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VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd floor North
P.O. Box 3265
Harrisburg, PA, 17105-3265

RE: Comments of the Keystone Energy Efficiency Alliance- Docket No. M-2015-2515642

Dear Secretary Chiavetta:

Please find attached the Comments of the Keystone Energy Efficiency Alliance (KEEA) to the above referenced matter.

Sincerely,

Eric D. Miller, Esq.
Policy Counsel

**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**

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Docket No. M-2015-2515642

**Comments of the
Keystone Energy Efficiency Alliance**

July 6, 2017

Introduction

On June 6, 2017, PPL Electric Utilities Corporation (PPL) filed a Petition for Approval of Changes to its Act 129 Phase III Energy Efficiency and Conservation Plan (Petition).¹ Specifically, PPL is requesting that the Pennsylvania Public Utility Commission (PUC) review and approve thirteen minor and major modifications to its plan. The proposed changes include, among other measures; residential demand response measures, a new construction measure to the Low-Income Winter Relief Assistance Program (WRAP), inclusion of multifamily housing in the new construction component of the Energy Efficient Home Program, and enhanced incentives for localized energy efficiency or demand reduction.²

The Keystone Energy Efficiency Alliance (KEEA) is a 501(c)(6) trade association committed to advancing energy efficiency and other clean energy technologies in the Commonwealth of Pennsylvania. With more than fifty business, organizational, and non-profit members operating throughout the Commonwealth, KEEA is growing the market for energy efficiency and helping Pennsylvania secure a prosperous, sustainable future. KEEA remains committed to ensuring that Pennsylvania's utility energy efficiency programs continue to grow and provide innovative solutions for ratepayers across the Commonwealth to save energy, and money.

KEEA is also a member of the Pennsylvania Energy Efficiency for All Coalition (PA-EEFA), which submitted comments on this docket. PA-EFA is a partnership of Pennsylvania and national organizations that share the common goal of ensuring that low-income individuals have access to energy efficiency services to reduce their energy consumption.

¹ See, Petition of PPL Electric Utilities Corp. for Approval of Changes to its Act 129 Phase III Energy Efficiency and Conservation Plan, Docket No. M-2015-2515642.

² *Id.*

Comments

KEEA broadly supports PPL's proposed minor and major plan changes, and believes all thirteen changes described by PPL will result in more effective programs through the deployment of more innovative program measures. KEEA further believes that PPL's proposed plan changes are reasonable, and will enable PPL to meet its Phase III compliance targets within its Phase III budget. KEEA supports the Comments submitted by PA-EEFA, but would like to provide additional comments on PPL's proposed enhanced incentive for localized energy efficiency.

PPL proposes enhanced incentives for localized energy efficiency or demand reduction to be offered as a pilot under the Appliance Recycling, Energy Efficient Home, Demand Response, and Nonresidential Energy Efficiency Programs.³ PPL states that these enhanced incentives could be offered as a pilot to specific locations of PPL's service territory to help it evaluate how location specific incentives influence customer participation, how they impact grid operations, and whether they can be used to defer distribution system upgrades. PPL further notes that it would meet with stakeholders before implementing its pilot.

KEEA strongly supports these modifications, particularly PPL's commitment to determine whether location specific incentives can be used to defer distribution system upgrades. Localized energy efficiency measures and other non-wire alternatives can play an important role in reducing the need for capital investments in the electric distribution system. Such projects lower costs for all ratepayers, including those that do not directly participate in energy efficiency programs. Jurisdictions across the country have explored similar programs to defer distribution

³ *Id.*

investments with measurable success. If well-designed, KEEA believes that PPL's proposed plan changes may be able to replicate this success in Pennsylvania.

Though more information is required to determine the specific nature of the enhanced incentives, KEEA believes that providing enhanced measures across multiple programs provides the best opportunity for the successful deferment of distribution system investments. The impact of energy efficiency measures on electricity consumption and peak load reduction will differ depending on the specific program and customer class. Therefore, providing enhanced measures across programs, as proposed by PPL, provides the best opportunity for the successful deferment of distribution system investments.

When determining where to deploy enhanced measures, KEEA recommends that PPL pursue active deferrals. Active deferrals refer to the process of deploying enhanced measures in specific areas already identified by PPL as in need of improved grid operations or distribution system upgrades to meet congestion or reliability concerns. A similar process has been used extensively by Consolidated Edison (Con Ed), the utility that serves New York City. For the past decade, Con Ed has engaged in geographically targeted investments in energy efficiency to defer system upgrades in more than one third of its distribution networks. The resulting savings from those projects provided more than \$300 million in net benefits to ratepayers.⁴

Another model for distribution system upgrade deferments is National Grid, operating in Rhode Island. In 2011, National Grid proposed a pilot project designed to test whether geographically targeted energy efficiency and demand response could defer the need for a new substation feeder. The pilot began in 2012 with the objective of deferring a \$2.9 million feeder

⁴ Gazze, Chris, Steven Mysholowsky, Rebecca Craft, and Bruce Appelbaum., "Con Edison's Targeted Demand Side Management Program: Replacing Distribution Infrastructure with Load Reduction," in Proceedings of the ACEEE 2010 Summer Study on Energy Efficiency in Buildings, Volume 5, pp. 117-129.

project for at least 4 years. National Grid began that project by aggressively marketing its existing energy efficiency programs in the geographic target region. KEEA recommends that PPL considered coupling its enhanced incentives with a targeted marketing effort to further bolster its programs.

Conclusion

KEEA appreciates the opportunity to provide these Comments.

Respectfully submitted,



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