

THE PENNSYLVANIA UTILITY LAW PROJECT

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January 28, 2013

Via E-Filing

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: PPL Electric Utilities Petition for Approval
of its Act 129 Phase II EE&C Plan
Docket No. M-2012-2334388**

Dear Secretary Chiavetta:

Enclosed please find the Main Brief of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) in the captioned proceeding. Electronic and hard copies have been sent consistent with the attached Certificate of Service.

Should you have any question or concerns about this filing please do not hesitate to contact the undersigned.

Very sincerely,



Patrick M. Cicero

CC: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
for Approval of its Act 129 Phase II : M-2012-2334388
Energy Efficiency and Conservation Plan :

CERTIFICATE OF SERVICE

I hereby certify that on **January 28, 2013** I have served the **Main Brief of CAUSE-PA** as set forth below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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Respectfully submitted,



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Dated: January 28, 2013

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Energy : M-2012-2334388
Efficiency and Conservation Plan :

**MAIN BRIEF OF THE COALITION FOR
AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

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I. Introduction

Act 129 of 2008 (Act 129) requires that the Pennsylvania Public Utility Commission (Commission) implement an Energy Efficiency and Conservation Program (EE&C Program or EE&C Plans) for Electric Distribution Companies (EDCs) with more than 100,000 customers.¹ PPL Electric Utilities Corporation (“PPL” or the “Company”) is one such EDC. PPL filed its Phase I EE&C Plan in the summer of 2009. This Phase I plan expires on May 31, 2013. Among the requirements of each EE&C Plan is the requirement that each plan include “specific energy efficiency measures for households at or below 150% of the Federal poverty income guidelines” in proportion to the share of the households’ total energy usage in the service territory.²

On August 3, 2012, the Commission entered its Act 129 Phase II Implementation Order which tentatively adopted EDC-specific targets for reducing energy consumption for the next EE&C Program term commencing June 1, 2013, and increased the energy efficiency requirements directed at low-income households.³ As a part of that proceeding, each EDC was given an EDC-specific consumption reduction target.

PPL’s Phase II target was set at 2.1% of its expected sales for the June 1, 2009 through May 31, 2012 period.⁴ In addition, the Commission directed that EDCs obtain 4.5% of their total consumption reductions from the low-income sector, and that EDCs target the underserved multi-family housing sector.⁵

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) intervened in this proceeding to ensure that PPL’s plan was adequately designed

¹ See 66 Pa. C.S. § 2806.1 *et seq.*

² 66 Pa. C.S. § 2806.1(b)(1)(i)(G).

³ See Energy Efficiency and Conservation Program, Docket Nos. M-2012-2289411 and M-2008-2069887 (Order entered August 3, 2008) (“Phase II Implementation Order”)

⁴ Phase II Implementation Order at 24

⁵ Ibid at 54-58.

to achieve both the statutory requirement that there be specific, targeted measures for low-income households in proportion to their share of total energy usage within PPL's service territory, and to ensure that PPL's plan was effectively targeted to obtain 4.5% of its total consumption reductions from the low-income sector. CAUSE-PA also intervened to ensure that the measures targeted to PPL's most vulnerable consumers would be designed to meaningfully reduce low-income households' energy bills at the individual household level and not merely in the aggregate. While PPL's Plan as proposed takes steps in this direction, the recommendations made by Ms. Tran, which are explained in greater detail below, will yield better results for PPL's economically vulnerable customers.

II. Procedural History

PPL filed its Petition for approval of its Act 129 Phase II Energy Efficiency and Conservation Plan ("Phase II EE&C Plan" or "Plan") with the Commission on November 15, 2012. A Commission order on PPL's Plan is due by March 14, 2013. On December 10, 2012, Administrative Law Judge Dennis J. Buckley held a prehearing conference attended by the following parties: PPL, CAUSE-PA, the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), Citizens for Pennsylvania's Future (PennFuture), UGI Distribution Companies (UGI), Wal-Mart Stores East, L.P. (Walmart), the Sustainable Energy Fund (SEF), and the Commission on Economic Opportunity (CEO).

