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February 16, 2016

Via Electronic Filing

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor (filing room) Harrisburg, PA 17105-3265

Re: PPL's Act 129 EE&C Phase III Plan; Docket No. M-2015-2515642;

SEF STATEMENT IN SUPPORT OF JOINT SETTLEMENT

Dear Secretary Chiavetta:

Enclosed for filing with the Commission, please find the Sustainable Energy Fund's Statement in Support of the Joint Settlement in the above-referenced matter.

If you have any questions, please do not hesitate to contact my office.

Best regards,

Judith D. Cassel Micah R. Bucy

Counsel for SEF

Enclosure

cc: Administrative Law Judge Colwell

Per Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities

Corporation for Approval of its Act 129

Phase III Energy Efficiency and

Conservation Plan

Docket No.: M-2015-2515642

STATEMENT OF THE SUSTAINABLE ENERGY FUND IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT

The Sustainable Energy Fund of Central Eastern Pennsylvania ("SEF"), one of the signatory parties to the Joint Petition for Approval of Partial Settlement ("Settlement"), believes the terms and condition of the Settlement are in the public interest, and through its counsel, Hawke McKeon & Sniscak LLP, submits this statement in support:

- 1. SEF is a Pennsylvania corporation established upon the conclusion of PPL Electric Utilities Corporation's ("PPL") Restructuring Proceeding and pursuant to the terms of the Joint Settlement of that proceeding approved by the Commission's August 27, 1998 Order at Docket No. R-00973954.
- 2. SEF's mission is to promote and invest in energy efficiency, renewable energy and energy education that provide opportunities and benefits for PPL ratepayers, including low-income ratepayers.
- 3. SEF intervened and participated as a party in PPL's Phase I and II EE&C Plan filings at Docket Nos. M-2009-2093216 and M-2012-2334388, respectively. SEF intervened in PPL's Phase III EE&C Plan Filing at Docket No. M-2015-2515642 on December 21, 2015.

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SEF's intervention was necessary to ensure the development of a complete record on the reasonableness of PPL's Phase III EE&C Plan proposals.

- 4. SEF actively participated in the Phase III proceedings, including filing SEF-Statement No. 1 of John M. Costlow, the president of SEF. SEF's testimony concerned PPL's EE&C Phase III plan as it related to both Small and Large Industrial Customers. Specifically, SEF was concerned with customer awareness, as well as the rebate range being offered to these customer classes.
- 5. On January 29, 2016, an evidentiary hearing was held, at which time SEF moved its Statement No. 1 into the record. At that time, PPL also indicated to Judge Colwell, the presiding Administrative Law Judge, that the parties had reached a partial settlement.
- 6. As part of the Settlement, PPL and SEF were able to come to mutually agreeable resolutions regarding SEF's concerns with the Plan. These resolutions include:

E. CUSTOM PROGRAM

- 49. PPL Electric shall remove the "average" modifier from the incentive ranges in the Custom Program.
- 50. PPL Electric shall strive to keep the Custom Program's rebates and per-site caps as consistent as possible while recognizing the need to adjust incentives and caps to control the pace of the Company's programs within their savings and cost budgets.

H. SMART AND PROGRAMMABLE THERMOSTATS

58. PPL Electric will revise its EE&C Plan to add a pilot designed to

provide programmable thermostats designed to control baseboard electric heaters of residential or low-income customers. PPL Electric will use commercially reasonable efforts to obtain 20 participants for the pilot, but the parties acknowledge that the program is voluntary and that PPL Electric cannot guarantee the actual number of participants. The Company will strive to start the pilot by June 2017, but the completion date is contingent on the design of the program, delivery channels for the thermostats, and participation by customers. The Company will publish the results of the pilot to stakeholders. This programmable thermostat pilot is not the same as the residential demand response pilot described in Paragraph 57 above.

- 7. SEF believes that this Settlement is in the public interest.
- 8. Based on the above, SEF supports the Joint Petition for Approval of Partial Settlement.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document(s) via First-Class Mail (unless noted otherwise) upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

The Honorable Susan D. Colwell Administrative Law Judge PA Public Utility Commission PO Box 3265 Harrisburg, PA 17105 scolwell@pa.gov (via email and First-Class Mail)

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Dated: February 16, 2016