not provide

any examples of how the Companies' measure and programs differed appreciably from those of the other EDCs in Phase I for the specific objective of lowering the Companies' Phase I acquisition costs. All of the EDCs relied on low-cost measures like lighting and commercial and industrial equipment rebates to achieve the majority of their consumption reduction targets. Further, no evidence is presented that the limited Phase I program efforts in any way exhausted such low hanging fruit and that similar measures and programs could not be pursued at comparable acquisition costs in Phase II. *Reed Direct Testimony* at Answer to Question 21.

FirstEnergy proposes adjustments to account for lower rates and the subsequent need for higher incentives for non-residential customers. *Miller Direct Testimony* at p. 22. However, this proposal is without merit. As explained by Mr. Reed:

> While there certainly is some relationship between rates, incentive levels, and program participation I do not agree with the implied level of precision by which the Companies have quantified this relationship. While paybacks are certainly a consideration as to an individual firm's willingness to participate in an efficiency program, there are many other factors that influence participation, particularly for the very large population of possible program participants. Other critical factors that influence program participation include awareness of program offerings, the availability of technical assistance, availability of financing, trade ally training and support of program efforts, etc. The Companies have made an unwarranted simplification as to the relationship between rates and program participation. The proposed adjustment to the Phase I acquisition costs is not supported by the evidence provided by the Companies.

Reed Direct Testimony at Answer to Question 22. Simply put, there is no evidence to support an adjustment to the Phase I acquisition costs.

Further, there is no evidence to support a reduction in Phase II goals based on a purported need for increased acquisition costs. The SWE has already increased the Companies' Phase II acquisition costs significantly over actual Phase I acquisition costs in the first three program years. In addition, the acquisition costs used by the SWE to determine the Companies' Phase II energy saving reduction goals are already too high based on experience in other states. Pennsylvania's energy efficiency programs have only been in place for three years (4 years when Phase II begins). Therefore, there are still plenty of low cost energy savings to be captured. Looking at comparable states such as those in the Southwest where programs have only been in place for five years, it is clear that the Phase II acquisition costs are overestimated. For example, in 2009 and 2010, utilities in the Southwest achieved program savings at an average cost of $160 - $190 per first year MWh savings. Specifically, Xcel in Colorado had an average cost of $180/MWh; Rocky Mountain Power in Utah had a cost of $190/MWh; and Arizona Public Service had a cost of $160/MWh. Similarly, costs for newly developed energy efficiency programs in several Midwestern states including Ohio, Michigan, Illinois, Iowa and Arkansas have been approximately $120 per first-year MWh. *Id.* at Answer to Question 23.

The Companies have also not fully realized cost efficiencies from enhanced program designs and implementation strategies. First, the Companies have not fully aligned their program designs and actively pursued statewide implementation of their efficiency programs. Joint program implementation – not just coordinated program delivery – is able to bring about economies of scale as well as increased customer and trade ally participation. It creates market confusion and trade ally disinterest to have

different program designs, implementation vendors, measure eligibility criteria, and incentive levels for similar programs all targeted to the same market segment, e.g., efficient residential products or commercial new construction. Having single, statewide program implementation vendors will decrease the costs to all EDCs, particularly in those programs that have significant upstream delivery components. Similarly, using the same incentive processing vendors can also reduce costs to all EDCs. Statewide joint implementation has become increasingly commonplace among those states identified as energy efficiency leaders by the American Council for an Energy-Efficient Economy ("ACEEE"). *Id.*

Second, the Companies have not fully realized cost efficiencies from enhanced program design. For example, the Companies have not fully realized the benefits of moving their financial incentive transactions upstream. Upstream incentives typically better leverage EDC funds by buying down wholesale as opposed to retail product pricing. While some progress has been made in the residential lighting market, other opportunities should be explored and pursued in commercial lighting, commercial and residential HVAC and DHW equipment, and consumer electronics and appliances. Due to the fact the acquisition costs are overestimated for Phase II, there is no rational for the Companies' Phase II energy reduction goals to be reduced. *Id.*

The Companies' Phase II acquisition costs and energy reduction goals should not be changed from what the Commission recommended in its Implementation Order. The acquisition costs used to determine the Companies' Phase II energy reductions goals are sufficiently inflated to cover any future changes to the technical reference manual ("TRM") or other market uncertainty based on the Companies' most recent experience,

similar experience in other jurisdictions, and a more critical review of the SWE's Potential Study. Nearly all of the Companies' proposed adjustments to their Phase I acquisition costs should be ignored. They are either unsupported by quantitative evidence or represent such simplifications of complex relationships, e.g., the impact of retail rates on non-residential savings as to not be useful. *Id.* at Answer to Question 34.

