



27 April 2020

Attn: Pennsylvania Public Utilities Commission

RE: Docket M-2020-3015228
Comments on Act 129 Phase IV EE&C Program Tentative Implementation Order

Dear Commissioners:

We are writing to express concern with the rule or policy changes proposed for Phase IV of Act 129 with respect to Electric Distribution Companies (EDCs) participating in PJM's "Forward Capacity Market".

Maxwell Lighting & Energy won the 2019 award for top lighting company in the "Trade Ally Program" of the ACT 129 energy efficiency implementation program known as PECO Smart Ideas in metro Philadelphia. That means we are intimately familiar with how energy efficiency projects with LED lighting and controls are structured, sold, and installed in Pennsylvania. These projects include dormitories, warehouses, municipalities, and factories. The large upfront cost for these projects can run tens of thousands of dollars. Owners and investors in these properties need every revenue stream possible to help finance these projects, and that includes payments from participation in the Forward Capacity Market. We can attest to the PUC that the current system of capacity payments to ratepayers does provide an important incentive for those larger ratepayers to go forward with energy efficiency projects that help fulfill the Commonwealth's goals for reduced greenhouse gas emissions.

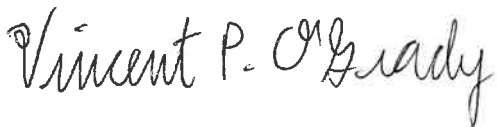
At the opposite end of the spectrum, we are in a position to aggregate many small and medium sized projects in to larger blocks, or pools, of load reduction. It is not practical or cost-effective for EDCs to aggregate the small demand reductions achieved by hundreds or possibly thousands of small and medium projects, especially when there is another party – like Maxwell Lighting & Energy – who is already directly working with these ratepayers and investors on a personal level.

Next, participation in the Forward Capacity Market involves a substantial amount of complexity, not the least of which is the strict and narrow timelines involved in completing reporting and performing transactions. An EDC, by nature, is a conservative, slow-moving entity focused on compliance, and its attention often shifts to disaster response, financial crises, economic development promotion, etc. We just do not see how Pennsylvania-domiciled EDCs would be able to respond in a timely, flexible fashion that allows those EDCs to maximize participation in the Forward Capacity Market in a manner that maximizes the most value for the ratepayers.

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For these and other reasons, we petition the PUC to leave in place the rules and procedures currently being practiced because they are logical and practical, while maximizing ratepayer value. The PUC gave extensive consideration to these issues in planning for Phases II and III of ACT 129 implementation and already determined the current practices to be most effective. To the best of our knowledge no new research-based data has become available to suggest that EDCs are better positioned to begin participating in the Forward Capacity market at this time.

Respectfully,



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We are an award-winning trade ally supporting PECO energy efficiency solutions for business.

P.S. While we submit these comments individually, we are aware of the ad hoc group of businesses referred to as the Pennsylvania Energy Efficiency Providers and we fully support their comments to the Commission.