In accordance with the Joint Procedural Schedule established at that hearing, CAUSE-PA filed the Direct Testimony of its witness Thu B. Tran on December 28, 2012. Various other parties submitted either comments and/or direct testimony on that date. Rebuttal testimony was filed by Ms. Tran on January 11, 2013. PPL also filed rebuttal testimony on January 11, 2013, including PPL Statement No. 1R, the Rebuttal Testimony of witness Mary Elizabeth Thompson

Grassi. Evidentiary hearings were held on January 16, 2013 at which time CAUSE-PA entered into the record the Direct and Rebuttal Testimony of Ms. Tran (CAUSE-PA Statement No. 1 and Statement No. 1-R), as well as CAUSE-PA Cross-examination Exhibit 1, which consists of various interrogatory responses of PPL.

CAUSE-PA, through its counsel at the Pennsylvania Utility Law Project, files this brief in support the positions advanced by its witness Thu B. Tran through her written testimony, accompanying exhibits, and the other evidence entered into the record of this proceeding.

III. Description of EDC Plan

On November 15, 2012, PPL filed its Petition and Plan with the Commission. Rather than describe each and every facet of PPL's Plan, CAUSE-PA will generally summarize PPL's low-income offerings and will focus on those parts of PPL's Plan effecting households with income at or below 150% of the federal poverty income level. Throughout, the term "low-income" as applied to persons or households will refer to those individuals and/or households whose income is at or below 150% of the federal poverty income guidelines.

PPL has developed a portfolio approach to meeting its obligation to provide measures in proportion to its population of low-income customers, as well as to obtain 4.5% of its energy savings from the low-income population. This portfolio includes the following elements which are specifically targeted to low-income households:

1. Low-income Winter Relief Assistance Program (WRAP) in which low-income customers would receive baseload WRAP jobs as well as heat-pump water heaters. PPL proposes to perform approximately 3,000 baseload WRAP jobs each year over the three year plan and install 200 heat-pump water heaters each year over the three years of its Phase II Plan.⁶
2. E-Power Wise Program in which PPL will provide low-income customers

⁶ Phase II Plan.at 74, Table J5.

with energy-efficiency kits and educational materials. These kits are distributed at various workshops through community based organizations and by direct mail. The kits will include such items as compact florescent light bulbs (CFLs), faucet aerators, and high-efficiency shower heads.⁷ Additionally, PPL plans to conduct workshops, through various agencies, to provide “energy efficiency and conservation education to low-income customers so that they can make informed choices about their energy use” and intends to provide “information about low-cost/no-cost energy-efficiency strategies low-income customers can use in their homes.”⁸ PPL projects that it will deliver a total of 7,900 energy-efficiency kits throughout the three years of its Phase II Plan.⁹

3. PPL also plans to implement a Low-Income Energy-Efficiency Behavior and Education Program in which it will provide “qualified low-income customers with a series of ‘report cards’ comparing their usage to comparable customers.”¹⁰ These reports will provide “energy savings recommendations specifically designed to help low-income customers” reduce their energy consumption.¹¹ PPL plans to target 50,000 low-income customers to receive these report cards.¹²

In addition to the programs mentioned above which are available only to low-income customers, PPL’s plan provides two additional avenues for low-income customers to participate in its Act 129 programs. First, PPL’s general residential programs are available to any low-income customer who chooses to participate. Second, PPL has proposed a program targeting master metered multi-family buildings housing low-income persons.

⁷ *Ibid.* at 77.

⁸ *Ibid.* at 76.

⁹ *Ibid.* at 80.

¹⁰ *Ibid.* at 82.

¹¹ *Ibid.*

¹² *Ibid.* at 87.

IV. Summary of Argument

In general, PPL has done an effective job at providing a variety of avenues through which low-income customers can participate in its Act 129 programs. Moreover, through its Rebuttal Testimony and discovery responses PPL has clarified some of the ambiguities of its Plan. CAUSE-PA supports many of the approaches taken by PPL in its Plan, however, as discussed more fully below, CAUSE-PA remains concerned that the programs offered by PPL in Phase II overemphasize customer education and lighting measures at the expense of more comprehensive measures which would provide more meaningful bill impacts for low-income households. CAUSE-PA witness Tran provided some specific recommendations that she believes would effectively address these deficiencies.

V. Argument

A. Procedural/Evidentiary Issues

Act 129 specifically addresses requirements to be met for low-income households. At 66 Pa. C.S. §2806.1(b)(1)(i)(G), Act 129 provides that each Electric Distribution Company's ("EDC's") Energy Efficiency and Conservation ("EE&C") Plan must include specific energy efficiency measures for households at or below 150% of the federal poverty income guidelines, in proportion to that sector's share of the total energy usage in the EDC's service territory. The Commission adopted this requirement for all Phase I EDC Plans. This requirement remains in place for all Phase II Plans.

