

May 21, 2015

VIA EFILE

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120


**Re: Implementation of the Alternative Energy Portfolio Standards Act of 2004:
Standards for the Participation of Demand Side Management Resources—
Technical Reference Manual 2016 Update;
Docket No. M-2015-2469311**

Dear Secretary Chiavetta:

Enclosed for filing are the Reply Comments of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company in the above-captioned matter. The Comments have been served on parties as shown on the attached Certificate of Service.

Please contact me if you have any questions regarding this matter.

Very truly yours,


John L. Munsch

JLM:dml

Enclosure

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of the Alternative Energy :
Portfolio Standards Act of 2004: :
Standards for the Participation of Demand :
Side Management Resources – Technical : **Docket No. M-2015-2469311**
Reference Manual 2016 Update :

**REPLY COMMENTS OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY AND WEST PENN POWER COMPANY TO
THE 2016 TECHNICAL REFERENCE MANUAL TENTATIVE ORDER**

I. INTRODUCTION

On April 11, 2015, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order seeking comments to the proposed updates to the Technical Reference Manual (“2016 TRM”) that will be applied to electric distribution companies’ (“EDCs”) Phase III Energy Efficiency and Conservation (“EE&C”) Plans from June 1, 2016 through May 31, 2021. The Commission directed that comments be submitted within thirty days of the entry date of the Tentative Order, and that reply comments be filed within forty days of the Tentative Order.

The Commission previously adopted an *Energy-Efficiency and DSM Rules for Pennsylvania’s Alternative Energy Portfolio Standard, Technical Reference Manual*¹ to help implement the Alternative Energy Portfolio Standards Act.² Subsequently, the protocols for measurement and verification of energy savings and load reduction impacts associated with EDCs’ plans to meet the requirements of Act 129³ were vetted through a collaborative process and specified in an updated TRM that was adopted in an Order in 2009 (the “2009 TRM”).⁴ The

¹ *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual Update*, Docket No. M-00051865 (Order entered October 3, 2005).

² 73 P.S. §§ 1648.1 – 1648.8.

³ 66 Pa.C.S §§ 2806.1 – 2806.2.

⁴ The TRM was adopted as a component of the EE&C Program in accordance with the Commission’s Energy Efficiency and Conservation Program Implementation Order (“Implementation Order”) entered on January 16, 2009.

Commission recognized the need to review and update the TRM on a periodic basis and directed the Commission's Bureau of Technical Utility Services to oversee the implementation, maintenance and annual updating of the TRM for Phases I and II. The Commission proposes in its Tentative Order that the 2016 TRM be applicable for the entirety of Phase III, unless a mid-phase update is deemed necessary by the Commission.

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, "the Companies") appreciate the efforts of the Commission, Staff and Statewide Evaluator ("SWE") in updating the TRM and have articulated support in comments on the Tentative Order for the Commission's proposal to use the 2016 TRM for the duration of Phase III unless a mid-phase update is deemed necessary by the Commission. The Companies filed comments on May 11, 2015. In response to comments submitted by other stakeholders, the Companies submit the following reply comments.

II. REPLY TO COMMENTS RELATED TO JOINT COMMENTATORS

The Companies submit the following reply to the comments submitted by the Joint Commentators.⁵

Section II – TRM Update Process: The Joint Commentators support the use of the TRM for the duration of Phase III, but recommend the "order clarify the process to perform targeted updates on specific measures that are impacted by code updates, baseline studies, or other specific research that emerges in the middle of phase III."⁶ The Companies believe that this clarification is unnecessary as the existing processes for reporting, evaluation and verification of

⁵ The Joint Commentators group is composed of PennFuture, Sierra Club, Environmental Defense Fund, Clean Air Act Council, Natural Resources Defense Council, and Keystone Energy Efficiency Alliance.

⁶ Joint Commentators at 4.

program results are fully sufficient to inform Commission decisions to consider if mid-phase updates of the TRM are necessary during Phase III.

