



January 22, 2021

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

Dear Secretary Chiavetta,

Re: Comments on Energy Efficiency and Conservation Program Filings for Duquesne Light Company at Doc. No. M-2020-3020818; Metropolitan Edison Company at Doc. No. M-2020-3020820; PECO Energy Company at Doc. No. M-2020-3020830; Pennsylvania Electric Company at Doc. No. M-2020-3020821; Pennsylvania Power Company at Doc. No. M-2020-3020822; PPL Electric Utilities Corporation at Doc. No. M-2020-3020824; and West Penn Power Company at Doc. No. M-2020-3020823

I am writing on behalf of Ceres – a nonprofit sustainability advocacy organization working with companies and investors to build a more sustainable global economy, including many members and partners with significant operations, facilities, and business interests in Pennsylvania.

I would like to thank the Commission for its leadership last June in finalizing its Phase IV Implementation Order for Act 129. Our member companies believe that the Act 129 energy efficiency and demand response programs have been a success to date and are grateful for your work to ensure that these critical programs continue.

Climate change poses a significant risk to the long-term economic success of our members and the larger business community. It threatens the health and livelihood of the communities in which businesses operate and disrupts the value chains on which they rely. Because of these risks, companies in the Commonwealth and nationwide are making significant commitments to reduce their greenhouse gas (GHG) emissions.¹

¹ Nearly half of all Fortune 500 companies have set goals to reduce GHG emissions, procure renewable energy, and invest in energy efficiency, see: Ceres. “Power Forward 3.0: How the largest U.S. companies are capturing business value while addressing climate change” April 15, 2017. <https://www.ceres.org/resources/reports/power-forward-3>

However, businesses are often constrained in how much they can do to drive down their total GHG emissions footprint. For example, their direct ability to optimize the sources of energy that power the economy is limited. Therefore, they have a significant interest in finding ways to systematically improve the emissions performance of our electric and gas systems, including through the support of policies and programs that eliminate energy waste and reduce peak demand.

In addition to helping the state mitigate the worst impacts of climate change and helping businesses to manage their energy costs, energy efficiency investments can help the state recover economically from the COVID-19 pandemic. Now, more than ever, Pennsylvania needs tested, proven investments that pay for themselves, create local jobs, help hard hit industries, protect vulnerable populations, improve air quality and public health, and position the state to recover as quickly as possible. Pennsylvania has a rare window of opportunity to accelerate its recovery by doubling down on its energy efficiency programs – all at a time when residents and businesses need it the most.

Given the imperative to take immediate action to combat climate change and address the public health crisis, we urge you to act expeditiously to review and approve the pending Act 129 utility filings.

We also ask you to consider the following recommendations:

- **Act 129 programs should not end prematurely if they meet their goals.** Given the substantial economic benefits of energy efficiency, utilities should continue to invest and offer their programs even if they meet their statutory savings requirements. Programs should not be suspended or curtailed for strong performance. If anything, the Commission should support greater investment in what proves to work.
- **Programs approaches should adapt to account for the unprecedented impacts of the COVID-19 global pandemic.** Specifically, best practice health and safety requirements must be implemented. Program approaches should also:
 - Prioritize shovel-ready projects.
 - Take advantage of buildings that are vacant; under capacity or closed due to remote work; or are in dire need of improved ventilation and HVAC in order to curb the spread of COVID-19.
 - Support critical infrastructure like hospitals and healthcare facilities. And,
 - Serve customer segments that are acutely harmed by COVID-19, including residential and low-income customers, small businesses, businesses that employ frontline workers; and the education, hospitality, food services, and tourism

sectors - among other industries.

These actions would all send a strong signal to the thousands of energy efficiency contractors and construction workers that Pennsylvania remains open for business. In 2019, energy efficiency investments helped create more than 68,000 jobs across the state.² These jobs pay well, are local, and are in hands-on fields like installation so they cannot be easily outsourced. Many of these positions are with small businesses that are struggling to survive in the face of economic uncertainty. With the recent rise in COVID-19 cases, there is potential that the efficiency sector could once again lay off employees. Approving ambitious programs supported with robust funding and designed to employ strategies that account for these unprecedented times would provide important assurances to the industry so that it can retain its highly skilled workforce.

- **Programs should be prepared to scale should future funds from the Regional Greenhouse Gas Initiative (RGGI) become available.** Given the state's future entry into RGGI, it is important that utility programs be prepared to expand should RGGI funds become available. Energy efficiency is a priority of RGGI, and RGGI funds should be leveraged to grow the reach and impact of efficiency offerings.
- **The Commission should reexamine its fuel switching policy.** The Commission's current policy explicitly favors natural gas and other fossil fuels over electricity, regardless of cost considerations. This policy undercuts the goals of reducing pollution and saving customers money. Addressing this policy would allow for the exploration and implementation of beneficial electrification programs. Notably the built sector accounts for 40% of U.S. energy consumption and 12% of GHG emissions.³ As building stock continues to increase, this growing source of emissions must be addressed. The technologies needed to drive down these emissions are commercially available, but ambitious beneficial electrification initiatives are required to accelerate their deployment. At a minimum, we encourage pilot electrification offerings to support the collection of critical data so that the state's utilities, regulators, and stakeholders can better understand the opportunity to offer and expand building electrification measures to save ratepayers money and curb GHG emissions.

In closing, effective energy efficiency programs will benefit Pennsylvania's economy, its communities, and the health of its citizens and businesses. At this time of economic upheaval and climatic uncertainty, robust investments in demand side management are necessitated to

² "Clean Jobs Pennsylvania 2019," E2, June 18, 2019, <https://e2.org/reports/clean-jobs-pennsylvania-2019/>

³ "Energy Efficiency Trends in Residential and Commercial Buildings," U.S. Department of Energy, October 2008, https://www1.eere.energy.gov/buildings/publications/pdfs/corporate/bt_stateindustry.pdf, and U.S. Environmental Protection Agency website on "Sources of Greenhouse Gas Emissions," <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>.

send a clear signal to the businesses and the people of the state that our dual public health and climate crises are being addressed.

We appreciate the opportunity to provide these comments and share the perspectives of the private sector. Please do not hesitate to be in touch if we can provide additional information as this important public process progresses.

Sincerely,

A handwritten signature in black ink that reads "Brianna Esteves". The script is cursive and fluid.

Brianna Esteves
Manager, State Policy
Ceres
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CC:
Commissioner Gladys Brown Dutrieuille, Chair
Commissioner David W. Sweet, Vice Chair
Commissioner John F. Coleman, Jr.
Commissioner Ralph V. Yanora