In addition, the Commission required that each EDC obtain a minimum of four-and-a-half percent (4.5%) of its consumption reduction requirements from the low-income sector.¹³ Eligibility for the Phase II low-income sector programs is limited to low-income households.¹⁴

¹³ Phase II Implementation Order at 55.

¹⁴ *Ibid.* at 58.

B. Act 129 Conservation Requirements

1. Overall Conservation Requirements

CAUSE-PA did not submit evidence and takes no position on whether PPL's plan, as constructed, meets its overall conservation requirements established by the Commission's Phase II Implementation Order. As stated previously, CAUSE-PA's participation in this proceeding is intended to ensure that PPL's low-income programs are designed to both achieve the specific statutory and Commission imposed conservation requirements for low-income households and to ensure that the low-income programs are designed to effectively enable low-income households to save money while they save energy.

2. Requirements for a Variety of Programs Equitably Distributed

CAUSE-PA has not addressed this requirement in this proceeding.

3. 10% Government/Non-Profit Requirement

CAUSE-PA has not addressed Government/Non-Profit carve out issues in this proceeding other than that which was addressed in Section 4 below concerning PPL's proposed Multifamily program.

4. Low Income Program Requirements

The testimony and evidence submitted by CAUSE-PA in this proceeding focused on the importance of PPL designing programs that achieve its energy conservation goals for the low-income sector in a manner that also ensures a meaningful bill impact at the household level. For poor people this is essential. While many of the programs proposed by PPL have the potential to reap kilowatt hour savings in the aggregate, CAUSE-PA submits that the purpose of the low-income carve out is to ensure that low-income households have access to direct installation

measures and weatherization that are designed to produce measurable bill savings. This concern was shared by OCA witness Geoffrey Crandall:

I believe that the Low Income Programs were carved out in recognition of the difficult problems facing low income customers. It would follow that the targets were intended to get more low income customers in low income programs – otherwise you would have neither the targets, nor the low income programs. My concern is that PPL projects that it is able to meet the low income targets without any reliance on the low income programs. If it is that easy for PPL to meet the low income target, it could and should be doing more to address low income customer needs.

In addition, participating in the general residential programs when Low Income Programs offer the same energy efficiency measures is not likely to be in the best interests of the low income customers.¹⁵

These concerns are not hypothetical. On a daily basis low-income households struggle significantly to pay for essential services. According to the most recent report by Commission's Bureau of Consumer Services on Universal Programs and Collections Activity, PPL has a significant confirmed low-income population. PPL reports that 12.6% of its residential customers have been confirmed by PPL as having incomes that are at or below 150% of the Federal Poverty Level.¹⁶ In raw numbers, this is approximately 153,000 households out of the approximately 1.2 million residential customers.¹⁷ The maximum annual household income for eligibility (at 150% FPIG) for family of four is \$34,575. However, the Report indicates that even when the eligibility requirement is set at 150% federal poverty income guidelines, the average income of Pennsylvania households who avail themselves of utility company low-income assistance programs is much lower. In 2011, the household income of the average

¹⁵ OCA Statement No. 1 at 13:1-10.

¹⁶ *2011 Report on Universal Service Programs & Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies*, Pennsylvania Public Utility Commission, Bureau of Consumer Services, at 9. Available at:

http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2011.pdf

¹⁷ The number of estimated low-income customers within PPL's service territory is 17.7% of its residential customers or more than 214,000 households. *Ibid.*

Pennsylvania CAP customer was only \$13,958 and the average income of those receiving services under LIURP was \$16,519.¹⁸

Households below 150% of the federal poverty guidelines simply lack sufficient income to pay for all of their essential needs. Before all the bills are paid, low-income families routinely run out of money. Many cannot afford to pay for utility service because of the cost of competing essential needs like rent, food, and medicine, and low-income households have a significantly higher termination rate as compared to all residential customers. In 2011, the termination rate for PPL's confirmed low-income customers was 11.51% compared to 2.73% of all residential customers.¹⁹ Thus, PPL's low-income electric customers are significantly more likely – more than four times as likely – to be disconnected than residential customers as whole. PPL's confirmed low-income customers certainly have insufficient resources and are financially unable to pay for energy efficiency and conservation services without substantial assistance.