Section II – Establishing Baselines: The Joint Commentators recommend use of market baselines rather than codes.⁷ The Companies continue to support the standing practice since implementation of Act 129 TRM to reference codes and standards that provide a consistent, clear and well documented baseline characterization in the TRM, and are consistent with the SWE EE Potential Study used to establish targets. Assessment of market practices is challenging with highly speculative and uncertain levels of accuracy and precision. The Joint Commentators reinforce that point in discussion of new construction projects stating “enforcement and compliance considerations can further complicate determining baselines for new construction programs.”⁸ Changing the standing approach of using codes and standards will lead to increased uncertainty and compliance risks.

Section III – Regarding the 2020 Baseline Wattages: The Companies disagree with Joint Commentators’ analysis and representation that baseline wattage values in Table 2-2 may be too high.⁹ The wattage values in the last column of Table 2-2 do not correspond to the 45 lm/W Energy Independence and Security Act ("EISA") standard. The Companies stated in their original comments that these values should be updated to 45 lm/W to reflect the EISA standard, using the average of the minimum and maximum lumens as stated in the first two columns for each row.

III. REPLY COMMENTS RELATED TO PPL

The Companies make the following reply to the comments submitted by PPL.

⁷ Joint Commentators at 5.

⁸ Joint Commentators at 5.

⁹ Joint Commentators at 7.

Section F. Commercial and Industrial EE&C Measure Protocols: The Companies generally agree with PPL’s discussion related to establishing a cap on the number of “above threshold” projects that must be metered per Program Year, but repeat their recommendation to raise the thresholds rather than a cap to accomplish accuracy in a more systematic manner. So far, the Companies have conducted special, real-time evaluations for at least 60 “above threshold” projects for PY6. Based on the Companies’ experience with non-residential programs, the Companies recommend that the thresholds be increased to 1,000 MWh for lighting, and 500 MWh for non-lighting, which will accomplish the same objective PPL articulates, but would be more systematic, support accuracy and free up impact evaluation resources to focus on other important issues. The Companies’ evaluation contractor reports that the current threshold values of 500 MWh and 250 MWh for lighting and non-lighting projects respectively result in sub-optimal evaluation resource allocation.

REPLY COMMENTS RELATED TO PECO

The Companies make the following reply to the comments submitted by PECO.

Section 1.12.4. Verified Gross Adjustments: The Companies agree with PECO that in cases where discrepancies in “widget” counts appear to be due to counting or clerical errors, it is important to allow both downward and upward adjustments. To do otherwise would create a measurement bias toward lower verified savings.

Section 3.1.2, Lighting Fixture Improvements: The Companies agree with PECO that there is value in not dropping the “other” facility category in lighting tables.¹⁰ The Companies believe the “other” facility type category serves a useful purpose as articulated by PECO, and support an appropriate framework for evaluation and verification sampling strategies. For

¹⁰ PECO comments at 10.

example, if an evaluator chooses to sample by facility type, the “other” category would likely be assigned a higher sampling rate.

Section 3.2.1, HVAC Systems: The Companies agree with PECO that the “other” building type should be reinstated for the same reasons articulated for Lighting Fixture Improvements.¹¹ The Companies also add that prescriptive HVAC projects usually represent an insignificant portion of portfolio costs or impacts and, therefore, there is little risk related to using stipulated hours of use rather than relying on logging, BMS trending, and modeling. Additionally, this type of data collection may not be incompatible with reporting deadlines, particularly for heating-related measures installed after the second quarter of the program year.

VII. CONCLUSION

The Companies appreciate the opportunity to provide comments on the Commission’s proposed revisions to the TRM and look forward to continuing to work with the Commission on this aspect of Act 129 compliance.

Respectfully submitted,

Dated: May 21, 2015



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¹¹ PECO comments at 11.

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**Implementation of the Alternative Energy :
Portfolio Standards Act of 2004: : Docket No. M-2015-2469311
Standards for the Participation of :
Demand Side Management Resources- :
Technical Reference Manual 2016 Update :**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Reply Comments upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by first class mail:

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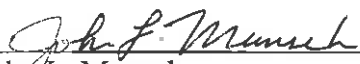
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Dated: May 21, 2015



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