

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 11, 2017

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

RE: Energy Efficiency & Conservation Program
Docket No. M-2012-2289411

Petition of PECO Energy Company for
Approval of its Act 129 Phase II Energy
Efficiency and Conservation Plan
Docket No. M-2012-2333992

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer to the Petition of PECO Energy Company Regarding Initial Determinations in the Phase II Compliance Order in the above-referenced proceeding.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lauren M. Burge".

Lauren M. Burge
Assistant Consumer Advocate
PA Attorney I.D. # 311570
E-Mail: LBurge@paoca.org

Enclosures
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency & Conservation Program	:	Docket No. M-2012-2289411
	:	
Petition of PECO Energy Company for Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan	:	Docket No. M-2012-2333992

ANSWER OF THE OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF PECO ENERGY COMPANY
REGARDING INITIAL DETERMINATIONS
IN THE PHASE II COMPLIANCE ORDER

I. INTRODUCTION

Pursuant to Section 5.61 of the Pennsylvania Code, 52 Pa. Code § 5.61, the Office of Consumer Advocate (OCA) provides the following Answer to the Petition of PECO Energy Company (PECO or the Company) Regarding Initial Determinations in the Phase II Compliance Order. In its Petition, PECO contests the Pennsylvania Public Utility Commission's (Commission) initial determination in its April 6, 2017 Compliance Order regarding the Energy Efficiency and Conservation (EE&C) Program, in which the Commission precluded PECO from using excess Phase II savings from low-income and government, educational and non-profit (G/E/NP) carve-outs to meet carve-out requirements in its subsequent Phase III plan.

As discussed below, the OCA is concerned with such a significant carryover of the Phase II savings from the low-income carve-out and the impact it will have on the ability of low-income customers, who pay for these programs, to receive the intended portion of the expected benefits in Phase III. The OCA submits that, if PECO is permitted to carry over excess savings from its Phase II low-income carve-out, the Commission should direct PECO to continue to use

all funding allocated to the low-income customer class and to work with the stakeholders to ensure that the full budgeted amount is applied in a way that allows low-income customers to continue to experience the full benefit of the program.

II. ANSWER

Throughout the Comment period of the Phase III EE&C Implementation Order, the OCA supported the expansion of the EE&C low-income carve-out to 5.5%. See, Energy Efficiency and Conservation Program, Docket No. M-2014-2424864 (OCA Comments of April 27, 2015 at 11-14). In addition, the OCA supported requiring each EE&C Plan for Phase III to include low-income specific programs designed to meet the proposed carve-out percentages without having to rely on the participation of low-income customers in programs not specifically targeted to the low-income population. The OCA submits that the Phase III Implementation Order's requirements that the low-income EE&C carve-out be increased to 5.5% of total savings from low-income specific measures provided substantial benefits to low-income ratepayers.

In its Petition, PECO challenges, *inter alia*, the Commission's initial determination in its April 6, 2017 Compliance Order precluding PECO from using excess Phase II savings from low-income carve-out to meet carve-out requirements in its subsequent Phase III plan. Instead, PECO requests that its Phase III low-income savings requirement be met by using 24,332 MWh from Phase II. Petition at ¶ 21. In effect, this reduces the low-income savings expected to be achieved in Phase III from a carve-out of 5.5% to 4.3% of the total Phase III savings. PECO states that this use of the Phase II low-income excess savings will allow PECO more flexibility to pursue other comprehensive projects for low-income customers, such as whole house measures. Id.

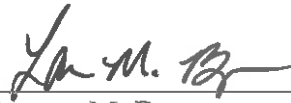
While the OCA is supportive of achieving deeper savings through the use of whole house programs, the OCA is concerned with such a significant reduction in achieved savings for low-income customers in Phase III. If PECO is permitted to carry over its excess Phase II low-income savings, low-income customers may not obtain the full benefits intended in Phase III by increasing the savings requirement to 5.5%. The OCA recognizes that allowing this carryover would provide PECO with a degree of flexibility as to how it applies the available funding to achieve consumption reduction targets; however, this should not prevent PECO's low-income customers from realizing the full benefits of the EE&C program. While the OCA supports more attention to whole house programs, it must also be recalled that not all low-income households are eligible for whole house treatment or could benefit from such treatment.

The OCA submits that if the Commission grants PECO's request and allows the excess savings from the Phase II low-income carve-out to be carried over to the Phase III carve-out, the Commission should direct PECO to continue applying the full amount of funding allocated to programs directed toward the low-income customer class in Phase III. PECO should also be directed to work with the existing stakeholder group to develop an approach that will spend the entire budgeted amount on programs specifically benefitting low-income customers, and will achieve the maximum amount of savings for the broadest low-income customer base within that budget. This will ensure that low-income customers continue to receive the benefit of the program.

III. CONCLUSION

The OCA respectfully requests that, if the Commission allows PECO to carry over excess savings from its Phase II low-income carve-out, the Commission should direct PECO to continue to use all funding allocated to the low-income customer programs and to work with the stakeholders to ensure that the full budgeted amount is applied in a way that allows low-income customers to continue to experience the full benefit of the program.

Respectfully Submitted,



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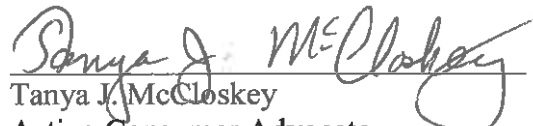
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency & Conservation Program	:	Docket No. M-2012-2289411
	:	
Petition of PECO Energy Company for	:	
Approval of its Act 129 Phase II	:	Docket No. M-2012-2333992
Energy Efficiency and Conservation Plan	:	

VERIFICATION

I, Tanya J. McCloskey, hereby state hereby state that the facts above set forth in the OCA's Answer are true and correct and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature:


Tanya J. McCloskey
Acting Consumer Advocate

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DATED: May 11, 2017

CERTIFICATE OF SERVICE

Energy Efficiency & Conservation Program : Docket No. M-2012-2289411
:
Petition of PECO Energy Company :
For Approval of its Act 129 Phase II : Docket No. M-2012-2333992
Energy Efficiency and Conservation Plan :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer to the Petition of PECO Energy Company Regarding Initial Determinations in the Phase II Compliance, 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 11th day of May 2017.

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