a. PPL's Low-Income WRAP

In the developing its specific low-income programs, PPL has done an effective job at targeting low-income household in some very discrete ways. For instance, PPL's strategy to continue to leverage its existing WRAP²⁰ infrastructure is a sound approach. The fact that WRAP is a familiar, established, and successful program makes it all the more likely that PPL's low-income customers will recognize its effectiveness which will likely result in high enrollment rates. Moreover, PPL's decision to employ a model that gives attention not only to distribution of CFLs but to the replacement of inefficient refrigerators and air conditioning is a positive approach. Measures such as appliance replacement are ones low-income households cannot

¹⁸ *Ibid.* at 33.

¹⁹ *Ibid.* at 11.

²⁰ The Winter Relief Assistance Program or WRAP is PPL's trade name for its Low-Income Usage Reduction Program of LIURP.

afford unaided. Their inclusion in PPL's Act 129 program will be attractive to low-income households.

Furthermore, PPL's Act 129 WRAP appears to closely align energy education with the installation of energy efficiency measures, which is the type of education combined with resources that CAUSE-PA witness Tran noted as providing enhanced value to low-income households.²¹ While the community based weatherization providers are within the homes of low-income individuals, there is an opportunity to "connect the dots" that tie the home energy audit and the installation of measures together to show the household ways in which it can conserve energy.

PPL's planned "neighborhood blitz" program targeting and identifying low-income neighborhoods that would benefit from WRAP services and offering qualified customers full-cost, low-cost or baseload WRAP is also commendable. In response to discovery questions, PPL states that this was suggested by stakeholders as a way to market energy efficiency programs to low-income households, and that PPL plans to "work with a community-based organization to define and conduct a pilot program using the 'neighborhood blitz' approach."²² A neighborhood blitz has the potential to leverage economies of scale that would allow a weatherization provider to spend less time travelling from job to job and concentrate more time on actual weatherization work.

However, in conducting this outreach it is imperative that PPL provide the types of WRAP jobs that are needed for the community. PPL has indicated that it intends to do this by crediting baseload WRAP jobs to its Act 129 program and low and full cost WRAP jobs to its LIURP. From the perspective of the low-income customer this funding source distinction is

²¹ CAUSE-PA Statement No. 1 at 9.

²² See CAUSE-PA Statement No. 1, Appendix B, PPL Response to CAUSE-PA Interrogatory I-7.

immaterial as long as the customer can access that which he or she needs. Thus, community based organizations working through PPL's WRAP must have the discretion to determine, after an appropriate audit that a household is in need of low-cost or full-cost in addition to baseload WRAP. In rebuttal testimony and in response to discovery, PPL clarified that its intention is to do this through close coordination between its LIURP and its Act 129 program, in which PPL anticipates that it will fund 1,500 full-cost, 900 low-cost, and 4,100 baseload WRAP jobs each year.²³ PPL's plan should be amended to reflect these clarifications and specifically state that while it may prioritize baseload WRAP within Act 129, where appropriate and where other sources of funding are not available, it will fund low-cost and full-cost WRAP jobs through Act 129.

CAUSE-PA fully supports PPL's decision to include heat pump water heaters in its plan. The use of heat pump water heaters as a substitute and replacement for traditional hot water heaters can generate significant savings for the household which in turn translate into significant savings for the utility. In its rebuttal testimony, PPL clarified that when heat pump water heaters are installed households would also receive all available baseload WRAP measures.²⁴ In other words, these are cumulative rather than mutually exclusive programs. This clarification should be reflected in PPL's amended plan.

b. PPL's E-Powerwise and Low-Income Behavioral Education Programs

PPL's E-Power Wise Program, in which PPL will provide low-income customers with energy-efficiency kits containing such items as compact florescent light bulbs (CFLs), faucet aerators and high-efficiency shower heads,²⁵ as well as energy education, is a good supplement to PPL's Act 129 WRAP. In its rebuttal testimony, PPL clarified that it intends to deliver these

²³ CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-2.

²⁴ PPL Electric Utilities Statement No. 1R at 25:5-8.