IV. The Commission Allows Enough Flexibility for the Companies to Adjust their Phase II Energy Efficiency and Conservation Plans During Phase II to Deal With any Updates to the ("TRM") and any Changing Market Conditions

First Energy argues that future updates to the TRM and any changes to market conditions should weigh in favor of lowering its consumption reduction target. This argument is without merit.

The TRM was modified during Phase I. The Commission provided updated 2009, 2010, 2011 and 2012 editions of the TRM to incorporate changes and improvements from recent research, data, and the needs and experiences of the EDCs. *Id.* at Answer to Question 27. When these changes were made, the EDCs petitioned the Commission to make changes to their EE&C plans based upon these modifications, discovered efficiencies and inefficiencies, and learned best practices. *Id.* at Answer to Question 28.

This same flexibility will be available to EDCs to modify its plans in Phase II. In explaining this flexibility, witness Reed testified:

> **Q. Will the same flexibility to modify plans be allowed in Phase II?**
>
> A. Yes, the Commission allows EDCs to propose plan changes in conjunction with the EDC's annual report filing required by the Act at 66 Pa. C.S. §2806.1(i)(1). In addition, in the Implementation Order the Commission expanded the expedited review process for

> approving minor EE&C plan changes proposed by the EDCs. The following minor plan changes are allowed to be reviewed under an expedited review process:
>
> i. The elimination of a measure that is underperforming, no longer viable for reasons of cost-effectiveness, savings or market penetration or has met its approved budgeted funding, participation level or amount of savings;
>
> ii. The transfer of funds from one measure or program to another measure or program within the same customer class;
>
> iii. Adding a measure or changing the conditions of a measure, such as its eligibility requirements, technical description, rebate structure or amount, projected savings, estimated incremental costs, projected number of participants, or other conditions so long as the change does not increase the overall costs to that customer class;
>
> iv. A change in vendors for existing programs that will continue into Phase II; and
>
> v. The elimination of programs which are not viable due to market conditions.

Id. at Answer to Question 29. Going forward, EDCs can continue to challenge proposed future TRM changes. *Reconsideration Order*, p. 14.

Contrary to FirstEnergy's arguments submitting that changes to the TRM mandate lower consumption reduction targets, updates to the TRM have resulted in increases to the amount of savings attributed to measures and programs. The Commission has added new measures at the request of the EDCs and revised TRM values that have increased the amount of savings attributed to measures and programs contained in one or more EDC EE&C plan. The Commission has stated that it anticipates doing the same in the future as more information becomes available. *Id.* at pp. 17-18.

Reduced savings from certain proposed TRM measure changes should not be used to reduce consumption reduction targets. While the savings from individual measures may result in lower savings for those measures, any such changes need to be considered within the much broader context of the Companies' specific program designs and implementation strategies. Applying these TRM adjustments to the SWE analysis is informative, but by no means definitive. The Market Potential Study is not a program design document. Reductions in measure savings do not mean that any proposed portfolio level savings goals need to be reduced accordingly. The Companies can adjust their program measure mixes, revise their incentive costs – lower measure savings often, but not always, translates into lower incremental costs, move their implementation efforts upstream to increase participation and to lower costs, etc. *Reed Direct Testimony* at Answer to Question 32.

Finally, the Commission has already responded to EDC concerns regarding TRM changes. The Commission states in its Reconsideration Order that "... the TRM does not cover all measures contained in an EDC's EE&C plan that also contains cost and savings estimates for programs and measures not contained in the TRM." *Reconsideration Order* at p. 17. The Commission goes on to say that "The TRM does not establish the goals, nor do changes to the TRM move the goal, the TRM simply measures the amount of electric energy savings obtained by the installation or implementation of a measure or program." *Id.*

CONCLUSION

For all the foregoing reasons, PennFuture submits that FirstEnergy's arguments should be denied. The Implementation Order should be upheld in its entirety.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this 2nd day of November, 2012 served a true and accurate copy of PennFuture's **BRIEF OF CITIZENS FOR PENNSYLVANIA'S FUTURE** upon the parties listed below via electronic service, and further certify that a hard copy was deposited in the United State mail, postage prepaid, and addressed to:

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