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August 20, 2018

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'S COMMENTS TO PPL ELECTRIC'S PETITION FOR
APPROVAL OF A MAJOR AND MINOR CHANGES TO ITS ACT 129
PHASE III EE&C PLAN**

Dear Secretary Chiavetta:

Please find enclosed for filing the Sustainable Energy Fund of Central Eastern Pennsylvania's ("SEF") comments in the above-referenced matter. All parties to the proceeding are being served with a copy of SEF's comments per the attached certificate of service.

If you should have any questions regarding this filing, please do not hesitate to contact our office.

Best regards,

Judith D. Cassel
Micah R. Bucy
*Counsel for The Sustainable Energy Fund of Central
Eastern Pennsylvania*

MRB/
Enclosure(s)
cc: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Act 129 : Docket No. M-2015-2515642
Phase III Energy Efficiency and :
Conservation Plan :

**COMMENTS OF
THE SUSTAINABLE ENERGY FUND
OF CENTRAL EASTERN PENNSYLVANIA**

The Sustainable Energy Fund of Central Eastern Pennsylvania (“SEF”), by and through its attorneys in this matter, Hawke McKeon & Sniscak, LLP, hereby submits the following Comments in response to the Petition of PPL Electric Utilities Corporation for Approval Major and Minor Change to Its Act 129 Phase III Energy Efficiency and Conservation Plan Under the Commission’s Expedited Review Process that was filed with the Pennsylvania Public Utility Commission (“Commission”) on July 20, 2018.

I. INTRODUCTION

On November 30, 2015 PPL Electric Utilities Corporation (“PPL”) filed its initial Phase III EE&C Plan pursuant to Act 129 of 2008¹ and other related Commission Orders under the above-captioned docket, M-2015-2515642. SEF was an active participant in the Commission approval process by filing Comments, submitting testimony, and by signing as a party to the Global Settlement between PPL Electric and the various interested parties. On March 27, 2016, the

¹ Act 129 of 2008, P.L. 1592, 66 Pa.C.S. §2806.1 and 2806.2.

Commission approved PPL's initial Phase III Plan subject to the revisions agreed upon in the Global Settlement.

On September 21, 2016, PPL Electric filed with the Commission its Petition for Approval of a Minor Change to Its Act 129 Phase III Energy Efficiency and Conservation Plan Under the Commission's Expedited Review Process ("Petition"). In its Petition, PPL made two requests: 1) that its Petition be evaluated under an expedited review process pursuant to the June 10, 2011 *Minor Plan Change Order* found at Docket No. M-2008-2069887 and 2) to modify the cost-effectiveness eligibility requirement so as to grant PPL greater flexibility to set the minimum Total Resource Cost ("TRC") for Small Commercial & Industrial ("Small C&I"), Large Commercial & Industrial ("Large C&I"), and Government, Non-Profit, and Education ("GNE") Customers with respect to the Custom Programs and the Combined Heat and Power ("CHP") program measures in its Phase III Plan to ensure that the "entire EE&C Plan will be cost-effective." *PPL's Petition at 2—3.*

On November 4, 2016, the Commission issued a Secretarial Letter approving PPL's minor plan change. On November 14, 2016, the PP&L Industrial Customer Alliance ("PPLICA") filed a petition for appeal of the Commission approval of PPL's minor plan change. PPL filed an answer to PPLICA on November 28, 2016. On January 26, 2017, the Commission denied PPLICA's petition for appeal.

On June 6, 2017, PPL filed another petition for approval of major and minor changes to its Phase III EE&C Plan. On November 21, 2017, the Commission approved all but one of PPL's requested minor changes, referring the Enhanced Localized Incentives Pilot requested change ("ELIP Change") to the Office of Administrative Law Judge ("OALJ") for a hearing.² On

² *Petition of PPL Elec. Utils. Corp. for Approval of its Act 129 Phase III Energy Efficiency and Conservation Plan*, Docket No. M-2015-2515642 (Order entered Nov. 21, 2017).

February 16, 2018, PPL filed a petition to withdraw its ELIP Change without prejudice. On February 26, 2018, PPLICA filed its opposition to the withdraw without prejudice. The outcome concerning ELIP is still pending before the Commission.

On July 20, 2018, PPL Electric filed with this Commission another Petition for Approval of Changes to its Act 129 Phase III Energy Efficiency and Conservation Plan (“July 20th Petition”) and requested the Commission review all requested modifications under the procedures for non-minor changes as set forth in the Commission’s Minor Plan Change Order.³ Under the *Minor Plan Change Order*, by PPL’s Petition is requesting the Commission rescind and amend its prior order approving the plan.⁴

II. COMMENTS

In its July 20th Petition, PPL is requesting 8 specific changes to its EE&C Plan.

SEF does not oppose all of PPL’s requested changes. However, SEF does oppose PPL’s major change request to reduce the estimated Small C&I savings in the Non-Residential Energy Efficiency Program and the Demand Response Program with no corresponding change in the cost estimates for the Small C&I sector.

SEF also opposes PPL’s minor change request to shift \$5.6 million from the GNE Sector Budget in the Demand Response Program to the GNE Sector Budget in the Non-Residential Energy Efficiency Program where a significant portion would be allocated to CHP projects.

³ *Energy Efficiency and Conservation Program*, Docket No. M-2008-2069887 (Order Entered June 10, 2011) (“*Minor Plan Change Order*”).

⁴ *Id.*

A. Major Change to Reduce Small C&I Savings in Non-Residential Energy Savings Program and Demand Response Program with No Change in Cost Estimates

In this major change request, PPL seeks to reduce the Small C&I sector's estimated energy savings in the Non-Residential Energy Efficiency Program and the demand reductions in the Demand Response Program by approximately 120,000 MWh and 11.4 MW, respectively, with no change to the total estimated costs for the Small C&I sector. In essence, this proposed change seeks to cut the energy savings of the Small C&I sector by nearly 25% of PPL's original Phase III goal of 462,861 MWh and nearly eliminate altogether the demand reductions of this sector (the goal in the Phase III Plan was 11.5 MW), while the costs remain the same.

SEF opposes this major change as such a reduction requires more analysis and review of results in this sector and alternative solutions. Additionally, the reduction in savings and demand without a reduction in costs needs to be examined.

B. Minor Change to Shift \$5.6 Million from GNE Sector Budget in the Demand Response Program to the GNE Sector Budget in the Non-Residential Energy Efficiency Program where a Significant Portion will be Allocated to CHP Projects

PPL requests a minor change to shift \$5.6 million from the GNE sector budget in the Demand Response Program to the GNE sector budget in the Non-Residential Energy Efficiency Program in order to accommodate additional CHP projects expected from GNE customers. SEF opposes this request because such a shift would leave Small C&I and Small GNE customers on the waiting list with deserving projects other than CHPs.

This is a disproportionate shift away from Small C&I customers since there is already a legislative carve out to insure savings for the GNE sector.⁵ This carve out allows GNE customers

⁵ 12 Pa.C.S.A. § 4301 *et al.*

to pursue incentives in their rate class. Therefore, this request is unnecessary and deprives Small C&I customers of energy saving incentives.

III. CONCLUSION

The Sustainable Energy Fund respectfully requests that the Commission consider and adopt the foregoing Comments, assign PPL's proposals to an administrative law judge to determine the reasonableness of PPL's requests, and take any other actions that are deemed appropriate.

Respectfully submitted,



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Dated: August 20, 2018

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties and in the manner listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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