²⁵ Phase II Plan at 77.

kits both in small group or one-on-one sessions by community based CBOs, and will focus the energy education content on the following:

- Typical energy use in the home;
- How energy efficiency translates to lower costs;
- Practical behaviors that can reduce consumption;
- A review of the contents of the E-Powerwise Kits and how they reduce energy consumption, as well as installation instructions for those kits;
- Additional sources for energy efficiency assistance and sources for assistance for payment troubled customers; and
- Additional topics recommended by participating CBOs.²⁶

While this education serves a useful function and may well be advantageous to the Company because it yields countable, inexpensive conserved kilowatt hours that are sizable in the aggregate, it is unclear how this education provides savings at the customer level as their bill impact is likely to be small and generally it will not be at a level that is meaningful economically to the customer. PPL's Independent Evaluator recognized this very fact in its evaluation of this program for Phase I, plan year 3. In explaining the Savings Rate Methodology of this program, the Independent Evaluator stated:

Because of the relatively small savings impact of the program compared to the overall consumption of the participant group, savings for measure installations and behaviors were estimated using engineering calculations rather than using a billing analysis. (That is, because savings are small, it is likely that they cannot be seen in customer billing histories.)²⁷

²⁶ PPL Statement No. 1R at 32:5-12.

²⁷ See PPL Electric's Final Annual Report to the Pennsylvania Public Utility Commission for the Period June 1, 2011 through May 31, 2012, Program Year 3 (November 15, 2012) at 85 (emphasis added). This report is available at: https://www.pplelectric.com/save-energy-and-money/~media/PPLElectric/Shared%20Content/master-pages/act-129/Docs/energy_efficiency/Act129-PPL-PY3-FinalAnnualReport-Final-13Nov12.pdf

Ms Tran has testified that although PPL has an obligation to yield countable savings, this must be balanced with measures that are meaningful to the ratepayers who pay for these programs. If customers, particularly low-income customers, experience Act 129 only through the receipt of an E-Power Wise Kit, they may readily question whether the expenditures are worth the savings if the savings do not materialize on their bill.

CAUSE-PA's concerns about the E-Powerwise program are compounded by the fact that PPL also proposes to simultaneously implement a Low-Income Energy-Efficiency Behavior and Education Program in which it will provide "qualified low-income customers with a series of 'report cards' comparing their usage to comparable customers."²⁸ PPL plans to target 50,000 low-income customers to receive these report cards.²⁹

CAUSE-PA continues to believe that home energy report card program should not be funded or should be significantly scaled back in scope. The more than \$1 million that PPL plans to spend on this program should be directed towards PPL's Act 129 WRAP program or other such programs which provide meaningful bill impact to low-income households. Low-income households tend to live in older and less well-maintained housing with older, less-efficient heating and cooling systems. These factors contribute to a greater inability to simply reduce usage. Educating these households that one means of reducing bills and overall energy usage is to adjust their thermostat and not providing adequate remediation of the reason why the thermostat was turned up in the first place is a particularly inefficient use of Act 129 resources. It is for this reason PPL should more closely align its energy education with the installation of energy efficiency measures. Low-income households need access to weatherization and, when appropriately tied to the weatherization work performed, education to sustain and maintain the

²⁸ Phase II Plan at 82.

²⁹ *Ibid.* at 87.

savings accomplished through that weatherization. Actual weatherization work with direct installation of measures is one of the most meaningful ways to help a family be able to control their bills and stay in their house; the approach proposed by PPL's behavioral program might show some savings using the right statistical methods, but it is likely not enough to make any difference to the household

PPL asserts that spending this additional money through its WRAP program would not be as cost effective as doing so through its behavioral programs. However, from the perspective of the low-income customer, direct install measures produce more meaningful impacts. Furthermore, since PPL has estimated that it will capture significant savings through low-income customers participating in its general residential programs this shift should not impact PPL's ability to meet its targets.³⁰

PPL should amend its plan to either not implement its proposed Low-Income Behavior and Education Program or significantly scale back its program. Instead, the money allocated to this program would be more effectively used to provide additional heat pump hot water heaters and/or other appropriate directly installed measures through Act 129 WRAP eligible services, including education that is tied to installed measures. Education that is meaningful is connected to tangible and ongoing energy conservation through weatherization. This recommendation is particularly appropriate if PPL continues with its E-Power Wise Program as proposed given that it will be conducting energy efficiency education in coordination with that program.

c. Coordination with other programs, including NGDCs programs, and remediating space heating

Act 129 specifically requires that the "electric distribution company shall coordinate measures under this clause with other programs administered by the Commission or another

³⁰ See Plan at 192

federal or state agency.”³¹ In response to testimony submitted by CAUSE-PA and others, PPL committed in its rebuttal testimony and in response to interrogatories to continue to refer low-income households who participate in its Act 129 program to its other low-income programs including On Track, Operation HELP and LIHEAP.³² This is excellent. This level of coordination is essential so that low-income households who are not already enrolled in these programs become aware of the various other services that can assist them in reducing their bills. Additionally, PPL has clarified that it will work to coordinate its services with NGDCs. Specifically, PPL has stated that it will facilitate “three conference calls with NGDCs in its service territory during Act 129 PY5 (year 1 of Phase II) to discuss coordination of WRAP jobs.”³³ PPL also committed to evaluating the efficacy of these conference calls to determine whether they will continue. CAUSE-PA supports this approach.

Finally, PPL has made significant commitments to begin the process of remediating the problem of inefficient, dangerous electric space heaters in use by low-income households. In response to interrogatories, PPL clarified that as a part of its LIURP WRAP it will “replace or repair a customers central electric heating system (or individual baseboard units) as a part of WRAP,” and will refer customers who have a natural gas furnace in need of repair of replacement to the local NGDC for repair and replacement through their low income programs.³⁴ Furthermore, PPL committed to consider a pilot program to address more intractable electric space heating concerns in conjunction with its proposed 2014-2016 Universal Service and Energy Conservation Plan.³⁵ CAUSE-PA supports this approach and commends PPL for committing to begin the process of addressing this issue. Supplemental electric heating units are

³¹ 66 Pa. C.S. §2806.1(b)(1)(I)(G).

³² PPL Electric Utilities Statement No. 1R at 12:2-11.

³³ CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-5.

³⁴ CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-3.

³⁵ CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-4.

wasteful of energy and are extremely dangerous to the families and neighborhoods in which they are used. PPL should amend its Phase II Act 129 Plan to clarify that it will begin addressing these issues through LIURP and its other universal service programs.

d. Low-income customer participation in general residential programs

It is CAUSE-PA's position that low-income households should be encouraged to participate in low-income programs first and that participation in general residential programs should only be an ancillary means that these household achieve energy savings. It is not in the interest of low-income households to participate in general residential programs when they may be eligible for low-income programs which offer the same energy efficiency measures. This view is also supported by the OCA.³⁶ That said CAUSE-PA recognizes that some low-income customers may very well participate in the general residential programs; when this occurs these customers should be referred by PPL to those Act 129 programs available to them at no cost as well as PPL's universal service programs.³⁷ In response to information requested in discovery, PPL stated the following:

PPL Electric does not specifically identify the name of low-income customers who participate in general residential programs. However, PPL Electric will investigate if it is feasible to develop a process of 'cross check' participants in [its] Phase 2 general residential programs with [its] list of confirmed low-income program participants. PPL Electric will also include those customers that have participated in low-income programs outside of Act 129. Any type of 'cross-check' would be performed after a customer participates in the general residential program, not as a part of the rebate processing step.³⁸

PPL also committed to refer all low-income customers about whom they become aware through the use of a SWE-approved survey methodology³⁹ to its Act 129 programs and universal

³⁶ See OCA Statement No. 1 at 13:8-10.

³⁷ CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-1.

³⁸ See CAUSE-PA Statement No 1, Appendix B, PPL Response to CAUSE-PA Interrogatory I-6.

³⁹ In its Order on the 2012 PA Total Resource Cost Test, the Commission approved a process for EDCs to capture and determine low-income participation in each non-low-income residential program. Given this determination by

service programs. CAUSE-PA supports this approach and requests that PPL modify its Plan to ensure that this approach is reflected in the plan documents.

e. **Multifamily Program**

PPL has included in its Plan a Master Metered Low Income Multifamily Housing Program that targets energy efficiency improvements in multifamily buildings housing low-income individuals. This is an important program that was underserved throughout Pennsylvania in EDCs' Phase I plans. Many low-income households live in multi-family dwellings or in a master metering situation where, although the household is clearly low-income and clearly falls within the definition of low-income household for purposes of Act 129, the household is not the customer of record with the public utility. Rather, it is the landlord or property owner who, as the customer of record, usually in a commercial account, purchases the utility service. Therefore, even though Act 129 clearly seeks to aid these low-income households in acquiring weatherization assistance, because the landlord or property owner is the customer of record and would most likely be charged commercial rates, the low-income household likely will be barred from participating in PPL's Low Income Program. PPL's multifamily program appears designed to address this deficiency.

PPL's decision to bid out the management of this program to a CSP who will undertake the marketing, recruitment, and management of this program is also an excellent model. Multifamily buildings housing low-income households often have complicated ownership structures with a non-profit serving as the general partner in a partnership with others designed to leverage federal tax credits and other financing mechanisms. As a result, it is essential that the CSP chosen knows how to appropriately market and recruit properties which can successfully

the PUC, PPL's proposed methodology is reasonable as long as it receives proper approval of its survey methodology from the Phase II Statewide Evaluator.

take advantage of the Act 129 programs that PPL has to offer. The market manager approach taken by PPL should serve as a model for other EDCs in developing their multifamily programs.

C. Whole House Measure(s) Requirement

Other than the issues addressed in Section 4, above, concerning low-income programs CAUSE-PA has not taken a position on whether PPL's Plan complies with the Whole House Measure(s) Requirement.

D. Issues Relating to Individual Conservation Programs

Other than the issues addressed in Section 4, above, concerning low-income programs CAUSE-PA has not taken a position other Individual Conservation Programs.

E. Proposals for Improvement of EDC Plan

CAUSE-PA has addressed the improvements that it believes need to be made to PPL's program within Section 4, above, and incorporates those proposals herein as if fully set forth.

F. Cost Issues

CAUSE-PA has not addressed cost issues in this proceeding other than that which was addressed in Section 4 above.

G. CSP Issues

CAUSE-PA has not addressed CSP issues in this proceeding other than that which was addressed in Section 4 above.

H. Implementation and Evaluation Issues

CAUSE-PA has addressed the implementation and evaluation issues it believes need to be made to PPL's program within Section 4, above, and incorporates those proposals herein as if fully set forth.

I. Other Issues

CAUSE-PA does not have other issues which have not been addressed in Section 4 above.

VI. Proposed Ordering Paragraphs

CAUSE-PA respectfully submits the following proposed ordering paragraphs for the Commission's consideration:

- PPL's confirmed low-income customers have insufficient resources and are financially unable to pay for energy efficiency and conservation services without substantial assistance. (CAUSE-PA Statement No. 1 at 6-8).
- PPL shall file an amended plan to reflect that that while it may prioritize baseload WRAP within Act 129 program, it will, where appropriate and cost effective and where other sources of funding are not available, fund low-cost and full-cost WRAP jobs through Act 129. (CAUSE-PA Statement No. 1 at 11-12).
- PPL shall file an amended plan significantly reducing its use of Home Energy Reports for low-income households and work with stakeholders to redirect some of the funds designated for this measure towards direct installation measures which provide identifiable bill impacts to low-income households. (CAUSE-PA Statement No. 1 at 15-17).

- PPL shall file an amended plan to reflect the following commitments that it made in rebuttal testimony and/or in response to the parties discovery:
 - (1) Clarifying that when heat pump water heaters are installed low-income households will also receive all available baseload WRAP measures. (PPL Electric Utilities Statement No. 1R at 25:5-8);
 - (2) Its intention to refer low-income households who participate in its general residential Act 129 programs to its Act 129 low-income programs and to its other low-income programs including On Track, Operation HELP and LIHEAP. (CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-3);
 - (3) Its intention to work to coordinate its services with natural gas distribution companies with overlapping service territories. (CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-5);
 - (4) Its intention to “replace or repair a customers central electric heating system (or individual baseboard units) as a part of WRAP,” and refer customers who have a natural gas furnace in need of repair or replacement to the local NGDC for repair and replacement through their low income programs. (CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-3); and,
 - (5) Its intention to consider a pilot program to address other electric space heating concerns in conjunction with its proposed 2014-2016 Universal Service and Energy Conservation Plan. (CAUSE-PA Cross-examination Exhibit 1, PPL Response to CAUSE-PA II-4).

VII. Conclusion

CAUSE-PA asserts that PPL's plan appears to be generally designed to meet the requirements of Act 129 in a cost effective manner. CAUSE-PA submits that PPL's plan would be improved and would better be targeted to meet the needs of PPL's low-income customers through the incorporation of the changes recommended here, as well as in its Direct and Rebuttal Testimony. Accordingly, a revised PPL plan incorporating the changes and additions contained herein should be approved.

Respectfully submitted,

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